

# AGREEMENT

Between

AMERICAN AXLE &  
MANUFACTURING, INC.

and the  
UAW



49 (Agri)  
(Supp)

Effective date: March 8, 2004 - 2/25/08

# Agreement

Between  
**American Axle &  
 Manufacturing, Inc.**  
 and the  
**UAW**

8/12/04



**February 27, 2004**  
**(Effective March 8, 2004)**  
 - 2/25/08

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## **INTRODUCTION**

Management and the Union are committed to the concept that Management, the Union and all AAM's associates can be the best by working together. All are in the same business and the success of that business is vital to all concerned. This requires that all associates work together to achieve business objectives such that the quality and cost of AAM's products and services will prove increasingly satisfactory and attractive so that the business will be continuously successful.

Management and the Union also realize and agree that the basic interests of the Corporation and AAM's associates are the same - the success of AAM in the marketplace. AAM recognizes that from time to time there may be different ideas on matters affecting the success of the Corporation. However, there is no reason why these differences cannot be mutually resolved through the sincere and patient efforts of the parties to this National Agreement.

## **PREFACE**

American Axle & Manufacturing, Inc. and the UAW recognize their respective responsibilities under federal, state, and local laws relating to fair employment practices.

The Company and the Union recognize the moral principles involved in the area of civil rights and have reaffirmed in their Collective Bargaining Agreement their commitment not to discriminate because of age, race, color, sex, religion, national origin, disability or sexual orientation.

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## **AGREEMENT**

Entered into this 27th day of February, 2004, between American Axle & Manufacturing, Inc., hereinafter referred to as the Corporation, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, hereinafter referred to as the Union, as representing the production and maintenance associates in certain of the Corporation's plants.

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Agreement Entered into on this 27th day of February, 2004

Between American Axle & Manufacturing, Inc.

(Hereinafter referred to as the "Corporation")

and the following Local Unions

United Automobile, Aerospace and Agricultural Implement  
Workers of America

235

424

2093

262

846

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

(The said Local Unions and the International  
Union being hereinafter referred to  
collectively as the "Union.")

## **JOINT VISION STATEMENT**

The Corporation and the Union jointly seek improved quality of life for our associates/members and to achieve profitable growth and as the premier Global Tier One supplier of driveline systems, chassis components, forged products and services while providing our customers with competitive advantages. To achieve this vision, the parties agree to the following principles:

- The joint objectives of the Corporation and the Union are to have a growing, prosperous company, and;
- To improve the quality of life for its associates/members and their families by assuring that they will be treated with dignity and provided with opportunity for economic security. In addition, it is in the parties best interest to assure that workers are afforded the opportunity to master their work environment; to achieve not only improvement in their economic status but, of equal importance, to gain from their labors a greater measure of dignity, self-fulfillment and self-worth.
- The Corporation and the Union recognizes the necessity of continuously improving productivity as a factor in the development and competitiveness of the Company.
- In support of the above principles, the parties are committed to the following activities:
  1. Maintaining a safe work place;
  2. Maintaining a prosperous business operation necessary to support competitive wages and benefits and to provide secure jobs with the opportunity for advancement;
  3. Providing associates a voice in their own destiny in decisions that affect their lives;
  4. Providing that the plants are operated under methods which

will promote, to the fullest extent possible, economy of operation, quality and quantity of output, cleanliness, and protection of property;

5. Working together as a team;
6. Building the highest quality products in the world at the lowest possible cost to the customer;
7. Promoting full communication of the established policies and procedures;
8. Cooperating with established standards of conduct which promote fair and equitable treatment;
9. Resolving associate concerns using problem solving and non-adversarial techniques that are based on consensus instead of confrontation;
10. Recognizing the full worth and dignity of all associates, and treating each other with respect;
11. Constantly seeking improvement in quality, efficiency and work environment;
12. Recognizing and respecting each other's rights and performing all responsibilities sincerely.

**2004 AAM-UAW  
CONTRACT SETTLEMENT  
AGREEMENT**

**2004 AAM-UAW  
CONTRACT SETTLEMENT  
AGREEMENT**

Agreement dated this 27th day of February, 2004 between American Axle & Manufacturing, Inc., hereinafter called the Corporation, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, hereinafter called the Union.

The parties hereto agree as follows:

**1. New National Agreement**

A new National Agreement to be dated February 27, 2004 and to become effective as hereinafter provided in Paragraph 25 of this Agreement has been negotiated by the parties hereto and consists of the provisions of the National Agreement between the parties dated February 25, 2000 except for the changes hereinafter noted as reflected in the attached pages which have been initialed by the parties.

Further, the parties have entered into a Memorandum of Understanding (MOU) which is dated May 6, 1994. It is understood that the terms and conditions of the Memorandum will remain in effect consistent with the provisions therein.

**2. Unchanged Paragraphs**

The following paragraphs, appendices and memoranda of the February 25, 2000 Agreement as supplemented, shall be included in the new Agreement without change:

INTRODUCTION  
PREFACE  
AGREEMENT

(1)	(6)	(30)	(43b)(2)
(2)	(6a)	(31)	(43b)(3)
(3)	(7)	(32)	(44)
(4)	(8)	(33)	(45)
(4a)	(9)	(34)	(46)
(4b)	(10)	(35)	(46)(1)
(4c)	(11)	(36)	(46a)
(4d)	(12)	(36)(1)	(47)
(4e)	(13)	(36)(2)	(48)
(4f)	(14)	(36)(3)	(48)(2)
(4g)	(15)	(36)(4)	(49)
(4g1)	(16)	(36)(5)	(50)
(4g2)	(17)	(36)(6)	(50)(1)
(4h)	(18)	(37)	(50)(2)
(4i)	(19)	(38)	(51)
(4i1)	(20)	(38)(1)	(52)
=(4i1)(a)	(20a)	(38)(2)	(53)
(4i1)(b)	(21)	(38)(3)	(54)
(4j)	(21)1	(38)(3)(a)	(55)
(4k)	(21)2	(38)(3)(b)	(56)
(4l)	(21a)	(38)(3)(c)	(58)
(4l)(a)	(21b)	(38)(3)(d)	(59)
(4l)(b)	(21c)	(38)(3)(e)	(60)
(4l)(d)	(22)	(38)(3)(f)	(60a)
(4l)(e)	(22a)	(39)	(60b)
(4l)(f)	(22b)	(40)	(60c)
(4m)	(23)	(41)	(60c)(1)
(4n)	(23a)	(42)	(60c)(2)
(4o)	(24)	(42a)	(60d)
(4p)	(24a)	(42a)(1)	(60e)
(4q)	(25)	(42a)(2)	(60f)
(4r)	(26)	(43)	(60g)
(4s)	(27)	(43a)	(61)
(5)	(28)	(43b)(1)	(61a)
(5a)	(29)	(43b)(1)(a)	(61b)

(61c)	(74a)	(87)(4)	(102)
(62)	(75)	(87)(5)	(102a)
(63)	(76)	(88)	(103)
(63)(a)(1)	(76a)	(89)	(104)
(63)(a)(2)	(77)	(89a)	(105)
(63)(b)	(78)	(90)	(105a)
(64)	(78b)	(92)	(106)
(64)(a)	(78d)	(92)(a)	(107)
(64)(b)	(79)	(92)(b)	(108)
(64)(d)	(79a)	(92)(c)	(109)
(64)(e)	(79a)(a)	(92)(d)	(109a)
(64)(f)	(79a)(b)	(92)(e)	(110)
(64)(f)(1)	(79b)	(92)(f)	(110a)
(64)(f)(2)	(79c)	(93)	(110b)
(64)(f)(3)	(79d)	(94)	(111)
(64)(g)	(79e)	(95)	(111)(a)
(64)(g)(1)	(79f)	(96)	(111)(b)
(64)(g)(2)	(79g)	(96a)(1)(a)	(111)(c)
(64)(h)	(79h)	(96a)(1)(b)	(112)
(65)	(79i)	(96a)(1)(c)	(112)(1)
(66)(a)	(80)	(96a)(3)	(112)(2)
(66)(b)	(81)	(97)	(112)(3)
(66)(c)	(82)	(98)	(112a)
(66)(d)	(83)	(98a)	(113)
(67)	(84)(a)	(98b)	(113a)
(68)	(84)(b)	(99)	(114)
(69)(a)	(84)(c)	(99a)	(115)
(69)(b)	(85)(a)	(100)	(116)
(70)	(85)(b)	(101)(c)	(117)
(71)	(85)(c)	(101)(d)	(118)
(72)	(86)	(101)(e)	(119)
(73)	(87)	(101)(i)	(120)
(73a)	(87)(1)	(101)(j)	(121)
(73a)(1)	(87)(2)	(101)(k)	(122)
(74)	(87)(3)	(101)(l)	(122)a

(122)b	(135)	(161)(3)	(190)(a)
(122)c	(136)	(161)(4)	(190)(b)
(122)d	(137)(a)	(162)	(190)(c)
(122)e	(137)(b)	(162)(1)	(191)(a)
(122)f	(137)(c)(1)	(162)(2)	(192)(a)
(122)g	(137)(c)(2)	(162)(3)	(193)
(122)h	(137)(d)	(162)(4)	(193a)
(122)i	(138)	(174)	(193b)
(123)	(138)(a)	(175)	(194)
(124)	(138)(b)	(175)(1)	(195)
(125)	(138)(c)	(175)(2)	(196)
(126)	(139)	(175)(3)	(197)
(127)	(140)	(175)(4)	(198)
(127)(a)	(140a)	(176)	(199)
(127)(b)	(140b)	(176)(1)	(200)
(127)(c)	(141)	(176)(2)	(201)
(127)(d)(1)	(141)(a)	(177)	(202)
(127)(d)(2)	(141)(b)	(178)	(202a)
(127)(d)(3)	(141)(c)	(178a)	(202b)
(127)(e)	(142)	(179)	(202c)
(127)(f)	(143)	(181a)	(202d)
(127)(g)	(144)	(182)(a)	(202d)(1)
(127)(h)	(145)	(182)(b)	(202d)(2)
(127)(i)	(146)	(182)(c)	(202d)(3)
(127)(j)	(147)	(182)(d)	(202e)
(127)(k)	(148)	(183)(a)	(202f)
(127)(l)	(149)	(183)(b)	(202f)(1)
(127)(m)	(149a)	(183)(c)	(202f)(2)
(128)	(149a)(1)	(183)(d)	(202f)(3)
(130)	(149a)(2)	(183)(e)	(202g)
(131)	(150)	(184)	(202h)
(132)	(152)	(187)	(202i)
(132)(a)	(161)	(188)	(202j)
(133)	(161)(1)	(189)	(202k)
(134)	(161)(2)	(190)	(202l)

(203a)	(211)	(224)
(203b)	(212)	(225)
(204)	(213)	(226)
(205)	(213a)	(227)
(205a)	(213a)(a)	Appendix B
(206)	(213a)(b)	Appendix C
(207)	(214)	Appendix D
(208)	(215)	Appendix F
(209)	(216)	Appendix F-1
(209)(1)	(217)	Appendix F-2
(209)(2)	(219)	Appendix H
(209)(3)	(220)	Appendix I
(209)(4)	(221)	Appendix K Att.A, B
(210)	(222)	Appendix M

Memorandum of Understanding on Overtime

Memorandum of Understanding Voluntary Political Contributions  
Attachment

### **3. Amendments, Additions, Substitutions and Deletions**

A. The following paragraphs, appendices, and memoranda of the February 25, 2000 Agreement, as supplemented, shall be amended, as initialed by the parties and attached hereto, and shall be included in the new Agreement:

(48)(1)	(101)(a)(2)	(218)
(57)	(101)(c)	(218)(a)
(64)(c)	(101)(f)	(218)(b)
(69)	(101)(g)	(223)
(76)(b)	(101)(h)	Appendix A
(87)(6)	(203)	Appendix J
(96a)(1)	(203)(1)	
(96a)(2)	(203)(2)	
(96a)(4)	(203)(3)	
(101)(a)(1)	(203c)	

Memorandum of Agreement Voluntary Political Contributions  
Supplemental Agreement Covering Skilled Trades

B. The following new paragraphs, appendices and memoranda, as initialed by the parties and attached hereto, shall be included in the new Agreement:

(101)(a)(3)

(101)(b)

(101)(b)(1)

(101)(b)(2)

(202)(m)

Job Security Program

Appendix L – Memorandum of Understanding Sourcing

### **5. Union Bulletin Boards and Publication Racks**

The Union agrees to indemnify the Corporation against any and all ~~actions, charges, claims, damages or losses of any kind or nature whatsoever~~ resulting from, arising out of, based upon, or attributable to (1) any material posted or displayed on Union bulletin boards bearing the written approval of the President of the Local Union or the Chairperson of the Shop Committee, or (2) the display and/or distribution through the Union Publication Racks of publications of the Local Union and International Union which have been certified to Management as official by the President of the Local Union, the Chairperson of the Shop Committee or the International Union Representative.

[See Par. (92)-(94)]

[See Doc. 6]

### **8. Grievances Under Old Agreement**

Grievances filed with Management prior to the effective date of the new Agreement, may be appealed to the Umpire and considered by him under the provisions of the February 25, 2000 Agreement as though that Agreement were in effect until the effective date of the new Agreement.

[See Par. (46)]

## **9. Local Agreements**

It is agreed that any written local agreements, including but not limited to, local wage agreements, local seniority agreements and local shift preference agreements, entered into by the Shop Committees and Local Management after February 27, 2004, currently in effect, shall continue as local agreements between the respective local Management and Shop Committee subject to their respective terminal provisions, if any, and subject to the provisions of the new Agreement, for the life of the new Agreement. Any local agreement without a termination clause shall terminate without further action by either party to such local agreement, with the effective termination of the new Agreement, and such local agreement shall not be terminated otherwise except as the parties to such local agreement may agree hereafter in writing.

[See Par. (59),(75),(100),(221)]

## **10. Hiring Rates**

An associate hired during the term of the previous AAM-UAW National Agreement who has not attained the maximum base rate of the job classification as of the effective date of the new Agreement shall progress to the maximum base rate of the job classification in accordance with the provisions of Paragraph (98) of the 2000 AAM-UAW National Agreement not including the amount transferred from the Cost of Living Allowance pursuant to Paragraph (101)(g) of this Agreement.

The parties agreed that Paragraph (98) of the new Agreement is not intended to change any of the provisions or applications of local wage rules. However, where such wage rules are applied to associates who have not attained the maximum base rate of the job classification and who are covered by Paragraph (98), (98a), or (98b) of the new Agreement, the appropriate rate in Paragraph (98), (98a), or (98b) of the new Agreement will apply.

An associate, who has received the hire rate and rate progression set forth in Paragraph (98), (98a), or (98b) of the new Agreement and who, at the expiration of one hundred and fifty-six (156) weeks of

employment, is assigned or continues to be assigned to a job classification that has an extended training period, but has not completed the required time in such classification to receive the maximum base rate, will continue at the current rate or the rate specified in the local wage agreement for time worked in such classification, whichever is higher. Thereafter, such associate will receive a rate in accordance with the provisions of the local wage agreement.

For the purpose of applying the provisions of Paragraph (98), (98a), or (98b) of the new Agreement to the administration of a "Levels of Learning" or "Pay for Knowledge" system, the "maximum base rate of the job classification" shall be the locally negotiated base rate for Level III (where applied consistent with current agreements) for associates at Levels I, II or III. In the event an associate is transferred to a level higher than Level III, the maximum base rate of the job classification will be the rate for the level to which the associate is assigned.

For the purpose of determining the respective rates specified in Paragraph (98), (98a), or (98b) of the new Agreement, the Engineering Method-of-Rounding-specified.in.the.current letter regarding COLA-Calculation shall apply.

[See Par. (100)]

[See Doc. 87]

## **11. National Agreement Changes and/or Waivers**

It is agreed that it may be beneficial for local unions and local management to consider alternative work schedules and other changes at particular plant locations. It is further agreed that in order to facilitate and encourage such innovations, it may be necessary to change and/or waive certain provisions of the National Agreement at such plant locations. It is understood that any such change or waiver would not be effective unless approved in writing both by the Corporation and the International Union, and such changes would be effective only at the plant location(s) specifically designated.

[See Par. (82), (86),(89a),(220)]

[See App. K, Att. B]

[See Doc. 85,112]

## **12. Local Issues Strikes**

The Corporation will waive the provisions of the National Agreement prohibiting the right to strike with respect to each plant in which the International Union, UAW, authorizes a strike arising out of current negotiations of local issues, demands and supplemental agreements for the duration of the continuance of such strike at such plant. No such strike shall be authorized or called, however, without at least 5 working days prior written notice by the Union to the Corporation of the intention to authorize any such strike.

[See Par. (117)]

## **13. Related Supplemental Agreements**

Modified supplemental agreements are agreed to as shown on the pages which are initialed by the parties.

An amended Supplemental Agreement covering Pension Plan, Exhibit A; an amended Supplemental Unemployment Benefit Plan, designated as Exhibit D; and an amended Supplemental Agreement covering Profit Sharing Plan, Exhibit F are agreed to and renewed and shall be the same as those of the most recently expired Supplemental Agreements, except that they shall be revised as shown on the pages which are initialed by the parties, effective in accordance with and subject to the provisions of such pages.

## **14. Life and Disability Benefits Program and Health Care Program**

2004 Supplemental Agreements Covering Life and Disability Benefits Program, Exhibit B; and Health Care Program, Exhibit C, set forth in the pages which are initialed by the parties, are agreed to, effective in accordance with and subject to the provisions of such pages.

## **15. Personal Savings Plan**

A 2004 Supplemental Agreement Covering Personal Savings Plan, Exhibit G, set forth in the pages which are initialed by the parties, is

agreed to, effective in accordance with and subject to the provisions of such pages.

## **16. Exhibit B - Life and Disability Benefits Program**

Notwithstanding the provisions of Item 25 of this Contract Settlement Agreement, those provisions of Exhibit B to the new Agreement shall have as their effective date the effective date of the new agreement.

## **20. Wages Earned Definition**

For the purpose of this Agreement, monies distributed in the form of Profit Sharing, and Payments provided for in Paragraph (101)(b) and Document 92 shall be considered wages earned.

[See Profit Sharing Plan-Exhibit F]

## **22. Apprentice Safety Training**

During the 1997 negotiations the parties agreed to a revised Basic Safety Training Guide covering all approved AAM-UAW Apprentice Training schedules which reads as follows:

"The 80 hours of safety instruction provided for will be incorporated into the shop or related training schedules or a combination of both. The total shop training shall remain 7,424 hours and the total related training shall remain 576 hours. The portion of the 80 hours to be provided as shop training shall be subtracted from existing 'Optional Hours.' The portion of the 80 hours to be provided as related training shall be subtracted from 'Unassigned' related training hours.

"When the method of providing this safety training has been jointly established locally it shall be reviewed by the Local Apprentice Committee and the Local Joint Committee on Health and Safety and a copy of each revised schedule shall be forwarded to the AAM-UAW Skilled Trades and Apprentice Committee for approval. The schedules revised in accordance with this agreement will be adopted for those apprentices presently in the training program to the extent that they can be integrated into such revised programs without interfering with the progress of the apprentice."

[See Par. (122)f,(133),(145)]

### **23. Group Legal Services Plan**

A 2004 Supplemental Agreement Covering Group Legal Services Plan, Exhibit I, set forth in the pages initialed by the parties, is agreed to, effective in accordance with and subject to the provisions of such pages.

### **25. Ratification and Effective Date**

A. The new Agreement shall become effective on the first Monday following the date on which the Corporation receives satisfactory notice from the International Union that the new Agreement has been ratified by the Union membership provided that the Corporation receives said notice from the International Union on or before March 8, 2004.

B. No provision of the new Agreement shall be retroactive prior to the date such Agreement becomes effective, unless otherwise specifically stated therein.

[See Par. (222)]

### **26. Counterpart Signatures**

The signatures hereon shall be applicable to each of the various written agreements to which each party has committed itself in the same manner and with the same effect as if physically subscribed thereon.

The parties hereto, each by its duly authorized officials and representatives hereby accept this Contract Settlement Agreement and each and all terms and conditions thereof.

## **CUTTER GRINDER -- C**

### **Schedule C**

A cutter grinder in this schedule will perform the following jobs:

- (a) Sharpens drills, squaring and repointing.
- (b) Sharpens taps, squaring ends, repointing, grinding lead or chamfer.
- (c) Sharpens reamers by grinding chamfer or lead.
- (d) Surface grinds tools in multiple holding fixture, face-only; Rough grinds broken milling machine blades.
- (e) Operates cutoff saw on salvage tools.
- (f) Presets tool bits (gauges provided), and sets up large milling cutters on bench (includes assembly and disassembly of blades).

## REC GNITI N

(1) The Corporation recognizes the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, as the exclusive representative of the production and maintenance associates, for the purpose of collective bargaining in the bargaining units in which they are certified, as listed in the Index of Units, with respect to rates of pay, wages, hours of employment, or other conditions of employment in the bargaining units in which they have been so certified, and in such other bargaining units as presently exist and in which the Union is recognized as collective bargaining representative, 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.

(2) In case the UAW shall be certified as the bargaining representative for any additional bargaining units, or if recognition is extended without formal certification, the matter of including such unit under the terms of this Agreement shall be negotiated between the Labor Relations Staff of the Corporation and the International Officers of the Union.

(3) For the purposes of this Agreement the term "associate" shall include all production and maintenance associates in the bargaining units covered hereby, except associates employed in sales, accounting, personnel and industrial relations departments, superintendents and assistant superintendents, general supervisors, supervisors and assistant supervisors, and all other persons working in a supervisory capacity including those having the right to hire or discharge and those whose duties include recommendations as to hiring or discharging (but not leaders), and those associates whose work is of a confidential nature, time study persons, plant protection personnel (but not to include associates assigned to maintenance patrol or fire patrol duties), all clerical associates, chief engineers and shift operating engineers in power plants, designing (drawing board), production, estimating and planning engineers, draftspersons and detailers, physicists, chemists, metallurgists, artists, designer-artists and clay plaster modelers, timekeepers, technical school students, and those employed in technical or professional positions who are receiving training, kitchen and cafeteria help.

## **Union Security and Check-Off of Union Membership Dues**

(4) An associate who is a member of the Union at the time this Agreement becomes effective shall continue membership in the Union for the duration of this Agreement to the extent of paying an initiation fee and the membership dues uniformly required as a condition of acquiring or retaining membership in the Union.

(4a) An associate who is not a member of the Union at the time this Agreement becomes effective shall become a member of the Union within ten (10) days after the thirtieth (30th) day following the effective date of this Agreement or within ten (10) days after the thirtieth (30th) day following employment, whichever is later, and shall remain a member of the Union, to the extent of paying an initiation fee and the membership dues uniformly required as a condition of acquiring or retaining membership in the Union, whenever employed under, and for the duration of, this Agreement.

[See App. D]

(4b) Anything herein to the contrary notwithstanding, an associate shall not be required to become a member of, or continue membership in, the Union, as a condition of employment, if employed in any state which prohibits, or otherwise makes unlawful, membership in a labor organization as a condition of employment.

[See App. D]

(4c) The Union shall accept into membership each associate covered by this Agreement who tenders to the Union the periodic dues and initiation fee uniformly required as a condition of acquiring or retaining membership in the Union.

[See App. D]

(4d) The Local Union will furnish Local Management, not later than fifteen (15) days prior to implementation of the automatic dues deduction system at any plant, the names of all members paying dues direct to the Local Union. Thereafter, the Local Union will advise Management, promptly, of any changes to this list.

[See Par. (4i1), (4j), (4l), (4o), (4r)]

**(4e)** Any dispute arising as to the associate's membership in the Union shall be reviewed by a representative of local Management and the Chairperson of the local Shop Committee and/or the Financial Secretary, and if not resolved, may be decided by the Impartial Umpire.

**(4f)** "Member of the Union" as used in paragraphs (4) and (4a) above means any associate who holds membership in the Union. Such members shall not be more than thirty (30) days in arrears in the payment of membership dues.

**(4g)** Initiation fees for membership in the Union shall not exceed the maximum prescribed by the Constitution of the International Union at the time the associate becomes a member.

**(4g1)** In any state wherein Paragraphs (4) and (4a) of this Agreement cannot be made effective because of state law, an associate who is not a member of the Union at the time this Agreement becomes effective shall pay to the Union as a condition of continued employment, within ten (10) days after the thirtieth (30th) day following the effective date of this Agreement or within ten (10) days after the thirtieth (30th) day following employment, whichever is later, a sum equal to the Union's or local's initiation fee charged members and also a sum monthly which is equal to the monthly dues required of the Union's or local's members at each location, provided that such condition of continued employment is not prohibited by state law and, provided further, that such condition of continued employment continues to be lawful under the National Labor Relations Act, as amended.

**(4g2)** Any dispute which may arise as to whether or not an associate has paid the sum of money which is required to be paid as a condition of continued employment under Paragraph (4g1), shall be reviewed with the associate by a representative of the Local Union and a representative of Local Management. Should this review not dispose of the matter, the dispute may be referred to the Umpire whose decision shall be final and binding on the associate, the Union and the Corporation.

**'AUTHORIZATION FOR CHECK-OFF OF DUES**INTERNATIONAL UNION, UNITED AUTOMOBILE, AERC SPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW)  
DE' ROIT, MICHIGAN 48214

LAST NAME	FIRST INITIAL	MIDDLE INITIAL	SOCIAL SECURITY NO.
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
ADDRESS (NUMBER AND STREET)			PLANT _____
<input type="text"/>	<input type="text"/>	STATE	ZIP CODE
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

"To: American Axle & Manufacturing, Inc.

I hereby assign to that Local Union of the International Union, Unite I Automobile, Aerospace and Agricultural Implement Workers of America (UAW), designated by the International Union to the Corporation, in writing, as having jurisdiction over the unit where I am employed, from any wages earned or 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 may certify as due and owing from me as membership dues, including an initiation or reinstatement fee and monthly dues in such sums 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 AAM-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 301(c) of the Labor Management Relations Act of 1947 and otherwise.

(Applicant's Signature) \_\_\_\_\_

Date \_\_\_\_\_

(Witness) \_\_\_\_\_

**(4h)** During the life of this Agreement, the Corporation agrees to deduct from the pay of each associate, or notify the Trustee of the AAM-UAW Supplemental Unemployment Benefit Plan Fund to deduct from each such associate's Regular Benefits, Union membership dues levied by the International Union or Local Union in accordance with the Constitution and By-Laws of the Union, provided that each such associate executes or has executed the following "Authorization for Check-Off of Dues" form; provided further however, that the Corporation will continue to deduct monthly membership dues from the pay of each associate for whom it has on file an unrevoked Authorization for Check-Off of Dues form.

[See Doc. 18]

**(4i)** Deductions shall be made only in accordance with the provisions of said Authorization for Check-Off of Dues, together with the provisions of this Section of the Agreement.

**(4i1)** Once each month, the designated financial officer may submit to local management a list showing the name and social security number for each associate who is certified as owing an initiation fee and/or monthly dues, specifying the amount of the liability and the period to which any such monthly dues liability applies.

[See Par. (4d)]

**(a)** This list shall be dated and shall be submitted on or before the first Tuesday following the third pay day in the month.

**(b)** Such amounts will be deducted from the first pay received following the first payroll period ending in the next following calendar month provided the associate has sufficient net earnings to cover the liability.

**(4j)** A properly executed copy of such "Authorization for Check-Off of Dues" form for each associate for whom Union membership dues are to be deducted hereunder, shall be completed by the associate and submitted to the Local Management before any dues deductions are made, except as to associates whose authorizations have heretofore been delivered to Local Management. Deductions shall be made thereafter, only under the applicable Authorization for Check-Off of

Dues forms which have been properly executed and are in effect. Local Management shall deliver to the Local Union an "Application for Membership" form for each associate for whom Union membership dues are to be deducted under the provisions of the Check-Off except as to associates whose authorizations have heretofore been delivered.

[See Par. (4d)]

(4k) Check-Off deductions under all properly executed Authorizations for Check-Off of Dues forms which have been delivered to the respective Local Managements on or before the effective date of this Agreement, shall begin with the first month following the effective date of this Agreement.

[See Doc. 18]

[See CSA #11]

(4l) The initial monthly dues deduction from the pay of an associate who completes an "Authorization for Check-Off of Dues" form shall be made from the second pay received by the associate following the date on which the authorization was executed. It shall be presumed that associates owe initiation fees, unless they had previously executed an "Authorization for Check-Off of Dues" form at that plant, and such initiation fees will be deducted simultaneously with the initial deduction as specified in this paragraph. Thereafter, the Union membership dues for each succeeding calendar month shall be deducted as follows:

[See Par. (4d)]

(4l)(a) The deduction for monthly dues will be made from the first pay received following the first payroll period ending in the calendar month. All payroll periods ending in a calendar month will constitute, in the aggregate, the dues deduction month. Regular monthly dues and past dues or initiation fees, if any, will be deducted provided the associate has sufficient net earnings to cover the deductions. In the event there are insufficient net earnings, the deductions will be made from the subsequent pay or Regular Benefit received by the associate that is sufficient to cover the deductions. Any liability will be carried forward until the associate has sufficient net earnings to cover the deduction or breaks seniority, whichever occurs first. However, deductions will only be made from Regular Benefits provided the associate has an applicable "Authorization for Check-Off of Dues"

form in effect as of the date the deduction is made. In the event an associate has a past dues or initiation fee liability and receives a payment for the unused portion of Vacation Entitlement, such liability may be deducted from such payments.

**(4l)(b)** The dues deducted from an associate's earnings will be a sum equivalent to two (2) hours straight time pay and will be based upon the associate's hourly wage rate including cost of living allowance but excluding all other premiums for the job classification of record held by the associate during the pay period to which the deduction applies.

**(4l)(d)** In the event of a retroactive change in an associate's job classification of record for the pay period in which dues have been deducted, there will be no retroactive adjustment in the check-off of Union membership dues.

**(4l)(e)** The amount deducted from an associate's pay pursuant to these provisions shall be in addition to an amount which may be authorized by a Local Union pursuant to the Constitution and By-Laws of the Union and of which the Local Union has given notice to Local Management.

**(4l)(f)** In the event an associate does not receive a paycheck for a payroll period ending in a dues deduction month prior to the receipt of a Regular Benefit applicable to any such period, union dues in the amount of five dollars (\$5.00) or such other amount as may be established as dues shall be deducted from the Regular Benefit, provided the associate has the applicable "Authorization for Check-Off of Dues" form in effect as of the date the deduction is made. In the event such an associate subsequently receives a paycheck for a payroll period ending in the same dues deduction month, the difference between the amount of union dues paid and the amount then owing will be deducted from such paycheck.

**(4m)** In the case of associates rehired, or returning to work after layoff or leave of absence, or being transferred back into the bargaining unit, who previously have properly executed Authorization for Check-Off of Dues forms, deductions will be made for membership dues as provided herein.

**(4n)** In cases where a deduction is made which duplicates a payment already made to the Union by an associate, or where a deduction is not in conformity with the provisions of the Union Constitution and By-Laws, refunds to the associate will be made by the Local Union.

[See Par. (4o), (4p), (4q)]

**(4o)** Dues deductions shall be remitted to the designated financial officer of the Local Union once each month as soon as available but no later than 10 days after the regular deduction date. Any deductions made from subsequent payrolls or from Regular Benefits paid during payroll periods that end in the calendar month shall be included with the remittance for the following month. Local Management shall furnish the designated financial officer of the Local Union, monthly, with the names, social security numbers, department numbers and clock numbers of those for whom deductions have been made, the amounts of the deductions and the amounts deducted, by associate and in total, respectively, for initiation fees, regular monthly dues, and S.U.B. dues. Regular monthly dues and S.U.B. dues shall be identified as to the period to which such deductions apply. This information should be furnished along with the dues remittance. The designated financial officer will be advised of the order in which the names will be listed and of any future changes in the order of the listing as far in advance as possible. The foregoing notwithstanding, deductions made on a declining balance basis, deductions of a past dues or initiation fee liability from a Regular Benefit and deductions from pay for a liability incurred more than six (6) months prior to the actual deduction date will not be identified to a specific deduction month.

[See Par. (4d), (4n)]

[See Doc. 18, 19]

**(4p)** Any dispute which may arise as to whether or not an associate properly executed or properly revoked an Authorization for Check-Off of Dues form shall be reviewed with the associate by a representative of the Local Union and a representative of Local Management. Should this review not dispose of the matter, the dispute may be referred to the Umpire, whose decision shall be final and binding on the associate, the Union and the Corporation. Until the matter is disposed of no further deductions shall be made.

[See Par. (4n)]

**(4q)** Neither the Corporation nor the Trustee of the AAM-UAW Supplemental Unemployment Benefit Plan Fund shall be liable to the International Union or its locals by reason of the requirements of this Section for the remittance or payment of any sum other than that constituting actual deductions made from associate wages earned or from Regular Benefits received.

[See Par. (4n)]

**(4r)** In the event net earnings are sufficient to cover union membership dues for only one dues deduction month and an associate has a dues liability for more than one (1) month, the deduction will be for the current dues deduction month. In such situations membership dues for the past dues liability will be deducted from the next earnings received in that month or in a succeeding month in which the associate has sufficient net earnings to cover such union membership dues.

[See Par. (4d)]

**(4s)** In the event an associate receives a back pay settlement or award for any calendar month for which no dues deduction has been made, a deduction for each such month shall be made from such settlement or award.

[See Doc. 18]

**(5)** The purpose of this Agreement is to provide orderly collective bargaining relations between the Corporation and the Union, to secure a prompt and fair disposition of grievances, to eliminate interruptions of work and interference with the efficient operation of the Corporation's business.

[See Par. (19), (34)]

[See Doc. 5]

**(5a)** If either party at a particular location believes that the provisions of this Agreement are being administered in a manner inconsistent with orderly collective bargaining relations, the circumstances will be discussed between the designated representative of local Management and the Chairperson of the Shop Committee in an effort to resolve the problem. If the problem is not resolved after exhausting the above procedure, the Corporation's Director of Labor Relations or the Director of the AAM Department of the International

Union may request, in writing, a meeting of their designated representatives to discuss the problem and take appropriate action.

[See Par. (88), (215)]

[See Doc. 95]

(6) The Corporation will not interfere with, restrain or coerce associates because of membership or lawful activity in the Union, nor will it by discrimination in respect to hire, tenure of employment or any term or condition of employment, attempt to discourage membership in the Union.

~~(6a) It is the policy of American Axle & Manufacturing, Inc. and the UAW that the provisions of this Agreement be applied to all associates covered by this Agreement without discrimination based on age, race, color, sex, religion, national origin, disability or sexual orientation as required by appropriate state and federal law. Any claims of violation of this policy or claims of sexual harassment or of any laws regarding discrimination or harassment on account of disability may be taken up as a grievance.~~

When a grievance containing a claim of violation of this paragraph is appealed to the Shop Committee the Chairperson of the Shop Committee may refer the claim to a designated member of the Civil Rights Committee of the Local Union for a factual investigation and report. Any such investigation will be conducted in accordance with the provisions of Paragraph (33). Neither the Chairperson of the Civil Rights Committee, nor the member of the committee that the Chairperson may designate to investigate such a claim in the Chairperson's place, shall receive pay from the Corporation based solely upon any activity arising pursuant to this paragraph.

The grievance and arbitration procedure shall be the exclusive contractual procedure for remedying such discrimination claims.

[See Par. (37)]

[See App. H]

[See Doc. 30, 31, 32, 33, 99]

(7) The Union agrees that neither the Union nor its members will intimidate or coerce associates in respect to their right to work or in respect to Union activity or membership, and further that there shall be

no solicitation of associates for Union membership or dues during working time. The Union further agrees that the Corporation shall take disciplinary action for any violations of this provision.

(8) The right to hire; promote; discharge or discipline for cause; and to maintain discipline and efficiency of associates, is the sole responsibility of the Corporation except that Union members shall not be discriminated against as such. In addition, the products to be manufactured, the location of the plants, the schedules of production, the methods, processes and means of manufacturing are solely and exclusively the responsibility of the Corporation.

### **REPRESENTATION**

(9) The Union shall be represented in each bargaining unit as follows:

In the ratio of not to exceed one district committeeperson for each two hundred and fifty associates covered by this Agreement except that in plants of five hundred or less associates there may be three committeepersons; in plants of five hundred to one thousand associates there may be five committeepersons; in plants of one thousand to fifteen hundred there may be seven committeepersons. Any deviation from these rules to cover special conditions in any plant will be negotiated between the Corporation and the International Officers of the Union.

#### **District Committeepersons**

(10) Each bargaining unit will be districted by agreement between the local Plant Management and the Shop Committee so that insofar as practicable each district on each shift shall contain approximately two hundred and fifty associates. Each committeeperson shall have a definitely defined district. The members of the Union in each such district shall select a committeeperson who is working in that district to represent the associates in that district. An alternate district committeeperson in each district, whose duties shall be the same as those of the regular district committeeperson for that district while the regular committeeperson is absent from the plant, may be selected by the members of the Union. The total number of associates receiving a

regular payroll check for work performed (plus associates who did not receive a regular payroll check who are on an approved vacation or leave of absence pursuant to Paragraphs 103 and 109 - short term) during a week representative of normal operations, mutually selected by the Plant Management and Shop Committee, will be the number used for redistricting. Plants shall be redistricted *not more frequently* than at six-month intervals, upon request of either the Plant Management or Shop Committee, when there is a change in the number of associates equal to two hundred and fifty or five percent, whichever is greater. Thereafter, redistricting shall be accomplished within twenty working days of such request.

## Shop Committees

(11) The Shop Committees in the plants covered hereby shall be as follows, except in plants up to 5000 associates the Union has the option of selecting plan A or plan B where applicable:

Employment in Plant		Number Districts In Plant	Shop Committee Consists of		Total Shop Committee- persons
			District Committee- persons	Shop Committee- persons at Large	
Up to 51		2	2	0	2
51 to 500	{ <i>Plan A</i>	3	3	0	3
	{ <i>Plan B</i>	2	2	1	3
500 to 1,000	{ <i>Plan A</i>	5	5	0	5
	{ <i>Plan B</i>	4	4	1	5
1,000 to 1,500	{ <i>Plan A</i>	7	7	0	7
	{ <i>Plan B</i>	6	6	1	7
1,500 to 2,500	{ <i>Plan A</i>	6 to 10	7	0	7
	{ <i>Plan B</i>	6 to 10	5	2	7
2,500 to 3,500	{ <i>Plan A</i>	10 to 14	5	2	7
	{ <i>Plan B</i>	10 to 14	4	3	7
3,500 to 5,000	{ <i>Plan A</i>	14 to 20	4	3	7
	{ <i>Plan B</i>	14 to 20	3	4	7
5,000 to 7,000		20 to 28	0	7	7
7,001 to 9,250		29 to 37	0	8	8
9,251 to 10,500		38 to 42	0	9	9
10,501 to 11,750		43 to 47	0	10	10
11,751 to 13,000		48 to 52	0	11	11
13,001 and up		53 & over	0	12	12

(12) In plants in which one or more members of the Shop Committee is elected at large, one of such members shall be the Chairperson of the Shop Committee.

(13) Each member of the Shop Committee elected at large shall have a definitely defined zone as may be agreed upon between the Shop Committee and the Plant Management. Where the Chairperson

of the Shop Committee is elected at large, the entire plant shall constitute the Chairperson's zone. In the event a committeeperson is requested in a district at a time when both the district committeeperson and the alternate are absent from the plant, the zone committeeperson for the zone in which such district is located will be called to handle the complaint. In the event the zone committeeperson is also absent from the plant, the Chairperson of the Shop Committee will be called.

(14) In the larger plants, by agreement between the Plant Management and Shop Committee, a subcommittee made up of not less than two nor more than six of the district committeepersons in a subdivision of the plant may be formed to meet with the representatives of Management in charge of such plant-subdivision. A member of the Shop Committee for that zone may participate in such meeting. Grievances not settled by them may be referred to the Shop Committee as a whole for appeal to highest local Plant Management.

### **Meetings of Shop Committees**

(15) Each plant shall have a regularly scheduled meeting between representatives of the Local Management and the Shop Committee weekly, unless otherwise agreed between the Local Management and the Shop Committee to extend the time between meetings, at a time to be mutually agreed upon between the Committee and the Local Management. Emergency meetings will be arranged by mutual agreement. Regularly scheduled meetings should not be canceled or rescheduled except where necessary.

(16) Committeepersons will be employed as full-time Union representatives during their scheduled working hours. They will function for the purpose of adjusting grievances in accordance with the Grievance Procedure and for other legitimate representation functions. Committeepersons will carry out their duties and functions as Union representatives in accordance with the chart set out below:

	Members of Shop Committee			
Purpose	District Committee-persons	Who are also District Committee-persons	Who are not District Committee-persons	Chairpersons of Shop Committees
Handle Grievances as provided in Par. (29) of Grievance Procedure	In their respective districts	In their respective districts	None	None
Handle Appealed Grievances with higher supervision as provided in Par. (30) of Grievance Procedure	According to agreed local practice			
Investigate Grievances Appealed to Shop Committee as provided in Par. (33) of Grievance Procedure	None	In any district	In any district (1)	In any district
Meetings with Management	None	On Meeting Days (4)		
Handle other legitimate representation functions (2)	In their respective districts	In their respective districts	In their respective size (3)	In any district or zone

- (1) As a general rule, such committeepersons will not be assigned to investigate appealed grievances in zones other than their own.
- (2) Other legitimate representation functions are defined as normal in-plant activities pertaining to the administration of the National Agreement and written local agreements including, but not limited to, participation in joint programs such as health and safety programs, product quality initiatives, skill development activities, etc.; and, provided such activities do not interfere with the work of other associates, supervision or the efficiency of operations.
- (3) Or in another zone when designated by the Chairperson if the regular Zone Committee person for that Zone is absent from the plant.
- (4) Shop Committee persons attending Management-Shop Committee meetings on shifts other than their regular shift will be paid for time spent in such meetings, with the understanding that their total hours paid for the day in question will not exceed their regularly scheduled shift hours for that day and such changes in shift hours for this purpose will not result in the payment of overtime premium (pursuant to Paragraph (85)(a)). It is further understood that the above will not result in any increase in representation being furnished as a result of the Zone Committee persons not working a full shift on their regular shift.

[See App. I]

(17) Individuals shall not be eligible to serve as committeepersons unless they are associates and until their names have been placed on the seniority list and they are working in the plant.

[See Par. (23a)]

[See App. I]

(18) It is mutually agreed that the prompt adjustment of grievances is desirable in the interest of sound relations between the associates and the Management.

[See Par. (5), (34)]

[See App. I]

[See Doc. 5]

(19) The prompt and fair disposition of grievances involves important and equal obligations and responsibilities, both joint and independent, on the part of representatives of each party to protect and preserve the grievance procedure as an orderly means of resolving legitimate grievances.

Committeepersons acting properly in their official capacity should be free from orders by supervision which, if carried out, would impair the orderly investigation and presentation of grievances. Actions which tend to impair or weaken the grievance procedure, whenever they occur or in whatever manner or form, are improper.

Committeepersons have a responsibility to the Union and the associates they represent to conduct themselves in a businesslike manner and shall conform to the shop rules. The normal standard of conduct applicable to all associates shall be applied to committeepersons.

[See Par. (5)]

(20) Upon entering a department in the fulfillment of their duties, committeepersons shall notify the supervisor of that department of their presence and purpose or give the supervisor a copy of the written complaint if one has not already been provided.

(20a) In the event an associate requests representation under Paragraph 29 prior to being notified of a temporary transfer to another

district, the committeeperson for the associate's regular district may respond to the request, providing the districts involved are in reasonable proximity and there is no change of shift.

(21) For the purposes of representation in handling grievances and performing other legitimate representation functions as provided herein, committeepersons will be scheduled to report at the plant as follows:

1. All regular hours up to eight that their district or zone is scheduled to operate, on their respective shifts.

2. Other than regular hours (including overtime, part time or temporary layoffs, shutdown for model change, inventory or plant rearrangement) when ten (10) or more of the people they normally represent are working in their district or zone on their respective shift. Associates on continuous seven-day operations or operations manned by rotating or alternating shifts will not be considered in applying this provision.

When district committeepersons who would be scheduled to report during overtime hours, as provided herein, advise Management in advance that they will be absent during such hours, Management will schedule the alternate committeepersons for those districts to report. If committeepersons have been scheduled to report and fail to inform Management that they will not be at work, Management will not be responsible for calling the alternate committeeperson.

(21a) The shift starting and ending time for committeepersons will be the starting and ending time of the majority of the associates they represent. The provisions of this Representation Section do not require that Committeepersons be called earlier than their regular starting times because some associates in their districts start work earlier than their starting times or be given overtime when some associates in their districts start and quit later than their regular shift hours.

(21b) Any problem arising under or not covered by the above provisions, including representation for shifts comprising fewer than 250 associates, shall be subject to local negotiations with the Plant Management, with the right of appeal under the Grievance Procedure. If the problem is not resolved through local negotiations, it may be

raised by the AAM Department of the International Union directly with the Corporation's Labor Relations Staff.

(21c) In the event of a reduction in force:

Committeepersons (including Chairpersons of Shop Committees, Zone and District Committeepersons) shall be retained regardless of seniority as long as any associates whom they represent are retained at work in their district or zone.

Alternate committeepersons shall, at the point they would be subject to being removed from their respective district, be retained on a job they can do that is operating in their district. If after complying with all of the terms of this Agreement, alternate committeepersons are laid off, they will be the first to be recalled in their regular groups when work starts in those groups on their own jobs or on other jobs in their districts that they can do.

(22) Committeepersons shall enter and remain in the plant only on their respective shifts unless otherwise agreed to by the Plant Management. They shall be paid at their regular rate for the time spent in the plant on their respective shifts as provided in this Representation Section.

[See App. I]

(22a) Committeepersons shall establish a regular rate equal to their regular straight time hourly rate, as of the time they assumed their duties as Committeepersons.

This rate shall be adjusted in accordance with any adjustments made in the rate for the classification the Committeeperson then held.

When provisions of the Local Seniority Agreement entitle committeepersons to return to their former groups on higher rated jobs, their rates will be adjusted in accordance with such provisions. Also, Committeepersons are eligible for promotion to higher rated jobs in their District or Zone in accordance with Paragraphs (63)(a)(1), (63)(a)(2) or (63)(b) provided they are the most senior applicant and they are capable of doing the job.

(22b) All Committeepersons shall ring in and out, or otherwise account for their time, in the manner required by the Local Management. Problems regarding the administration of this provision may be referred directly to the AAM Department of the International Union and the AAM Labor Relations Staff for resolution.

### **Job Status Local Union Officials**

(23) The President, one Vice President, the Local Union Benefit Representative(s), the two union Local Apprentice Committee members and the Local Joint Programs Representatives provided for in Appendix J shall, at the point where they would be subject to layoff from the plant in a reduction in force, be retained at work in the plant regardless of their seniority, provided they can do a job that is operating. This will not apply in cases of temporary layoffs for model change, inventory, material shortages, machine breakdowns, etc.

(23a) While on leave of absence, no associate shall serve as a committeeperson.

[See Par. (17)]

(24) Committeepersons shall be governed by the local plant rules regarding employees entering and leaving the plant. However, members of the Shop Committee and local Union Presidents may leave the plant on Union business. They shall notify the designated management representative, if available, when leaving and returning to the plant during working hours when arrangements are made as far in advance as possible with the Plant Management by the President of the Local Union, Chairperson of the Shop Committee or International Representative.

[See Doc. 77]

(24a) Chairpersons of Shop Committees in plants employing 500 or more associates will be permitted to leave the plant in accordance with Paragraph 24 and will be paid their regular rates for up to six (6) hours per day Monday through Friday while they are out of the plant in the performance of legitimate representation functions during straight time hours when they would otherwise be entitled to be in the plant for representation purposes. They shall notify the designated

Management representative, if available, when leaving and returning to the plant during working hours. Chairpersons of Shop Committees in plants employing less than 500 associates will be permitted to leave the plant in accordance with the above and will be paid their regular rate for up to twenty (20) hours per week, which will be a reservoir available at the start of the week, to be drawn upon during the week Monday through Friday. Any single period of absence must be for a minimum of two (2) or a maximum of six (6) hours.

(25) The names of the committeepersons and alternate committeepersons in each district and the names of the committeepersons constituting the Shop Committee shall be given in writing to the Local Management. No committeepersons shall function as such until the Local Management has been advised of their selection, in writing, by the officers of the Local Union, Chairperson of the Shop Committee, or an International Officer. Any changes in committeepersons shall be reported to the Local Management in writing as far in advance as possible.

(26) International Executive Officers of the Union, or their representatives, duly authorized to represent the International Union at Shop Committee meetings, or the President of the Local Union if not employed in the plant, will be permitted to attend meetings between the Shop Committee and the Management of any plant. Presidents of ~~Local Unions~~ who work in the plant and are not Shop Committeepersons may attend Shop Committee meetings in that plant and will be paid their regular rates for time spent in such meetings for the hours they would otherwise have worked in the plant. The Plant Manager, or designated representative, shall not be requested to meet with more than two such representatives, whose names must have been submitted previously to the Corporation and who must be prepared to show proper credentials. Written request will be given to Plant Management at least twenty-four (24) hours before each meeting in all cases covered by this paragraph.

(27) Committeepersons having individual grievances in connection with their own work may ask for a member of the Shop Committee to assist them in adjusting the grievance with their respective supervisors.

## **GRIEVANCE PR CEDURE**

### **Step One. Presentation of Grievance to Supervisor**

(28) Any associate having a grievance, or one designated member of a group having a grievance, should first take the grievance up with the supervisor who will attempt to adjust it.

[See Par. (224)]

(29) Any associate may request the supervisor to call the committeeperson for that district to handle a specified grievance with the supervisor. The supervisor will send for the committeeperson without undue delay and without further discussion of the grievance.

[See Par. (20a)]

[See App. I]

[See Doc. 5]

(30) If the grievance is not adjusted by the supervisor, it shall be reduced to writing on forms provided by the Corporation, and signed by the associate involved and one copy shall be given to the supervisor. The committeeperson shall then take the grievance up with higher supervision with or without another committeeperson, according to the agreed local practice.

[See Par. (77)]

[See App. I]

### **Step Two. Appeal to Shop Committee**

(31) If the case is not adjusted at this step, it may be referred to the Shop Committee (or sub-committee where established).

(32) In plants in which sub-committees are established, cases not adjusted by the sub-committee and the representative of Management may be appealed to the Shop Committee as a whole to be taken up with the highest Local Management.

(33) After a written grievance signed by the associate making the complaint has been appealed to the Shop Committee by a Committeeperson, the Chairperson of the Shop Committee may designate one of its members to make a further investigation of the

grievance in order to discuss the grievance properly when it is taken up by the Shop Committee at a meeting with the Management. After a grievance has been discussed at the Shop Committee Meeting and before the submission of Notice of Unadjusted Grievance, the designated Shop Committeeperson may reinvestigate the grievance in the light of any new facts disclosed in the Shop Committee Meeting or appearing in the Shop Committee Minutes.

[See Par. (6a), (79d), (125)]

[See App. K,IV(C)(12)]

(34) A final decision on appealed grievances will be given by a representative of the highest Local Management within a maximum of fifteen working days from the date of first written filing thereof unless a different time limit is established by local agreement in writing. Any grievance not appealed from a decision at one step of this procedure in the plant to the next step within five working days of such decision, shall be considered settled on the basis of the last decision and not subject to further appeal. However, in plants where there are less than twenty-five hundred associates, the Shop Committee may, upon notifying the Plant Management in writing, substitute a ten (10) day period for the fifteen (15) day period and a three (3) day period for the five (5) day period. Provided further, however, that within the applicable time limits of this Paragraph a grievance may be withdrawn by mutual agreement without prejudice to either party.

[See Par. (5), (19)]

(35) Written answers will be given by the Management to all written grievances presented by the Shop Committee.

(36) The question of supplying minutes of the Shop Committee meetings with the Management to the Shop Committee and the form of such minutes is a matter to be negotiated with the Management of each plant by the Committee involved. In the interest of expediting orderly procedure, it is desirable for the Chairperson of the Shop Committee to furnish Management with an agenda of the matters, including a listing of grievances the Union desires to discuss at the meeting. The agenda if submitted should be furnished as far in advance of the meeting as possible. Such an agenda would not preclude discussion of other pertinent subjects. The minutes of Shop

Committee meetings will be furnished to the Chairperson of the Shop Committee within six (6) calendar days from the date of the meeting.

Such minutes should include:

(1) Date of meeting.

(2) Names of those present.

(3) Statement of each grievance taken up and discussed, also, in summary fashion, of the Union's contention or, at its option, a written contention, in the event of failure to adjust.

(4) Management's written answer on each grievance, with reason for same if answer is adverse.

(5) "Highlights" of the meeting, these including specific questions asked by the Committee on policy matters and any answers to such questions given by Management.

(6) Date of approval, and signatures as agreed upon locally.

The above provisions shall not interfere with any mutually satisfactory local practice now in effect.

### **Step Three. Appeal to Corporation and International Union**

(37) If the grievance is not adjusted at this step and the Shop Committee believes it has grounds for appeal from the Plant Management decision, the Chairperson of the Shop Committee will give the Plant Management a written "Notice of Unadjusted Grievance," on forms supplied by the Corporation, and the Chairperson or designated member of the Shop Committee will then prepare a complete "Statement of Unadjusted Grievance," signed by the Chairperson of the Shop Committee, setting forth all facts and circumstances surrounding the grievance, and where an alleged violation of Paragraph (6a) is included in the grievance, a statement of the facts and circumstances supporting such claim. The Plant Manager, or a designated Management representative, will also prepare a complete "Statement of Unadjusted Grievance" and the Management's reason in support of the position taken, signed by the

Plant Manager or an authorized Management representative. Three copies of the Union's statement will be exchanged with the Management for three copies of the Management's statement as soon as possible and in any event within five (5) working days of the date of filing the Notice of Unadjusted Grievance. The exchange of statements shall take place fifteen (15) working days after receipt of the Plant Management's decision, unless this time is extended by mutual agreement in writing, in which event the thirty days for appeal by the Regional Director as provided in Paragraph (38) shall be automatically extended by the same number of days as the amount of extended time for exchanging "Statements of Unadjusted Grievance." Each Shop Committee shall consecutively number each "Statement of Unadjusted Grievance" from one upward for identification purposes.

[See Par. (6a), (77), (79e)]

(38) The Chairperson of the Shop Committee shall then forward copies of the "Statements of Unadjusted Grievance," to the Regional Director of the International Union. The Regional Director will review the case and determine if an appeal shall be made. The Regional Director or a specified representative and the Director of the AAM Department of the International Union or a specified member of the Director's staff will be granted permission to visit the plant for the purpose of investigating the specific grievance involved in "Statements of Unadjusted Grievance," providing such a grievance is of the nature that observation or investigation will aid in:

[See Par. (43a), (77), (79e)]

[See Doc. 52]

- (1) Arriving at a decision as to whether or not a grievance exists;
- (2) Arriving at a decision as to whether or not such grievance shall be appealed;
- (3) The purpose of its proper presentation in the event of appeal.

Such visits will occur only after the following procedure has been complied with:

(a) The names of the individuals who will be permitted to enter the plant must be submitted in writing to Local Management previous to the date such entry is requested. Such names will be submitted to the Corporation by the AAM Department of the International Union.

(b) The Regional Director shall give notice in writing to Plant Management of the request for entry and will identify the representative designated to make the visit and the specific grievance to be investigated. In the case of the Director of the AAM Department or a specified member of the Director's staff, notice may be given either verbally or in writing.

(c) Plant Management will acknowledge receipt of the request and set a time during regular working hours which is mutually agreeable for such visit.

(d) A member of the Shop Committee or a district committee person may accompany the Union representative during such visit if their presence is requested. Management representatives may accompany the Union representatives during such visit.

(e) Only one such visit on a specified grievance shall be made by the Regional Director, or specified representative, unless otherwise mutually agreed to.

(f) Such visits shall be restricted to the time mutually agreed upon in Point (c) above and shall be of reasonable duration and shall be subject to all plant rules and regulations which apply to associates and all regulations made by the United States Army, Navy and Federal Bureau of Investigation.

It is mutually agreed that the purpose of this provision is solely to facilitate the operation of the grievance procedure, and that the Union representative shall confine such a visit to its stated purpose. If it is necessary the Union representative may interview the associate or associates signing the grievance and associates in the bargaining unit who have information relevant to the case. Such interview shall be a private interview when requested by the Union Representative and a suitable place will be provided.

Any dispute developing out of the application of these provisions

may be finally determined by the Umpire.

If the Regional Director shall decide to appeal the case, notice shall be given on the form "Notice of Appeal" supplied by the Corporation, sending one copy each to the local Plant Management and the Chairperson of the Shop Committee. Such "Notice of Appeal" will carry the same case number as the "Statement of Unadjusted Grievance." Except as provided in Paragraph (79e), any case not appealed within thirty days, or within thirty days plus any agreed upon extension of time for exchanging Statements of Unadjusted Grievance as provided in Paragraph (37), after the date the written Statements of Unadjusted Grievance are exchanged, or, in any event, within forty-five (45) days of the date of the written decision of local Plant Management to the Shop Committee, shall be finally and automatically closed on the basis of the written decision of the local Plant Management to the Shop Committee and shall not be subject to further appeal. The forty-five (45) day time limit for appeal shall be extended by the same number of days the local parties agree to extend the time limit for the exchange of Statements of Unadjusted Grievances. No case shall be reopened unless the Regional Director shall submit new evidence to the Plant Management and it is mutually agreed by them that such case should be reopened. The case shall then date from the date it is reopened.

(39) The case will then be considered by an Appeal Committee consisting of four members as follows: for the Union, the Regional Director or one specified representative of the Regional Director who is permanently assigned to handle all cases arising under this Agreement, in all plants in that region, and the Chairperson or another designated member of the Shop Committee of the plant involved; and two representatives of Local Management, one of whom has not previously rendered a decision in the case. No person shall act as a representative of a Regional Director in meetings of the Appeal Committee unless the designated person's name has been given to the Corporation in writing by the International Union. A representative of the International Office of the union and/or a representative of the Labor Relations Staff of the Corporation may also attend such meetings at any time. Upon the written request of the Chairperson of the Shop Committee and the Regional Director, or specified representative, to the Plant Management, twenty-four (24) hours in

advance of the meeting, a member of the Shop Committee (or the district committeeperson, in lieu of such Shop Committeeperson, who has previously handled such case) will be permitted to participate in the appeal meeting on such case. Whenever the Union requests the presence of a third representative at the appeal hearing, Management may also select a third representative who has previously handled the case, to participate in the appeal meeting on such case.

[See Par. (54)]

(40) Attendance of district committeepersons at Appeal Committee meetings shall be considered as absence from the Plant. Such committeepersons will be paid their regular rate of pay for time spent in such meetings of the Appeal Committee for the hours that they would otherwise have worked in the plant.

(41) Meetings of the Appeal Committee shall be held not more frequently than once each two weeks for each bargaining unit, unless mutually agreed otherwise. In the event no meetings of the Appeal Committee have been held for more than two weeks, meetings will be arranged within seven days after "Notice of Appeal" has been received.

(42) If an adjustment of the case is not reached at this meeting, the Management will furnish a copy of its decision in writing and a copy of the minutes of the meeting, to the Chairperson of the Shop Committee and the Regional Director within five working days after the meeting, unless this period is extended by mutual agreement in writing.

### **Special Procedure<sup>3</sup> - Contracting of Work**

[See Par. (46)(1)]

[See App. F, F-2]

(42a) Grievances charging a violation of the Corporation's express commitments set forth in Paragraph (183a), (183b), (183c), (183e) and Appendix F-1 shall be handled in the following manner:

(1) When a grievance arises involving the above, it shall be reduced to writing on forms provided by the Corporation, signed by the Chairperson of the Shop Committee or the Shop Committeeperson

involved, and referred to the Shop Committee at Step Two of the grievance procedure. The grievance may then be processed in the grievance procedure though Step Four under the terms of the National Agreement, unless the Director of the AAM Department of the International Union elects otherwise as provided in Paragraph (42a)(2) below.

(2) Within thirty (30) days of the date of Notice of Appeal to the Umpire, written notice will be given to advise the Director of Labor Relations of the Corporation of any case which the Director of the AAM Department of the International Union has elected to refer back to the Appeal Committee. Thereafter, the bargaining procedure provided in Paragraph (117) may then be applicable.

#### **Step Four. Appeal to Impartial Umpire**

(43) In the event of failure to adjust the case at this point, it may be appealed to the impartial Umpire, providing it is the type of case on which the Umpire is authorized to rule. Notice of appeal of such cases to the Umpire by the Union shall be given by the Regional Director to the Plant Management of the Plant in which the case arose, with copies to the Labor Relations Staff of the Corporation in Detroit and to the International Union Office at Detroit; in cases appealed to the Umpire by the Corporation, notice of such appeal will be given by the Corporation to the International Union Office in Detroit. Cases not appealed to the Umpire within twenty-one days from the date of a final decision given after review in an Appeal Committee meeting shall be considered settled on the basis of the decisions so given; provided, however, that within the twenty-one (21) day time limit of this paragraph a case may be withdrawn by mutual agreement without prejudice to either party.

[See Par. (55)]

(43a) After a case has been appealed to the Umpire but prior to the Umpire hearing of the case, the Director of the AAM Department of the International Union or a specified member of the Director's staff will be granted permission to visit the plant for the purpose of investigating the specific grievance in accordance with all of the provisions of Paragraph (38) regarding plant visits.

**(43b)(1)** Any grievance involving a dispute regarding an associate's job assignment which has resulted in a loss of work (except as provided in [a] below), or a refusal of Management to return an associate to work from sick leave of absence by reason of the medical findings of a physician or physicians acting for the Corporation, will be initiated at the Second Step, if such findings are in conflict with the findings of the associate's personal physician with respect to whether the associate is able to do a job to which the associate is entitled, in line with the associate's seniority, or do the disputed job assignment as the case may be. Failing to resolve the question, the parties may refer the associate to a local clinic or physician mutually agreed upon for an impartial medical opinion as to whether the associate is or is not able to do a job to which the associate is entitled, in line with the associate's seniority, or do the disputed job assignment as the case may be. If Management and the Union are unable to agree on any aspect of the referral to a clinic or physician, the case may be appealed as provided in the grievance procedure. Without adding to or modifying any other provisions of this Agreement or any of its Supplements, where an Impartial Medical Opinion (IMO) Program is in effect in a plant the medical authority(s) approved for such program may be the "local clinic or independent physician" provided for above. The expense of any mutually agreed to physical examination(s) in accordance with the above provisions of this Paragraph (43b) shall be paid one half by the Corporation and one half by the Local Union.

[See Par. (216)]

**(a)** This procedure will also be applicable to a situation where an associate is prevented from being transferred to a job classification because of a medical finding by a physician acting for the Corporation, which medical finding the associate's personal physician does not thereafter detect.

**(43b)(2)** In the event the Corporation and the International Union are unable to mutually agree at the Third Step, on the referral to a clinic or physician, the case shall be considered as automatically appealed to the Umpire and shall be scheduled for Umpire Hearing as expeditiously as practicable. The case will then be handled in accordance with Paragraph (45). Information furnished the Umpire shall include all relevant and material medical information that the parties themselves have jointly considered. When deciding medical

questions, the Umpire shall seek such competent medical advice, including specialists, as the Umpire may deem appropriate. Any examination of the associate by the medical personnel selected by the Umpire shall be conducted as close as feasible to the city in which the plant where the grievance arose is located.

(43b)(3) Any decision by a mutually agreed to medical authority at any step of this Paragraph (43b) procedure, or by the Umpire, shall be final and binding on the Union, the associate involved and the Corporation. Any retroactive pay due an associate shall be limited to a period commencing with the date of filing of the grievance, or the date the associate became able to do a job to which the associate is entitled, in line with the associate's seniority, whichever is the later. The Umpire shall have full discretion to set the amount of back pay, if any, when a dispute exists as to the back pay to which an associate may be entitled for any period during the processing of the grievance when the associate refuses to cooperate with diagnostic medical procedures at other than the associates own expense.

(44) The impartial Umpire shall have only the functions set forth herein and shall serve during the term established by contract for as long as the Umpire continues to be acceptable to both parties. The fees and expenses of the Umpire will be paid one-half by the Corporation and one-half by the Union and all other expenses shall be borne by the party incurring them.

(45) All cases shall be presented to the Umpire in the form of a written brief prepared by each party, setting forth the facts and its position and the arguments in support thereof. The Umpire has discretion to conduct appropriate investigation and may opt to hold a hearing open to the parties and examine the witnesses of each party and each party shall have the right to cross-examine all such witnesses and to make a record of all such proceedings.

[See Par. (43b)(2)]

### **Powers of the Umpire**

(46) It shall be the function of the Umpire, after due investigation and within a reasonable period of time after submission of the case, to make a decision in all claims of discrimination for Union activity or

membership and in all cases of alleged violation of the terms of the following sections of this Agreement, and written local or national supplementary agreements on these same subjects: Recognition; Representation; Grievance Procedure; Seniority; Disciplinary Layoffs and Discharges; Call-In Pay; Working Hours; Leaves of Absence; Union Bulletin Boards; Establishment of New Plants; Strikes, Stoppages and Lockouts; Wages, except Paragraph (97); General Provisions; Apprentices; Skilled Trades, except as provided hereinafter; Vacation Entitlement; Holiday Pay; Paragraphs (79) through (79f), relative to procedures on Production Standards; Paragraph (79h); and of any alleged violations of written local or national wage agreements. The Umpire shall have no power to add to or subtract from or modify any of the terms of this Agreement or any agreements made supplementary hereto; nor to establish or change any wage; nor to rule on any dispute arising under Paragraphs (78), (78b) and (78d), (79g) or (79i) regarding Production Standards; nor to rule on a case handled pursuant to Paragraph (42a)(2). The Umpire shall have no power to rule on any issue or dispute arising under The Waiver Section, Paragraphs (226), (227) or the Pension Plan, Life and Disability Benefits Program, Health Care Program, Guaranteed Income Stream Benefit Program, Profit Sharing Plan, Personal Savings Plan, Legal Services Plan or Supplemental Unemployment Benefit Plan Section, except with respect only to the question of whether a discharged associate should receive a supplemental allowance pursuant to Section 7 of Article II of the Pension Plan (Exhibit A 1). Any case appealed to the Umpire on which the Umpire has no power to rule shall be referred back to the parties without decision.

[See Par. (220)]

[See App. F-2]

[See CSA #8]

**(46)(1)** In making a decision on a case alleging a violation of Paragraphs (183a), (183b), (183c), (183e), Appendix F-1, or Appendix J(5)(B), the Umpire can only provide a remedy where the Umpire finds that (1) a violation of the express commitments set forth in the above paragraphs, Appendix F-1, or Appendix J(5)(B) has been established, (2) the established violation resulted from the exercise of improper judgment by Management, (3) an A.I.T.S. or Journeyman associate, who customarily would perform the work in question has been laid off or was allowed to remain on layoff as a direct and immediate result of

work being subcontracted, or (4) in the case of Appendix J(5)(B), an associate has been laid off or was allowed to remain on layoff as a result of work being outsourced, or not being brought in-house. The Umpire's remedy shall be limited to back wages for the affected associates as defined in (3) and (4) of this paragraph, and in the case of Appendix J(5)(B), the Umpire may rule that the affected associates will be recalled and/or placed on regular productive work and the work in dispute or equivalent replacement work be returned to American Axle & Manufacturing.

(46a) The Umpire may, pursuant to written agreement between the parties executed prior to the hearing, be directed to issue a Memorandum Decision in any case that may be presented to the Umpire, which Memorandum Decision shall be without precedent value and be limited to the Umpire's decision and the remedy, if any, in that specific case. The Umpire will issue the decision within ten (10) days following the date the Umpire hearing is concluded.

(47) The Corporation delegates to the Umpire full discretion in cases of discipline for violation of shop rules, or discipline for violation of the Strikes, Stoppages and Lock-outs Section of the Agreement.

[See Par. (8)]

(48) Any claims including claims for back wages by an associate covered by this Agreement, or by the Union, against the Corporation shall not be valid for a period prior to the date the grievance was first filed in writing, except that:

[See Par. (77)]

(48)(1) In cases based on a violation which is noncontinuing, such claims shall be valid for a period of not more than seven days prior to the date the grievance was first filed in writing unless the circumstances of the case made it impossible for the associate, or for the Union, as the case may be, to know that the associate, or the Union, had grounds for such a claim prior to that date, in which case the claim shall be limited retroactively to a period of 45 (forty-five) days prior to the date the claim was first filed in writing.

(48)(2) In cases based on a violation which is continuing, if the circumstances of the case made it impossible for the associate, or for

the Union, as the case may be, to know that the associate, or the Union, had grounds for such a claim prior to that date, the claim shall be limited retroactively to a period sixty days prior to the date the claim was first filed in writing.

(49) Deductions from an associate's wages to recover overpayments made in error will not be made unless the associate is notified prior to the end of the month following the month in which the check (or payroll order) in question was delivered to the associate.

(50) All claims for back wages shall be limited to the amount of wages the associate would otherwise have earned from employment with the Corporation during the periods as above defined, and, in the case of protested discipline or loss of seniority, the amount of Supplemental Unemployment Benefits and Unemployment Compensation (provided the denial of this benefit is final) the associate applied for in a timely manner, was otherwise entitled to, but did not receive because of such discipline or loss of seniority, less the following:

(50)(1) Any Unemployment Compensation received for a week which corresponds to a week the associate would have worked for the Corporation which the associate is not obligated to repay or which the associate is obligated to repay but has not repaid nor authorized the Corporation to repay on the associate's behalf.

(50)(2) Compensation for personal services other than the amount of compensation received from any other employment which the associate had when last working for the Corporation and which would have continued had the associate continued to work for the Corporation during the period covered by the claim.

Wages for total hours worked each week in other employment in excess of the total number of hours the associate would have worked for the Corporation during each corresponding week of the period covered by the claim, shall not be deducted.

The calculation of a back pay award made pursuant to this paragraph will be provided to the associate involved upon request.

(51) No decision of the Umpire or of the Management in one case shall create a basis for a retroactive adjustment in any other case prior to the date of written filing of each such specific claim.

(52) After a case on which the Umpire is empowered to rule hereunder has been referred to the Umpire, it may not be withdrawn by either party except by mutual consent.

(53) There shall be no appeal from the Umpire's decision, which will be final and binding on the Union and its members, the associate or associates involved and the Corporation. The Union will discourage any attempt of its members, 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 Umpire.

With respect to the processing, disposition and/or settlement of any grievance initiated under the Grievance Procedure Section of this Agreement, and with respect to any court action claiming or alleging a violation of this Agreement or any local or other agreement amendatory or supplemental hereto, the Union shall be the sole and exclusive representative of the associate or associates covered by this Agreement. The disposition or settlement, by and between the Corporation and the Union, of any grievance or other matter, shall constitute a full and complete settlement thereof and shall be final and binding upon the Union and its members, the associate or associates involved and the Corporation.

Neither the Corporation, nor the Union, nor any associate or group of associates, may initiate or cause to be initiated or press any court action claiming or alleging a violation of this Agreement or any local or other agreement amendatory or supplemental hereto, where such claim is also the subject matter of a grievance which is then open at any step of this grievance procedure.

No associate or former associate shall have any right under this Agreement in any claim, proceeding, action or otherwise on the basis, or by reason, of any claim that the Union or any Union officer or representative has acted or failed to act relative to presentation, prosecution or settlement of any grievance or other matter as to which the Union or any Union officer or representative has authority or discretion to act or not to act under the terms of this Agreement.

[See Doc. 52]

(54) Any grievances which the Corporation may have against the

Union in any plant, shall be presented by the Plant Management involved to the Shop Committee of that plant. In the event that the matter is not satisfactorily adjusted within two weeks after such presentation, it may be appealed to the third step of the Grievance Procedure upon written notice to the Local Union and the Regional Director of the Union. Thereafter the matter will be considered at the third step of the Procedure as provided in Paragraph (39). If the matter is not satisfactorily settled at this meeting or within five days thereafter by agreement, the case may be appealed to the Umpire by the Corporation upon written notice to the International Union at Detroit and to the Umpire.

(55) Any issue involving the interpretation and/or the application of any term of this Agreement may be initiated by either party directly with the other party. Upon failure of the parties to agree with respect to the correct interpretation or application of the Agreement to the issue, it may then be appealed directly to the Umpire as provided in Paragraph (43).

[See Par. (122)]

[See Doc. 87]

## **SENIORITY**

### **Acquiring Seniority**

(56) Associates shall be regarded as temporary associates until their names have been placed on the seniority list. There shall be no responsibility for the reemployment of temporary associates if they are laid off or discharged during this period. However, any claim by a temporary associate rehired pursuant to Paragraph (64)(e) or any claim by any other temporary associate made after 30 days of employment, that their layoff or discharge is not for cause, may be taken up as a grievance.

[See Par. (76b), (77), (95)]

[See App. A]

(57) Associates may acquire seniority by working ninety days during a period of six continuous months in which event the associate's seniority will date back ninety days from the date seniority is acquired,

provided, however, that associates rehired pursuant to Paragraph (64)(e) may acquire seniority by working thirty days during a period of six continuous months in which event the associate's seniority will date back thirty days from the date seniority is acquired. Associates rehired in accordance with (64)(e) will acquire seniority on their first day of work. Associates who are placed in permanent jobs at other AAM facilities under the provisions of the Memorandum of Understanding Associate Placement will establish seniority at the secondary plant on the day they start at the secondary plant. Such associates will establish a plant seniority date in accordance with the Application of Corporate Seniority Section of Memorandum of Understanding Associate Placement.

[See Par. (73a), (107), (108), (135)]

[See Par. (137b), (157), (170a)]

[See App. D]

**(58)** When associates acquire seniority, their names will be placed on the seniority lists for their respective occupational groups in the order of their seniority.

[See Par. (135)]

[See App. D]

[See App. A]

**(59)** Seniority shall be by non-interchangeable occupational groups within departments, group of departments or plant-wide, as may be negotiated locally in each plant and reduced to writing. It is mutually recognized by the parties that written local seniority agreements are necessary. All local seniority agreements and modifications or supplements thereto shall be reduced to writing and be subject to the approval of the Corporation and the International Union.

When changes in methods, products or policies would otherwise require the permanent laying off of associates, the seniority of the displaced associates shall become plant-wide and they shall be transferred out of the group in line with their seniority to work they are capable of doing, as comparable to the work they have been doing as may be available, at the rate for the job to which they have been transferred.

[See Par. (68), (69), (134), (138)(a), (220)]

[See App. K, IV(C)15]

[See Doc. 70]

[See CSA #9]

### **Seniority Lists**

(60) Up-to-date seniority lists shall be made available to all associates for their inspection within the plant either by posting where practical or by a satisfactory equivalent method. The method of displaying seniority lists is a matter for local negotiation.

In addition, the chairperson and Financial Secretary of the Local Union and the International Union shall receive monthly listing(s) showing information in accordance with the following schedule:

INFORMATION	MONTHLY CHAIRPERSON & FINANCIAL SECRETARY	MONTHLY INTL. UNION
NAME	X	X
ADDRESS		X
OCC. GRP.	X	
PLT. SEN. DATE	X	
SKILLED D.O.E.	X	
DEPT. NO.	X	
SSN	X	
ACQUIRED SEN.	X	
GRANTED MILITARY LV.	X	
LV. > 30 DAYS	X	
RETD. FROM LEAVE	X	
CEASED CHECK-OFF	X	
NEW HIRES	X	
TRADES HIRED BY CLASS.	X	
APPRENTICE GRADUATES	X	
RETURNED FROM LAYOFF	X	
LEFT BARGAIN. UNIT TO MGMT	X	
UTE's WITH DOH & LDW	X	
LOST SENIORITY	X	
DECEASED	X	
PLACED ON LAYOFF	X	
LEVELING DATE	X	
TRANSFERRED INTO B. U.	X	
ACTIVE & L. O. NO DUES DED.	X	
DUES AMT. LIA.		
IF BROKE SEN. OR TRANSFERRED	X	

(60a) Each week the Chairperson of the Shop Committee shall be furnished two copies and the Financial Secretary shall be furnished one copy of the list of names and department numbers of the associates who during the preceding week:

(a) Became new hires into the bargaining unit (designating those hired pursuant to Appendix A and, by classification, those hired as journeymen, including identification of apprentice graduates, and associates-in-training [A.I.T.]).

(b) Returned to work from permanent layoff.

(c) Transferred

(1) into the bargaining unit, or

(2) out of the bargaining unit (to supervisory or non-supervisory position).

(d) Had their employment terminated while in a temporary associate status, including the date of hire and last day worked of each such associate.

(e) Lost seniority, and the reason therefore (designating those who were hired pursuant to Appendix A).

(f) Became deceased (including retired associates).

(g) Were placed on permanent layoff.

The list shall contain the seniority dates of associates listed under (b), (c) and (g). It shall also include a notation of the seniority date of the associate with the longest seniority who is laid off or the "leveling off" date.

### **Operations / AAM Manufacturing System**

(61) To "Be the Best by Working Together," the Parties have established the AAM Manufacturing System as the operational process to guide the organization. A two (2) year window has been established for each operational group in each plant to transition to the AAM Manufacturing System. That is, each plant will be operating under the

tenets of the AAM Manufacturing System by February 24, 2002. It is the responsibility of each site to incorporate these principles and strategies as spelled out in Appendix J, into their local agreements and develop further detail in order to operationalize them.

[See App. J]

**(61a)** The Quality Operator classification will be utilized for all new work (insourcing, reprocessed operations and conquest business) in production operations and support departments, unless it is determined by the local Leadership Team not to be cost effective and/or technically feasible.

Additionally, the local Leadership Team will evaluate those work groups not currently using the Quality Operator concept to determine if it is technically feasible and cost effective in those areas. If it is determined to be technically feasible and cost effective, the Leadership team will develop an implementation plan for those areas and begin implementation of the Quality Operator concept in those work groups by 12/1/00.

It is understood that specific issues pertaining to the wage rates and seniority of associates classified as Quality Operator are to be negotiated locally and are subject to approval of the National Parties. Further, it is understood that where Quality Operator classification rate differentials are negotiated and approved, associates must demonstrate proficiency prior to receiving any such rate increases.

[See App. J]

**(61b)** The primary responsibility of maintenance and other skilled trades teams is to support the AAM Manufacturing System and Quality / Production Operators. Skilled trades associates will support the continuous improvement activities of the AAM Manufacturing System.

[See App. J]

**(61c)** The Parties agree that the AAM Manufacturing system is an operational strategy enabling continuous improvement of AAM operations. The implementation and ongoing evolution of the AAM

Manufacturing system must be continually reviewed and managed over time. Annually, the CLC will establish operational goals in the areas of safety, quality, productivity and joint programs. Formal review and recommendations will be accomplished quarterly through the Plant Leadership Teams and the Corporate Leadership Council.

[See App. J]

## **Transfers**

(62) When associates are transferred from one occupational group to another for any reason, there shall be no loss of seniority. However, in cases of transfers not exceeding thirty (30) days, associates will retain their seniority in the occupational group from which they were transferred and not in the new occupational group, unless a longer period is specified for any plant or particular occupational group or groups by written local agreement.

[See Par. (72)]

(63) The transferring of associates is solely the responsibility of Management subject to the following sub-paragraphs. The provisions of this Paragraph shall be applied without discrimination because of race, religion, color, age, sex, disability, sexual orientation, or national origin, so that equal employment opportunity will be afforded to all associates.

This Paragraph (63) will be openly displayed in each department in each plant in such a manner that it may be reviewed by the associates so that they will be aware of transfer and promotional opportunities that may become available to them and the procedure for expressing their desires. All classifications within a department and their rates of pay will also be openly displayed in that department so that associates will be aware of transfer and promotional opportunities that may become available to them. Local agreements that have been negotiated pursuant to sub-Paragraph (63)(b) below will also be so openly displayed in each department in each plant.

An associate who has been transferred via the provision of this Paragraph or Paragraphs 63(a)(1), 63(a)(2) or 63 (b) will not be eligible for consideration for transfer under these provisions until six

(6) months have elapsed from the effective date of the transfer.

[See Par. (72)]  
[See App. K, Att. A]  
[See Doc. 20, 54, 70, 97]

**(63)(a)(1)** Associates who desire advancement to higher paid classifications within their department or other established broader scope of selection, may make application to their supervisor or the Personnel Department on forms provided by the Corporation on which they may state their qualifications and experience. Thereafter, as openings occur, selection for the promotion will be from among such applicants and applicants for that classification that have filed pursuant to sub-Paragraph (2) below, who have applied at least one (1) week in advance of the opening in question, and where ability, merit and capacity are equal, the applicant with the longest seniority will be given preference.

[See Par. (120)]

**(63)(a)(2)** Associates who desire advancement within the plant to higher paid classifications in another department or to higher paid classifications where the associate is working outside an established scope of selection that is broader than a department may make application to their supervisor or the Personnel Department on forms provided by the Corporation on which they may state their qualifications and experience. Thereafter, as openings occur, such applicants will be considered in the selection process for that promotion ~~provided they have so~~ applied at least one (1) week in advance of the opening in question. Each associate ~~may have two (?)~~ such applications on file. An associate who has been transferred and established seniority under this Paragraph will not be eligible to reapply for consideration for another such promotion until six (6) months have elapsed from the effective date of transfer. An associate who has been offered a transfer and refused the transfer under this Paragraph (63)(a)(2) will have such application for transfer canceled and thereafter, for a period of six (6) months from the date of such refusal, may be entitled to only one (1) valid application for transfer under these provisions. Such transfer or offer of transfer to associates working outside a scope of selection shall be without prejudice to the establishment or identification of such scope.

Promotions made pursuant to the provisions of this Paragraph (63)(a) in the preceding week will be openly displayed in mutually satisfactory locations in the plant which are frequented by large numbers of affected associates.

If the settlement of a grievance alleging violation of this Paragraph (63)(a) is on the basis that a different associate should have been promoted, that associate will receive the difference in wages earned (exclusive of earnings received for overtime hours which they worked but were not worked by the associate improperly promoted to the higher rated job) and the wages they would have earned had they been promoted.

If an associate is transferred pursuant to the provisions of this Paragraph (63)(a) and the associate is subsequently reduced from the new classification prior to establishing seniority, the provisions requiring advanced application for an opening in that classification will be waived, provided the associate refiles for such classification within one (1) week from the date of being reduced.

[See Par. (120)]

[See Doc. 71, 72]

**(63)(b)** It is the policy of Management to cooperate in every practical way with associates who desire transfers to new positions or vacancies in their department. Accordingly, such associates who make application to their supervisor or the Personnel Department stating their desires, qualifications and experience, will be given preference for openings in their department provided they are capable of doing the job. However, associates who have made application as provided for above and who are capable of doing the job available shall be given preference for the openings in their department over new hires. In case the opening is in an equal or lower rated classification and there is more than one applicant capable of doing the job, the applicant with the longest seniority will be given preference. Any secondary job openings resulting from filling jobs pursuant to this provision may be filled through promotion; or through transfer without regard to seniority standing, or by new hire.

Any claim of personal prejudice or any claim of discrimination for Union activity in connection with transfers may be taken up as a

grievance. Such claims must be supported by written evidence submitted within 48 hours from the time the grievance is filed.

In plants where departments are too small or in other cases where the number of job classifications within a department is insufficient to permit the practical application of this paragraph, arrangements whereby associates may make such application for transfer out of their department may be negotiated locally, subject to approval by the Corporation and the International Union.

[See Par. (120)]

### **Loss of Seniority**

(64) Seniority shall be broken for the following reasons:

[See App. A]

- (a) If the associate quits.
- (b) If the associate is discharged.

(c) If the associate is absent for three (3) working days without properly notifying the Management, unless a satisfactory reason is given. After the unreported absence of three (3) working days, Management will send clear written notification to the associate's last known address as shown on the Company records, that the associate's seniority has been broken and that it can be reinstated if, within five (5) specified working days after delivery or attempted delivery of such notice, the associate reports for work or properly notifies Management of a reason for absence. A copy of such Management notification will be furnished promptly to the Chairperson of the Shop Committee. If the associate complies with the conditions set forth in the notification, the associate's seniority will be reinstated if it has not otherwise been broken; however, such reinstatement shall not be construed as limiting the application of the Shop Rule regarding absence without reasonable cause in the associate's case.

[See Par. (74)]

(d) If the associate fails to return to work within five (5) working days after being notified to report for work, and does not give a

satisfactory reason. Such notice shall be clear in intent and purpose. A copy of Management's notification of such loss of seniority will be furnished promptly to the Chairperson of the Shop Committee.

[See Par. (74)]

[See App. A]

(e) If the associate is laid off for a continuous period equal to the seniority which the associate had acquired at the time of such layoff period or, in the case of an associate with less than one (1) year of seniority, eighteen (18) months or, in the case of an associate with one (1) or more years of seniority, thirty-six (36) months whichever is longer; however, an associate whose seniority is so broken shall, for a period of sixty (60) months beginning with the associate's last scheduled work day prior to being laid off, retain a right to be rehired in accordance with the seniority date the associate had established at that plant as of such last day scheduled. An associate who is rehired, and who reacquires seniority at the same plant, pursuant to Paragraph (57), within sixty (60) months immediately following the last day worked prior to the layoff during which the associate's seniority was broken by virtue of this Paragraph (64)(e) shall have the new seniority date adjusted by adding an amount equal to the seniority which the associate had acquired at that plant as of such last day worked.

For the purpose of computing the period for breaking seniority only, the first day of that period will be the next otherwise regularly scheduled work day after layoff. In the case where the next otherwise regularly scheduled work day is a Monday holiday as listed in Paragraph (203) that Monday will be considered the first day of that period.

[See Par. (95), (98b), (111c)]

[See App. A; K,III(D)]

[See Doc. 20]

(f) Retirement as follows:

[See Pension Plan Exhibit A 1]

(1) An associate who retires, or who is retired under the terms of the Pension Plan, shall cease to be an associate and shall have seniority canceled.

(2) An associate who has been retired on a permanent and total disability pension and who thereby has broken seniority in accordance with subsection (1) above, but, who recovers and has pension payments discontinued, shall have seniority reinstated as though the associate had been on a sick leave of absence during the period of disability retirement, provided however, if the period of disability retirement was for a period longer than the seniority the associate had at the date of retirement, the associate shall, upon the discontinuance of the disability pension, be given seniority equal to the amount of seniority the associate had at the date of such retirement.

(3) If an associate retired for reasons other than total and permanent disability who has lost seniority in accordance with subsection (1) above is rehired, such associate will have the status of a new associate without seniority, and shall not acquire or accumulate any seniority thereafter, except for the purpose of applying the provisions governing Holiday Pay and Vacation Pay.

[See Par. (98b)]

(g) If the associate is issued a Separation Payment check or draft by the Corporation pursuant to the Supplemental Agreement attached hereto as Exhibit "D", the associate's seniority shall be broken at any and all plants of the Corporation as of the date the application for such Separation Payment was received by the Corporation; provided, however, that if the associate:

(1) returns the amount of the Separation Payment to the Corporation within 30 days of the date of the Separation Payment check or draft, the associate's seniority shall be reinstated as of the fourth working day following receipt of the returned amount;

(2) received such Separation Payment by reason of total and permanent disability and subsequently recovers and reports for work, the associate's seniority shall be reinstated as though the associate had been on sick leave of absence during the period of disability, provided further, however, that if the period beginning with the date seniority was broken by reason of the Separation Payment and ending with the date of the associate's return to work was for a period longer than the seniority which the associate had at the date such seniority was broken because of the Separation Payment, the associate shall be given

seniority equal to the amount of seniority which the associate had at the date of such seniority break.

(h) An associate whose seniority is broken under the provisions of Paragraphs (64)(a), (64)(b), (64)(c), (111)(a) or (111)(b) will, in the event the associate's seniority is reinstated, be reimbursed for any contributions made pursuant to Section 6 of the Supplemental Agreements (Life and Disability Benefits Program and Health Care Program) (Exhibits B and C) which the Corporation would have made, in accordance with the associate's revised status, under the applicable provisions of the Life and Disability Benefits Program and the Health Care Program (Exhibits B and C). An associate who is assessed a disciplinary layoff which is subsequently reduced or rescinded, will be reimbursed for any contributions made pursuant to the Supplemental Agreements (Life and Disability Benefits Program and Health Care Program) (Exhibits B and C) which the Corporation would have made, in accordance with the associate's revised status, under the applicable provisions of the Life and Disability Benefits Program and the Health Care Program (Exhibits B and C).

### **Layoff and Rehiring Procedure**

(65) For temporary reductions in production not exceeding four weeks, the work week may be reduced before any associates are laid off, unless otherwise extended by local plant agreement.

[See Par. (66)(d), (177)]

[See App. K]

[See Doc. 10]

(66)(a) For extended periods of reduced production exceeding four weeks the work week will be reduced and/or associates will be laid off to comply with Paragraph (c) below unless otherwise extended by local plant agreement.

[See Par. (121), (140), (140a), (140b)]

[See App. K]

(66)(b) Both parties agree that it is desirable to give associates high annual earnings. It is recognized and agreed that there are times when production and tooling require overtime and other times when not enough work is available to give all associates with seniority a full

week's work. It is mutually recognized that to operate a plant at a schedule which gives associates less than thirty-two (32) hours per week for more than a month is unsatisfactory to both associates and the Corporation and reductions below this level are only justified by special conditions.

[See Par. (121), (140), (140a), (140b)]  
[See S.U.B. Exhibit D]

**(66)(c)** Operation of a plant or any part thereof on a schedule of employment of less than an average of twenty-four (24) hours per week for a period of more than two consecutive weeks or less than an average of thirty-two (32) hours per week for a period of more than four consecutive weeks shall only be by local written agreement with the Shop Committee.

[See Par. (121), (140), (140a), (140b)]

**(66)(d)** For the purpose of Paragraph (65) and this Paragraph (66), a week in which associates are not scheduled to work shall not be taken into account. In the event a full week of five holidays occurs during the Christmas Holiday Period, the hours paid as holiday pay in such a week shall be counted as scheduled hours of work. Hours paid as holiday pay in a week in which work is scheduled shall also be counted as scheduled hours of work.

[See Par. (65), (203c)]

**(67)** Associates will be laid off and rehired in accordance with local seniority agreements.

**(68)** The Management of each plant will, whenever possible, give at least twenty-four (24) hours' notice prior to layoff to the associates affected.

**(69)** Any associate who has been transferred from a supervisory position, or any non-represented position subsequent to the effective date of this Agreement, to a job classification in the bargaining unit shall be credited with seniority as hereafter provided:

[See App. K, IV(C)15]  
[See Doc. 86]

(a) The associate previously worked on a job classification in the bargaining unit. This shall also be applied to associates who were promoted prior to certification of the Union.

(b) The associate's employment with the Corporation has remained unbroken.

The seniority of such associate returning to the bargaining unit will be established as provided below:

1. All seniority established prior to March 1, 1977.
2. All time worked in the bargaining unit subsequent to March 1, 1977.
3. All time worked in a supervisory position subsequent to September 21, 1984 and prior to June 1, 2000.
4. All time worked in a temporary supervisory position that does not exceed 120 days in any calendar year subsequent to June 1, 2000.

5. However, for any such associate retained in a non-represented position beyond 120 days in a calendar year, the entire period shall be adjusted from the associate's seniority.

Such associate may be placed on a job in accordance with the provisions of the local seniority agreement, beginning with the last previous job the associate held in the bargaining unit; provided however, that if such last previously held job is no longer in existence, the associate may be placed in accordance with Paragraph (59). In no event shall such associate be transferred to a bargaining unit job at a time when the associate has insufficient seniority to be so placed.

(70) Temporary associates will not be called back until all associates with seniority capable of doing the work have been called back provided, however, that the application of this Paragraph may be waived by written agreement between local Management and the Shop Committee with respect to Journeypersons with seniority and associates-in-training-seniority (A.I.T.S.) who are on layoff from a skilled trades classification.

[See Par. (121), (135-140), (140a), (140b)]

## **General Provisions Regarding Seniority**

(71) Extra work in periods of part-time operation, and overtime, should be equalized among the associates in the group engaged in similar work, as far as practicable. Information concerning equalization of hours status will be openly displayed in the department in such a manner that the associates involved may check their standing. This provision shall not interfere with any mutually satisfactory local practice now in effect.

[See Par. (8), (121), (141)(a) (c)]

[See Memo Overtime]

[See Doc. 83; 111]

[See App. J]

(72) Associates who have been incapacitated at their regular work by injury or compensable occupational disease while employed by the Corporation, will be employed in other work on jobs that are operating in the plant which they can do without regard to any seniority provisions of this Agreement, except that such associates may not displace associates with longer seniority, provided, however, that by written agreement between local Management and Shop Committee, such associates may be placed or retained on jobs they can do without regard to seniority rules. Each three months, the name, job classification and seniority date of associates covered by such agreement will be furnished to the Chairperson of the Shop Committee.

[See Par. (59), (62), (63), (108), (195)]

(73) The employment of the following persons shall not be governed by seniority rules: students and graduates of technical or professional schools and special associates receiving training as a part of a formal training course.

[See Par. (56), (57), (58), (59)]

(73)(a) Seniority status of associates who have completed or discontinued cooperative training courses and who are assigned to hourly rated jobs in the bargaining unit for other than training purposes shall be as follows:

(73)(a)(1) An associate who has completed or discontinued a cooperative training course and who is assigned to an hourly rated job

in the bargaining unit for other than training purposes shall have plant seniority established in keeping with Paragraph (57). Time spent in school shall not be considered as time worked in establishing the seniority date.

(74) To protect seniority, associates are responsible for keeping the Plant Management informed of their proper home address. The method of notification of change of address is to be established by the respective Plant Managements for their operations. Forms for this purpose shall be available in designated offices in the plant.

[See Par. (64)(c), (64)(d), (111)(b)]

(74)(a) Within thirty (30) days following the last day of each calendar February, May, August and November, during the term of this Agreement, the Corporation shall give to the International Union the names of all associates covered by this Agreement together with their addresses as they then appear on the records of the Corporation. The International Union shall receive and retain such information in confidence and shall disclose it only to those officials of the Union whose duties require them to have such information.

(75) Provisions pertaining to shift preference may be negotiated locally. Such agreements and modifications or supplements thereto shall be reduced to writing and be subject to the approval of the Corporation and the International Union. Any such agreements must have sufficient flexibility to give full protection to efficiency of operations under all circumstances and conditions.

[See Par. (8), (137)(d), (180)(a), (220)]

[See App. K]

[See CSA #9]

## **DISCIPLINARY LAYOFFS AND DISCHARGES**

(76) Associates who have been disciplined by a suspension, layoff or discharge will be furnished a brief written statement advising them of their right to representation and describing the misconduct for which they have been suspended, laid off or discharged and, in the case of a layoff or discharge, the extent of the discipline. Thereafter, they may request the presence of the committeeperson for their district to discuss

the case privately with them in a suitable office designated by the Local Management, or other location by mutual agreement, before they are required to leave the plant. The committeeperson will be called promptly upon such request. Whether called or not, the committeeperson will be advised in writing within one working day of 24 hours of the fact of written reprimand, suspension, layoff or discharge and will be given a copy of the statement given to the associate. After a suspension has been converted to a layoff or discharge, the committeeperson will be notified in writing of the fact of layoff or discharge. The written statement furnished to the associate pursuant to the first sentence of this paragraph shall not limit Management's rights, including the right to rely on additional or supplemental information not contained in the statement to the associate.

[See App. A]  
[See Doc. 47, 50, 51, 54]

**(76a)** When a suspension, written reprimand, layoff or discharge of an associate is contemplated, the associate, where circumstances permit, will be offered an interview to allow for answering the charges involved in the situation for which such discipline is being considered before being required to leave the plant. Associates who, for the purpose of being interviewed concerning discipline, are called to the plant, or removed from their work to the supervisor's desk or to an office, or called to an office, will be advised that they may, if they so desire, request the presence of their District Committeeperson to represent them during such interview.

[See Doc. 49, 96]

**(76)(b)** Associates will be tendered a copy of any warning, reprimand, suspension or disciplinary layoff entered on their personnel records, within three (3) days of the action taken. In imposing discipline on a current charge, Management will not take into account any prior infractions which occurred more than twenty-four (24) months previously. Further, Management will eliminate from an associate's record any infraction where there was a lapse of time of greater than 18 months between infractions provided the associate has not been on leave of absence the majority of the time between the infractions. Also Management will not impose discipline on associates for falsification of their employment applications after a period of

twelve (12) months from their date of hire.

[See Par. (56)]

[See Doc. 34]

(77) It is important that complaints regarding unjust or discriminatory layoffs or discharges be handled promptly according to the Grievance Procedure. Grievances must be filed within three working days of the layoff or discharge. Within two working days after a grievance has been answered by higher supervision, pursuant to Paragraph (30) above, the specific charge will be discussed with designated representatives of local Plant Management, the Chairperson of the Shop Committee, or designated representative, and another member of the Shop Committee or the district committeeperson who filed the grievance. If the grievance is not resolved, local Plant Management will review and render a decision on the case within three working days thereafter. In any event, Local Plant Management will render a decision on the case within 10 working days from the date the grievance is filed. If a Notice of Unadjusted Grievance is not submitted by the Shop Committee within five (5) working days of a decision of the local Plant Management, the matter will be considered closed.

[See Par. (37), (38), (48), (56)]

## **PRODUCTION STANDARDS**

(78) Production standards shall be established on the basis of fairness and equity consistent with the quality of work, efficiency of operations, and the reasonable working capacities of normal operators. The Local Management of each plant has full authority to settle such matters.

[See Par. (8), (79a), (79i)]

(78)(b) Work assignments on conveyor lines will be made in accordance with line speeds and available work space and the expected normal ratio of model mix and optional equipment. When it is necessary to adjust the normal scheduled mix on conveyor lines which results in more or less work being required, compensating adjustments in work assignment, number of associates, spacing of units, line speed or any combination thereof will be made. Arrangements will be made locally to establish procedures which will provide advance knowledge of mix changes that require compensating adjustments so that such

adjustments will be made in a timely manner. On conveyor line operations, Management will designate specific off-line operations from which associates will be made available to compensate for such mix changes when one of the compensating adjustments requires an increase in the number of associates and in such case the assignment of associates to the conveyor line operation will be given priority over the off-line operation. Upon request, Management will advise the Union of the arrangements made.

[See Par. (46), (117)]

**(78)(d)** If a standard is to be established on a new off-line or machine operation and has not been established when the operation is placed in production, the operator will be advised of the reason for not establishing the standard and the expected requirements of the operation.

[See Par. (46)]

**(79)** When a dispute arises regarding standards established or changed by the Management, the complaint should be taken up with the supervisor. If the dispute is not settled by the supervisor or if the complaint is not taken up by the associate with the supervisor, the committeeperson for that district shall, upon reporting to the supervisor of the department involved, examine the job to determine the merits of the complaint. The associate may then file a grievance. The supervisor or the time study person will furnish the committeeperson with all of the facts of the case. If there is still a dispute after this examination has been completed, the committeeperson may then re-examine the operations in detail with the supervisor or the time study person. The committeeperson will, upon request, be given in writing the work elements of the job without undue delay. When available, the cycle time or other pertinent data that is relevant to the dispute will be provided in writing upon request; however, it is mutually recognized that it would be impractical to provide this information during periods of production acceleration. If the matter is not adjusted at this stage, it may be further appealed as provided in the procedure below. If the dispute is settled at any stage of this procedure, the parties to the settlement will, upon request of either party, specify in writing what the elements are that constitute the job as settled.

[See Par. (46)]

[See Doc. 53, 55]

**(79)(a)** After the supervisor has had reasonable time to consider a grievance filed claiming violation of Paragraph (78), which shall be not more than two (2) working days, an answer to the grievance shall thereafter be given:

[See Par. (46)]

**(a)** Within one (1) working day after requested to do so by the committeeperson, or

**(b)** In any event after ten (10) working days of the date the grievance was filed with the supervisor.

The above time limits may be extended by mutual agreement.

**(79)(b)** If the case is not adjusted by the supervisor, it may, within three (3) working days of the supervisor's written answer, be appealed by the Shop Committeeperson for the Zone, or another member of the Shop Committee, or the Chairperson of the Shop Committee to the next step, as provided below, by giving written notice to the Personnel Department.

[See Par. (46), (79d)]

**(79c)** Within three (3) working days of receipt of the appeal, the case will be considered at a Special Step of the Grievance Procedure by not more than three representatives of the Union, including the District Committeeperson, the Shop Committeeperson for the zone or another member of the Shop Committee, and the Chairperson of the Shop Committee, and not more than three representatives of Management, at least one of whom shall be a member of higher supervision.

In the multi-shift operations, the District Committeeperson or the Shop Committeeperson from the opposite shift(s) may, by mutual agreement, attend the Special Step Meeting when a standards dispute exists on the same operation on more than one shift. An additional representative of management may also attend the Special Step Meeting in these situations. The schedule for such meetings will be established at a time mutually convenient to the participants.

[See Par. (46)]

**(79)(d)** After a case is appealed to the Special Step and prior to the

meeting on the case at that step, a member of the Shop Committee who will participate in the Special Step meeting may make a further investigation of the case as provided in Paragraph (33).

[See Par. (46), (79b)]

(79)(e) Within five (5) working days of this Special Step meeting, higher supervision will give a written answer. If the case is not settled at this step, the Chairperson of the Shop Committee may, within three working days appeal the case by submitting to Management a "Notice of Unadjusted Grievance." Thereafter the case will be handled in accordance with Step Three of the Grievance Procedure Section, except that "Statements of Unadjusted Grievance" need not be exchanged and the 30-day time limit for "Notice of Appeal" by the Regional Director, referred to in Paragraph (38), shall run from the date of the answer given by Management at the Special Step of the Grievance Procedure. Plant entry as provided in Paragraph (38) may be made after the "Notice of Unadjusted Grievance" has been filed and before the Appeal Meeting.

[See Par. (37), (46)]

(79)(f) The time limits specified above may be extended by mutual agreement in writing. Any case not appealed from one step of this procedure to the next within the time limits specified will be considered closed on the basis of the last decision given.

[See Par. (46)]

(79)(g) After a production standards grievance is filed on a job, the Committeeperson representing the associate who filed the grievance will be informed in writing of any change in work content which results in an increase or decrease in work content or which is made in an attempt to adjust the grievance.

[See Par. (46)]

(79)(h) In the event a standard has not been established on a job, an associate who is following the prescribed method and using the tools provided in the proper manner and performing at a normal pace, will not be disciplined for failure to obtain an expected amount of production on that job.

[See Par. (46)]

[See Doc. 54]

(79i) If a production standards grievance is settled in writing and the associate who signed the grievance is subsequently replaced by another associate and if, thereafter, additional work is added to the job without any other change having occurred which affects the job, the District Committeeperson may initiate a grievance alleging that the additional work constitutes a violation of the settlement.

[See Par. (46)]

[See Doc. 52, 55]

### **CALL-IN PAY**

(80) Any associate called to work or permitted to come to work without having been properly notified that there will be no work, shall receive a minimum of four hours pay at the regular hourly rate, except in cases of labor disputes, or other conditions beyond the control of the Local Management.

[See Par. (101)(i)]

### **WORKING HOURS**

#### **(For the purposes of computing overtime premium pay)**

[See Par. (71), (101)(i), (127)(d)(3)]

[See Memo Overtime]

[See Doc. 83]

(81) For the purpose of computing overtime premium pay, the regular working day is eight hours and the regular working week is forty hours.

(82) Associates will be compensated on the basis of the calendar day (midnight to midnight) on which their shift starts working, for the regular working hours of that shift. Their working week shall be a calendar week beginning on Monday at the regular starting time of the shift to which they are assigned.

[See Par. (87)(1)]

[See App. J, (I)(E)(4)]

[See Doc. 2]

[See CSA #11]

(83) Hourly associates will be compensated as follows:

## **Straight Time**

(84)(a) For the first eight hours worked in any continuous twenty-four hour period, beginning with the starting time of the associate's shift.

(84)(b) For the first forty hours worked in the associate's working week, less all time for which daily, Saturday, Sunday or holiday overtime has been earned.

(84)(c) For time worked during the regular working hours of any shift which starts on the day before and continues into a specified holiday or a Saturday.

## **Time and One-Half**

[See Doc. 1, 4]

(85)(a) For time worked in excess of eight hours in any continuous twenty-four hours, beginning with the starting time of the associate's shift, except if such time is worked on a Sunday or holiday when double time will be paid as provided below.

(85)(b) For time worked in excess of forty hours in the associate's working week, less all time for which daily, Saturday, Sunday or holiday overtime has been earned.

(85)(c) For time worked on any shift which starts on Saturday.

## **Double Time**

(86) For time worked during the first eight (8) hours worked on any shifts that start on Sundays and on each holiday specified in Paragraph (203); for time worked on the calendar Sunday or specified holiday in excess of the first eight (8) hours worked on any shift that starts on Sunday or one of the specified holidays; and for time worked on a Sunday or specified holiday in excess of eight (8) hours worked on a shift which starts the previous day and runs over into Sunday or one of the specified holidays.

[See Par. (213)]

[See Doc. 2, 3, 4]

[See CSA #11]

## **Exceptions to Above Overtime Payment**

(87) Associates working in necessary continuous seven-day operations whose occupations involve work on Saturdays and Sundays shall be paid time and one-half for work on these days only for time worked in excess of eight hours per day or in excess of forty hours in the associate's working week, for which overtime has not already been earned, except as otherwise provided in Paragraph (1) below:

[See Par. (206)]

(87)(1) Such associates shall be paid time and one-half for hours worked on the employee's sixth work day in the week.

[See Par. (82)]

(87)(2) Such associates shall be paid double time for hours worked on the 7th work day in the calendar week if the 7th work day results from being required to work on their scheduled off day(s) in that calendar week, or for hours worked on a Sunday if that Sunday is their second scheduled off day in that calendar week.

(87)(3) Such associates will be paid double time and one-half (2.50 times straight time) for the first eight (8) hours worked on any shift that starts on any of the holidays listed in Paragraph (203); for time worked on the calendar holiday in excess of the first eight (8) hours worked on any shift that starts on any such holiday; and for time worked on the calendar holiday in excess of eight (8) hours worked on a shift which starts the previous day and runs over into any such holiday; provided, however, that if the particular holiday falls on their regularly scheduled off day(s) and they receive holiday pay pursuant to Paragraph (206) of this Agreement, they will be paid double time instead of double time and one-half for such hours worked. In the case of the associates who work six (6) or seven (7) days during the work week, the first eight (8) hours worked at double time and one-half or double time, as the case may be, on shifts starting on such holidays shall be counted in computing overtime for work in excess of forty (40) hours in their working week.

(87)(4) Such associates will be paid time and one-quarter (1.25 times straight time) for hours worked on the 7th work day in the

calendar week, unless such hours are payable at an overtime premium rate under any other provision of this Agreement.

(87)(5) If such associates receive holiday pay pursuant to Paragraph (206) for a particular holiday on which they do not work, that holiday will be counted as a day worked for the purpose of computing sixth or seventh day premium under sub-paragraphs (1), (2), and (4) above.

(87)(6) Such associates shall be paid an additional thirty cents (~~30¢~~) per hour for time worked, which shall be included in computing vacation entitlement pay, holiday pay, bereavement pay, jury duty pay, short-term military duty pay, overtime and night shift premium.

Premium payments shall not be duplicated for the same hours worked under any of the terms of this Section.

### **Change in Shift Hours**

(88) Any change in the established shift hours or lunch period shall be first discussed with the Shop Committee as far in advance as possible of any such change; however, if the length of an associate's established lunch period is extended on a temporary basis for a given day, the net amount of time by which the lunch period is so extended shall be considered as time worked for that day. Complaints of repeated violations of this paragraph will be handled under the provisions of Paragraph (5)(a) of the National Agreement. For the purposes of this Special Procedure only, prior to being referred from the plant, the problem will be discussed between the Shop Committee, the Regional Servicing Representative, the Plant Manager and the Plant Personnel Director.

### **Night Shift Premiums**

(89) A night shift premium on night shift earnings, including overtime premium pay, will be paid to associates for time worked on shifts scheduled to start in accordance with the following chart:

Schedule Shift Starting Time	Amount of Regular Shift Premium	Amount of Conditional Shift Premium
1. On or after 11:00 AM and before 7:00 PM	Five percent	Ten percent for all hours worked after 12 midnight when such associate is scheduled to work more than nine (9) hours and until or beyond 2:00 AM
2. On or after 7:00 PM and on or before 4:45 AM	Ten percent	
3. After 4:45 AM and before 6:00 AM	Ten percent until 7:00 AM	
4. On or after 6:00 AM and before 11:00 AM	None	Five percent for all hours worked in excess of eight (8) when such associate is scheduled to work twelve (12) or more hours.

In applying the above night shift premium provisions, associates shall be paid the premium rate, if any, which attaches to the shift they work on a particular day.

[See Par. (87)(6), (101)(i), (205), (205a)]

### **Special Three-Shift Operations**

(89)(a) This Paragraph is not intended to change any present practice, or preclude the readoption of a prior practice, whereby it is possible to schedule certain operations on a three-shift, eight hours of

work per shift basis with special provisions for lunch. Where it is not possible or practicable on three-shift operations to establish schedules of eight hours of work each shift, work shifts will be established on the basis of arrangements for a lunch period not in excess of twenty minutes being provided during the shift period without loss of pay.

The above provisions shall not preclude necessary temporary variations in schedules.

The above provisions shall not be applicable in any plant located in a state wherein a statute or administrative ruling requires the granting or establishment of lunch or meal periods of more than twenty minutes.

[See Doc. 85]

[See CSA #11]

### **WAGE PAYMENT PLANS**

(90) Wage payment plans are a matter of local negotiation between the Plant Managements and the Shop Committees, subject to appeal in accordance with the Grievance Procedure. Any local agreement regarding wage payment plans is subject to the approval of the Corporation and the International Union.

[See Par. (46), (97)]

### **UNION BULLETIN BOARDS**

(92) The plants covered by this Agreement will erect bulletin boards which may be used by the Union for posting notices bearing the written approval of the President of the Local Union or the Chairperson of the Shop Committee and restricted to:

[See Par. (46), (93)]

[See Doc. 6]

[See CSA #5]

- (a) Notices of Union recreational and social affairs.
- (b) Notices of Union elections.
- (c) Notices of Union appointments and results of Union elections.

(d) Notices of Union meetings.

(e) Notices concerning bona fide Union activities such as: Cooperatives; Credit Unions; and Unemployment Compensation information.

(f) Other notices concerning union affairs which are not political or controversial in nature.

The Union will promptly remove from such Union bulletin boards, upon the written request of management, any material which is libelous, scurrilous, or detrimental to the labor-management relationship.

(93) The number, location and size of such bulletin boards in each bargaining unit under this Agreement shall be decided by the local Management and the Shop Committee.

[See Par. (46), (92)]

[See Doc. 6]

[See CSA #5]

(94) There shall be no other posting by associates, of pamphlets, advertising or political matter, notices, or any kind of literature upon Corporation property other than as herein provided.

[See Doc. 6]

[See CSA #5]

## **ESTABLISHMENT OF NEW PLANTS**

(95) For twenty-four months after production begins in a new plant (including a non-represented plant), the Corporation will give preference to the applications of laid off associates having seniority in other plants over applications of individuals who have not previously worked for the Corporation, provided their previous experience in the Corporation shows that they can qualify for the job. When employed, such associates will have the status of temporary associates in the new plant. Such associates will retain their seniority in the plant where originally acquired until broken in accordance with the seniority rules herein.

[See Par (56), (64)]

[See App. K,IV(C)15]

## **TRANSFER OF OPERATIONS BETWEEN PLANTS**

(96) When there is a transfer of major operations between plants, the case may be presented to the Corporation and, after investigation, it will be reviewed with the International Union in an effort to negotiate an equitable solution in accordance with the principles set forth in the previous paragraph. Any transfer of associates resulting from this review shall be on the basis that such associates are transferred with full seniority, except as the parties may otherwise mutually agree.

[See App. A; K,IV(C)15; J,V(B)]

[See Doc. 104]

(96a)(1) An associate whose seniority is transferred between American Axle & Manufacturing, Inc. plants pursuant to Paragraph (96) of this Agreement will be paid a Relocation Allowance, provided:

[See App. K,III(M)]

[See Doc. 20]

(a) The plant to which the associate is to be relocated is outside the Area Hire Area as defined by the National Parties, and

(b) Application is made within six (6) months after commencement of employment at the plant to which the associate was relocated in accordance with the procedure established by the Corporation.

(96a)(2) When associates are relocated, they will be given a choice from the following Relocation Packages:

(a) Option 1- Enhanced Relocation: --

Associates will receive a Relocation Allowance up to a maximum of \$24,200, \$5,000 of which will be provided to cover miscellaneous up-front cash expenditures. An additional amount of \$15,000 will be paid to the associate at the new location.

After one (1) year of employment, associates may receive \$4,200 if they continue to be associates of the new location.

Associate receiving the Enhanced Relocation Allowance will

terminate their seniority at all other AAM locations and, therefore, not be eligible for recall/rehire or Return to Former Community.

**(b) Option 2 - Basic Relocation:**

Associate will receive the applicable Relocation Allowance based upon the mileage from the plant at which the associate was employed to the plant to which the associate is transferred based on the following table:

<b>Relocation Allowance Mileage</b>	<b>Amount</b>
50-99	<u>\$2,904</u>
100-299	<u>\$3,200</u>
300-499	<u>\$3,356</u>
500-999	<u>\$3,964</u>
1000+	<u>\$4,557</u>

Associates who are placed in accordance with Appendix A will not be eligible to make application for placement pursuant to the Extended Area Hire placement procedure or initiate an Area Hire placement as an active associate for a period of thirty-six (36) months unless the associates status changes to protected status or indefinite layoff. In the event, the plant has associates on permanent indefinite layoff or placed on Protected status with no likelihood of recall into the active workforce, the thirty-six (36) month period will be eliminated.

The associate who accepts the Basic Relocation Option will be eligible to apply for return to former community or an Extended Area Hire application in accordance with the Memorandum of Understanding Associate Placement (Section VIII- Seniority Return to Former Community and Section II – Extended Area Hire Placement) after working at the plant of relocation for a period of six (6) months or upon indefinite layoff from the plant of relocation.

Associates from an idled or closed location or associates from a location not included in an Area Hire Area with no prospect of recall who relocate in excess of 100 miles under the Basic Relocation Option will receive the specified relocation amount and an additional \$1,280.

[See App. A]

**(96a)(3)** In the event an associate who is eligible to receive Relocation Allowance under these provisions is also eligible to receive a relocation allowance or its equivalent under any present or future Federal or State legislation, the associate must apply for such legislated relocation allowance prior to receiving any Relocation Allowance excluding the signing bonus provided in Paragraph (96a)(2)(a) above. The amount of Relocation Allowance provided under this Paragraph (96a), when added to the amount of relocation allowance provided by such legislation, shall not exceed the maximum amount of the Relocation Allowance the associate is eligible to receive under the provisions of this paragraph.

**(96a)(4)** Materials designed to assist associates who relocate under the provisions of Paragraph (96) or the Memorandum of Understanding Associate Placement will be updated. Such materials will include information covering topics such as:

- Moving Household Goods
- Community Services
- Contractual Rights and Responsibilities
- New Community Orientation
- New Plant and Product Orientation
- Health & Safety
- Legal Services
- Relocation Allowance
- TAA or other Government Benefits
- Work/Family Program
- Real Estate Services

National and/or local training funds will be used to support the efforts required to provide the above assistance.

(See App. A)

## **WAGES**

(97) The establishment of wage scales for each operation is necessarily a matter for local negotiation and agreement between the Plant Managements and the Shop Committees subject to approval by the International Union and the Corporation.

[See Par. (46),(89a),(90)]

[See Doc. 85]

[See CSA #11]

(98) New associates hired on or after the effective date of this Agreement, who do not hold a seniority date in any AAM plant and are not covered by the provisions of Paragraph (98b) below, shall be hired at a rate equal to seventy (70) percent of the maximum base rate of the job classification. Such associates shall receive an automatic increase to:

[See Par. (99), (101)(g)]

[See Doc. 87]

[See CSA #10]

(1) seventy-five (75) percent of the maximum base rate of the job classification at the expiration of twenty-six (26) weeks.

(2) eighty (80) percent of the maximum base rate of the job classification at the expiration of fifty-two (52) weeks.

(3) eighty-five (85) percent of the maximum base rate of the job classification at the expiration of seventy-eight (78) weeks.

(4) ninety (90) percent of the maximum base rate of the job classification at the expiration of one hundred and four (104) weeks.

(5) ninety-five (95) percent of the maximum base rate of the job classification at the expiration of one hundred and thirty (130) weeks.

(6) the maximum base rate of the job classification at the expiration of one hundred and fifty-six (156) weeks.

Such an associate who is laid off prior to acquiring seniority and who is re-employed at that plant within one year from the last day worked prior to layoff shall receive a rate upon re-employment which

has the same relative position to the maximum base rate of the job classification as had been attained by the associate prior to layoff. Upon such re-employment, the credited rate progression period of an associate's prior period of employment at that plant shall be applied toward their rate progression to the maximum base rate of the job classification.

For the purpose of applying the provisions of this Paragraph (98), (98a), and (98b) only, an associate will receive one week's credit toward acquiring the maximum base rate of the job classification provided the associate had worked in that given week. Credit will not be given for any week during which for any reason, the associate does not work except as provided in Paragraph (108) and when the Christmas Holidays consists of a full week and the Independence Week Shutdown, provided the associate would otherwise have been scheduled to work. Notwithstanding other provisions of this Agreement, full weeks of time lost for vacation during the Plant Vacation Shutdown Week, bereavement, military duty and Family Medical Leave Act, if the associate would otherwise have been scheduled to work, will be considered as time worked. Each increase shall be effective at the beginning of the first pay period following the completion of the required number of weeks of employment.

**(98)(a)** Laid-off seniority associates hired in a job classification other than skilled trades, shall receive a base rate upon re-employment which has the same relative position to the maximum base rate of the job classification they had attained prior to layoff. Such associates shall be covered by the rate progression provisions in effect during the current agreement. Upon such re-employment, the credited rate progression period of the associate's prior period of employment at the former AAM plant shall be applied toward their rate progression to the maximum base rate of the job classification in the current agreement.

[See Par. (99), (101)(g)]

See CSA #10]

**(98)(b)** New associates rehired under the provisions of Paragraph (64)(e) or (64)(f)(3) on or after the effective date of this Agreement, shall receive a base rate upon re-employment which has the same relative position to the maximum base rate of the job classification they had attained in their prior employment. Such associates shall

continue to be covered by the rate progression provisions in effect during their prior employment. Upon such re-employment, the credited rate progression period of the associate's prior period of employment shall be applied toward their rate progression to the maximum base rate of the job classification.

[See Par. (99),(101)(g)]

[See CSA #10]

(99) The foregoing Paragraph (98), (98a), and (98b), shall not apply to job classifications covered by the Skilled Trades section of this Agreement.

[See Par. (119), (183)(e)]

(99)(a) Laid-off seniority associates hired in a secondary plant pursuant to Appendix A for the same skilled trades work they performed in their base plant, shall be hired at a rate which is in the same position in cents per hour relative to the maximum rate of the classification in the secondary plant as the rate they were receiving at their base plant was to the maximum rate at that plant, but not more than the maximum rate of the classification in the secondary plant.

[See Par. (181a)]

(100) It is understood that local wage agreements consist of the wage scale by job classifications as were in effect in the local wage agreements as of the effective date of this Agreement, plus any written changes, additions or supplements thereto. Any changes, additions or supplements thereto shall be reduced to writing and are subject to the approval of the Corporation and the International Union.

[See Par. (102),(220)]

[See CSA #9,#10]

(101)(a)(3) Effective March 15, 2004, each associate in a skilled trades job classification which qualifies for journey person status under the provisions of Paragraph 178 of this Agreement shall receive a tool allowance adjustment of thirty (30) cents per hour added to the base rate, except each associate in a "Skilled" Apprentice job classification shall receive that wage increase, if any, which is applicable in accordance with the provisions of the Apprentice Rate Schedule set forth in Paragraph (151) of the Agreement.

[See Par. (178 and 151)]

(101)(b) The Performance Bonus provided herein recognizes that a continuing improvement in the standard of living of associates 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 associate in accordance with the following table:

<b>Eligibility Date</b>	<b>Amount</b>	<b>Payable During Week Ending</b>
February 27, 2005	Two percent (2%) of Qualified Earnings	March 6, 2005
February 26, 2006	Two percent (2%) of Qualified Earnings	March 5, 2006
February 25, 2007	Two percent (2%) of Qualified Earnings	March 4, 2007

An associate, who has not participated in an Enhanced Buyout Incentive Program, shall become eligible for a Performance Bonus payment as herein defined, provided the associate has achieved the maximum base rate in accordance with Paragraph (98)(6) as of the designated eligibility date set forth above.

An associate's Performance Bonus will be based on the qualified earnings during the fifty-two (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 associate from American Axle & Manufacturing, Inc. during each designated Performance Bonus eligibility year resulting from the following:

Hourly Base Wages\*

COLA\*

Shift Premium\*

Vacation Entitlement

Holiday Pay

Independence Week Shutdown Pay

Seven-Day Operator Premium

Bereavement Pay

Jury Duty Pay

Apprentice 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.

[See Par. (101)(b)(1-2)]

(101)(b)(1) An associate who retires during the Performance Bonus eligibility year provided in (101)(b) and who, but for retirement, would have had seniority as of the designated eligibility date, shall qualify for the Performance Bonus as defined in (101)(b).

(101)(b)(2) In the case of seniority associates, otherwise eligible for a Performance Bonus Payment, who die during the Performance Bonus eligibility year, a Performance Bonus shall become payable as if they were active associates on the designated eligibility date and calculated based on their Qualified Earnings during the eligibility year as defined in (101)(b) above. Such Performance Bonus shall be paid to their duly appointed legal representative, if there be one, and, if not, to the spouse, parent, children or other relative or dependents of such associate as the Corporation in its discretion may determine.

**(101)(d) Cost of Living Allowance.** Each associate covered by this Agreement shall receive a Cost of Living Allowance in accordance with the provisions of Paragraphs (101)(g) and (101)(h).

It is agreed that only the Cost of Living Allowance will be subject to reduction so that, if a sufficient decline in the cost of living occurs, associates will immediately enjoy a better standard of living.

[See Par. (101)(e)]

[See Doc. 87]

(101)(e) The Cost of Living Allowance provided for in Paragraph (101)(d) shall be added to each associates hourly wage rate and will be adjusted up or down as provided in Paragraphs (101)(g) and (101)(h).

(101)(f) The Cost of Living Allowance will be determined in accordance with changes in the official Consumer Price Index for Urban Wage Earners and Clerical Workers (current series), (CPI-W) (for all items, less medical care, not seasonally adjusted) (United States City Average) published by the Bureau of Labor Statistics (1982-1984=100).

[See Doc. 87]

(101)(g) 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:**

March 1, 2004 .....

November, December, 2003,  
January, 2004

First pay period .....  
beginning on or after:  
June 7, 2004 and at three-  
calendar month intervals  
thereafter to September 3,  
2007.

February, March, April, 2004,  
and at three-calendar month  
intervals thereafter to May,  
June, July, 2007.

In determining the three-month average of the Indexes for a specified period, the computed average shall be rounded to the nearest 0.01 Index Point.

In no event will a decline in the three-month average Consumer Price Index below 175.26 provide the basis for a reduction in the wage scale by job classification.

[See Par. (101)(d), (101)(e), (101)(h)]

[See Par. (101)(j), (101)(k), (190)]

[See CSA #10]

(101)(h) The amount of the Cost of Living Allowance shall be the amount payable on February 25, 2004. Effective March 1, 2004, and for any period thereafter as provided in Paragraphs (101)(d) and (101)(g), the Cost of Living Allowance shall be in accordance with the following table:

Three-Month Average Consumer Price Index	Cost of Living Allowance
175.26 or less .....	\$2.11 per hour
175.27 - 175.34 .....	\$2.12 per hour
175.35 - 175.42 .....	\$2.13 per hour
175.43 - 175.51 .....	\$2.14 per hour
175.52 - 175.59 .....	\$2.15 per hour
175.60 - 175.67 .....	\$2.16 per hour
175.68 - 175.75 .....	\$2.17 per hour
175.76 - 175.83 .....	\$2.18 per hour
175.84 - 175.91 .....	\$2.19 per hour
175.92 - 176.00 .....	\$2.20 per hour
176.01 - 176.08 .....	\$2.21 per hour
176.09 - 176.16 .....	\$2.22 per hour
176.17 - 176.24 .....	\$2.23 per hour
176.25 - 176.32 .....	\$2.24 per hour
176.33 - 176.40 .....	\$2.25 per hour
176.41 - 176.49 .....	\$2.26 per hour

And so forth in accordance with Document 87 - COLA Calculation and Conversion. For each adjustment during the fifteen (15), three (3) month periods beginning March 1, 2004, and ending on September 3, 2007, in which an increase in the Cost of Living Allowance shall be required according to the above table, the amount of increase so required each three month period shall be reduced by five cents (\$0.05) or by the amount of the increase whichever is less.

Following the adjustment for the three-month period beginning September 3, 2007, the sum reduced during the fifteen 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 payable during the period beginning September 3, 2007.

[See Par. (101)(e)]

[See Doc. 87]

(101)(i) The amount of any Cost of Living Allowance in effect at the time shall be included in computing overtime premium, night shift premium, vacation payments, Independence Week Shutdown pay, holiday payments, call-in pay, bereavement pay, jury duty pay, and short-term military duty pay.

(101)(j) In the event the Bureau of Labor Statistics does not issue the appropriate Consumer Price Index on or before the beginning of one of the pay periods referred to in Paragraph (101)(g) any adjustments in the Cost of Living Allowance required by such appropriate Index shall be effective at the beginning of the first pay period after receipt of the Index.

(101)(k) No adjustments, retroactive or otherwise, shall be made due to any revision which may later be made in the published figures used in the calculation of the Consumer Price Index for any month or months specified in Paragraph (101)(g).

(101)(l) The parties to this Agreement agree that the continuance of the Cost of Living Allowance is dependent upon the availability of the monthly Consumer Price Index published by the Bureau of Labor Statistics in its present form and calculated on the same basis as the current Index unless otherwise agreed upon by the parties. If the Bureau of Labor Statistics changes the form or the basis of calculating the Consumer Price Index, the parties agree to request such agency to make available, for the life of this Agreement, a monthly Consumer Price Index in its present form and calculated on the same basis as the Index was prior to the change.

## **New Jobs**

(102) When new jobs are placed in production and cannot be properly placed in existing classifications by mutual agreement, Management will set up a new classification and a rate covering the job in question, and will designate it as temporary. A copy of the temporary rate and classification name will be furnished to the Shop Committee.

[See Par. (8), (100)]

(102)(a) As soon as possible after machinery and other equipment have been installed, and in any event, within 30 (thirty) calendar days after a production associate has been placed on the job, the Shop Committee and Management shall negotiate the rate and classification, and when negotiations are completed, such classification and rate shall become a part of the local wage agreement, and the negotiated rate, if higher than the temporary rate shall be applied retroactively to the date the production associates started on the job, except as otherwise mutually agreed.

## **APPROVED ABSENCE FROM WORK**

### **LEAVES OF ABSENCE**

#### **Informal**

(103) A leave of absence may be granted for personal reasons for a period not to exceed thirty days, upon application of associates to and approval by their respective supervisors. Such leaves of absence shall not be renewed and seniority will accumulate during the leave.

[See Par. (111)]

#### **Formal Leave of Absence for Personal Reasons**

(104) Associates requesting formal leave of absence shall first make application in writing to the Personnel Department on the form provided. Such leave of absence will be granted to associates for not more than ninety days on approval of the Local Management when the services of the associates are not immediately required and there are associates available in the plant capable of doing their work. A formal leave of absence may be granted under the foregoing conditions for not more than 150 days provided that associates do not work in any occupation for their own gain during such leave of absence unless mutually agreed by the Company and the Union. A formal leave of absence may be granted under the foregoing conditions for a period exceeding 150 days but not to exceed 180 days if required for the purpose of traveling to a foreign country.

[See Par. (105a), (111)]

(105) Such leaves of absence may be extended but the approval of the Manager of the Plant, or designated representative, is required in such cases. Seniority will accumulate during the period of formal leave of absence. Such formal leaves of absence will not be granted to associates who are laid off, and will not be extended for associates who would have been laid off had they been working during their leave.

[See Par. (105a),(111)]

(105)(a) Subject to the provisions of Paragraphs (104) and (105) a formal leave of absence may be granted to associates for service in the Peace Corps, and, if circumstances require, the duration of the original leave may be for a period up to thirty months.

[See Par. (111), (137)(c)(1)]

[See App. C]

### **Sick Leave of Absence**

(106) Associates who are known by the Corporation to be ill supported by satisfactory evidence, will be granted sick leave automatically for the period of continuing disability. Except as otherwise provided in Paragraph (111)(c), seniority of such associates shall accumulate during sick leave and shall be broken, figured from the date the sick leave started, on the same basis as provided in Paragraph (64)(e) for laid off associates breaking seniority. Not later than thirty (30) calendar days prior to such loss of seniority, Management will send a letter to each affected associate's last known address as shown on the Company records reminding them of the fact that their seniority is subject to being broken as provided above. A copy of such letter will be furnished promptly to the Chairperson of the Shop Committee. However, failure through oversight to send this letter to such associates or furnish a copy to the Chairperson of the Shop Committee will not be the basis for any claim.

[See Par. (108),(111),(137)(c)(1)]

[See App. B, C]

[See Doc. 78]

(107) Temporary associates without seniority shall not receive credit for time off sick toward the ninety (90) days of employment required to acquire seniority, except as provided in Paragraph (108)

and Appendix D, and in no case shall a temporary associate's name be placed on the seniority list while away from work on sick leave.

[See Par. (57)]

**(108)** An associate who has sustained a legal compensable injury or disease and has accrued three (3) or more years of seniority at the commencement of such injury or disease shall be automatically granted a compensable leave for the full period the associate is not working due to the compensable injury and is receiving Worker's Compensation Benefits under a State or Federal Worker's Compensation Law. The associate will continue to accrue seniority for the full period of such leave.

An associate who has sustained a legal compensable injury or disease with less than three (3) years of seniority at the commencement of such injury or disease shall be granted a compensable leave for the full period the associate is not working due to the compensable injury and is receiving Worker's Compensation Benefits under a State or Federal Worker's Compensation Law. The associate will continue to accrue seniority for the full period of temporary disability. In the event that such disability of an associate with less than three (3) years of seniority is determined to be permanent by the appropriate State or Federal authority, the Corporation shall have the right to convert the status of such associate to a Paragraph (106) Leave as of the date of such determination. In the event of such conversion, Management will send written notification of the associate's change in status to the affected associate's last known address as shown on the company records. A copy of such letter will be furnished promptly to the Chairperson of the Shop Committee. However, failure through oversight to send this letter to such associates will not be a basis for any claim.

Temporary associates disabled by a compensable injury shall be given credit for the period of such legal temporary disability toward acquiring seniority.

[See Par. (57),(72),(106),(107),(111)]

[See Par. (137)(c)(1),(195)]

[See App. B, C, D]

## **Leave of Absence for Union Activity**

(109) Associates elected to a permanent office in, or as a delegate to, any labor activity necessitating a leave of absence, shall be granted such leave for a minimum of the first half or the second half of their shift and not to exceed one year and shall, at the end of the term in the first instance, or at the end of the mission in the second instance, be guaranteed reemployment if there is sufficient work for which they are in line at the then current rate of pay. Written notice for such leaves, giving the length of leave, shall be given the local Plant Management as far in advance as possible but in no event later than the day prior to the day such leave is to become effective. Seniority will accumulate during the period of such leaves.

[See Par. (111)]

(109)(a) Leaves of absence may be granted to associates for other Union activities and seniority shall accumulate during such leaves. Such leaves will be granted only when requests are made in writing to the Labor Relations Staff of the Corporation in Detroit by the President of the International Union or the head of the department of the International Union at Detroit which handles matters under this Agreement.

[See Par. (111)]

## **Leave of Absence for Public Office**

(110) Associates with seniority elected to public office may make written application for a leave of absence for the period of their first term of active service in such elective office. Additional leaves of absence for service in elective public office may be granted at the option of local Management upon written application by such associate.

[See Par. (110)(b),(111)]

(110)(a) Associates with seniority who are appointed to a position as administrative assistant in a Congressional or Senatorial office, or to an administrative position in a State Agency, or as a Labor Representative on a Community Agency, or to a non-civil service

governmental position which is not generally available to an applicant for employment, or as a full time officer in a credit union, may make written application for a leave of absence for the period of their active service in such position, not to exceed one year. Such leave may be renewed at the option of Local Management upon written application by such associate.

[See Par. (110)(b),(111)]

**(110)(b)** Associates granted a leave of absence under Paragraph (110) or (110)(a), shall be guaranteed reemployment, at the then current rate of pay, if there is sufficient work available which they are capable of doing and to which they may be entitled on the basis of seniority. Seniority will accumulate during the period of such leaves.

**(111)** All of the above leaves of absence including sick leaves are granted subject to the following conditions:

[See Par. (112)(a), (113)]

**(111)(a)** Associates on leave may return to work in line with their seniority before the expiration of their leave providing not less than seven (7) days notice is given to Management. The return within the seven day period is at the option of Management. Associates who fail to return to work in accordance with the notice as given shall be considered as having voluntarily quit unless they have a satisfactory reason.

[See Par. (106)]

**(111)(b)** Associates who fail to report for work within three working days after the date of expiration of the leave, shall be considered as having voluntarily quit unless they have a satisfactory reason, provided however, that in the case of failure to report for work within three working days after the expiration of leaves of absence granted under Paragraphs (104), (105), (109), (109)(a), (110), (110)(a), and (113), and in the case of leaves of absence granted under Paragraph (106) where Management has refused to grant a requested-renewal of the leave, Management will send clear written notification to such associates' last known address as shown on the Company records, that their seniority has been broken and that it can be reinstated, if, within

three specified working days after delivery or attempted delivery of such notice, they report for work or properly notify Management of their absence. A copy of such Management notification will be furnished promptly to the Chairperson of the Shop Committee. If such associates comply with the conditions set forth in the notification, their seniority will be reinstated if it has not otherwise been broken; however, such reinstatement shall not be construed as limiting the application to their cases of the Shop Rule regarding absence without reasonable cause.

[See Par. (74),(103),(112a)]

[See Doc. 78]

(111)(c) If upon the expiration of a leave of absence there is no work available for associates in line with their seniority, or if they would otherwise have been subject to layoff according to seniority during the period of the leave, the period which breaks seniority shall start from the date of expiration of the leave, or in the case of a leave of absence under Paragraph (106), Paragraph (113), or Paragraph (113)(a), the period which breaks seniority shall start from the date such associate would otherwise have been laid off.

[See Par. (64)(c), (113)]

### **Leave of Absence for Military Service**

(112) Associates who enter either active or inactive training duty or service in the Armed Forces of the United States will be given a leave of absence subject to the conditions herein. Upon submission of satisfactory proof of pending induction for active service, such associates may arrange for the leave to begin up to thirty days prior to the induction date. The leave shall not exceed the term of the initial enlistment and one (1) consecutive re-enlistment. In no event will the period of such leave exceed a total of eight (8) years, except when additional service is involuntary. Seniority will accumulate during the period of such leave. Upon termination of such leave, associates shall be offered re-employment in their previous position or a position of like seniority, status and pay, unless the circumstances have so changed as to make it impossible or unreasonable to do so, in which event they will be offered such employment in line with their seniority as may be

available which they are capable of doing at the current rate of pay for such work, provided they meet the following requirements:

[See Par. (137)(c)(1),(194)]

[See App. C]

- (1) Have not been dishonorably discharged.
- (2) Are physically able to do the work.
- (3) Report for work within ninety days of the date of such discharge, or ninety days after hospitalization continuing after discharge.

The seniority of any associate who fails to report for work within the times specified in Paragraph (112)(3) shall be automatically broken, unless the associate gives a reason satisfactory to Management for such failure to report.

As used in this paragraph, "Armed Forces of the United States" is defined as and limited to the United States Army, Air Force, Navy, Marine Corps, Coast Guard, National Guard, Air National Guard or any reserve component thereof.

(112)(a) Associates with seniority who are spouses of associates who enter active duty service in the Armed Forces of the United States and who obtain a leave of absence in accordance with Paragraph (112), may make written application to the Personnel Department for a leave of absence for the period of the spouse's initial enlistment but in no event to exceed four (4) years. Such leaves may be granted by Local Management and will be subject to the conditions set forth in Paragraph (111). Seniority will accumulate during the period of such leaves.

[See Par. (218)(a)]

### **Educational Leave of Absence**

(113) Associate veterans who have acquired seniority and other associates 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 associates for a period not to exceed twelve months, subject to the conditions set forth in Paragraph (111) of this Agreement. Additional leaves of absence may be granted, at the option of Local Management. Except as otherwise provided in Paragraph (111)(c), seniority shall accumulate during such leaves of absence.

### **Leaves of Absence - Apprentice Training**

(113)(a) Associates with seniority selected for apprentice training at an American Axle & Manufacturing, Inc. plant other than the plant in which they are currently working may make application for a leave of absence for the time they are in apprentice training. Seniority shall accumulate at the plant granting the leave except as otherwise provided in Paragraph (111)(c) during the time they are in the apprentice training program and shall be broken at that plant upon placement as a journeyman in the plant where they have completed their apprentice training program.

[See Par. (138)(c), (190)(c)]

(114) An approved copy of any written leave of absence granted under the Leaves of Absence Section will be furnished to the associate.

### **STRIKES, STOPPAGES AND LOCKOUTS**

(115) It is the intent of the parties to this Agreement that the procedures herein shall serve as a means for peaceable settlement of all disputes that may arise between them.

[See Introduction]

[See Par. (5), (19)]

(116) During the life of this Agreement, the Corporation will not lock out any associates until all of the bargaining procedure as outlined in this Agreement has been exhausted and in no case on which the Umpire shall have ruled, and in no other case on which the Umpire is not empowered to rule until after negotiations have continued for at least five days at the third step of the Grievance Procedure. In case a

lockout shall occur the Union has the option of canceling the Agreement at any time between the tenth day after the lockout occurs and the date of its settlement.

(117) During the life of this Agreement, the Union will not cause or permit its members to cause, nor will any member of the Union take part in any sit-down, stay-in or slow-down, in any plant of the Corporation, or any curtailment of work or restriction of production or interference with production of the Corporation. The Union will not cause or permit its members to cause nor will any member of the Union take part in any strike or stoppage of any of the Corporation's operations or picket any of the Corporation's plants or premises until all the bargaining procedure as outlined in this Agreement has been exhausted, and in no case on which the Umpire shall have ruled, and in no other case on which the Umpire is not empowered to rule until after negotiations have continued for at least five days at the third step of the Grievance Procedure and not even then unless authorized by the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, and written notice of such intention to authorize has been delivered to the Labor Relations Staff of the Corporation at least five (5) working days prior to such authorization. The Union will not cause or permit its members to cause or will any member of the Union take part in any strike or stoppage of any of the Corporation's operations or picket any of the Corporation's plants or premises because of any dispute or issue arising out of or based upon the provisions of the Pension Plan, Life and Disability Benefits Program, Health Care Program, Supplemental Unemployment Benefit Plan, Profit Sharing Plan, Personal Savings Plan or Legal Services Plan; nor will the Union authorize such a strike, stoppage, or picketing. In case a strike or stoppage of production shall occur, the Corporation has the option of canceling the Agreement at any time between the tenth day after the strike occurs and the day of its settlement. The Corporation reserves the right to discipline any associate taking part in any violation of this Section of this Agreement.

[See Par. (46), (78b)]

[See App. F-2]

[See CSA #12]

(118) The Union has requested this National Agreement in place of independent agreements for each bargaining unit covered hereby. Accordingly an authorized strike in one bargaining unit under this Agreement which results in an interruption of the flow of material or services to operations in any other bargaining unit under this Agreement will be considered an authorized strike in any such affected bargaining unit.

[See S.U.B.-Exhibit D]

## **SKILLED TRADES**

### **Apprentices**

(119) This Section is applicable to apprentices in the plants of the Corporation covered by this Agreement.

(120) Paragraphs (63)(a) and (63)(b) shall not apply to apprentices nor to openings or vacancies in apprentice classifications.

(121) The following Paragraphs shall not be applicable to apprentices: (70), (71), and (174).

### **AAM-UAW Skilled Trades and Apprentice Committee**

(122) An AAM-UAW Skilled Trades and Apprentice Committee will be established in Detroit, composed of two representatives of American Axle & Manufacturing, Inc. and two representatives of the International Union, UAW, which shall meet quarterly unless otherwise mutually agreed. The duties of this Committee shall be:

(122)(a) To review and revise the uniform shop training schedules when necessary. The shop training schedules which have been agreed to by the AAM-UAW Skilled Trades and Apprentice Committee are made a part of the Skilled Trades Supplement.

(122)(b) To review and revise the related training schedules when necessary. Example related training schedules which may be agreed to pursuant to Paragraph (123) by the AAM-UAW Skilled Trades and Apprentice Committee are made a part of the Skilled Trades Supplement.

**(122)(c)** To review and revise, when necessary, the AAM-UAW Standard Apprentice Plan which is made a part of the Skilled Trades Supplement.

**(122)(d)** 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.

[See Par. (140), (178), (178)(a)]

**(122)(e)** To establish new apprentice training schedules for classifications in which such schedules have not been previously agreed upon by the AAM- UAW Skilled Trades and Apprentice Committee.

**(122)(f)** To approve Pre-Apprentice Training Programs and to review and make disposition of other apprentice training matters referred to the Committee by the Local Apprentice Committees.

[See Par. (145)]

[See Doc. 60]

[See CSA #22]

**(122)(g)** To review the status of AIT Programs in accordance with Appendix H.

**(122)(h)** To deal with other matters concerning the Apprentice and Skilled Trades Sections of this Agreement.

[See Par. (140)]

[See Doc. 64]

**(122)(i)** Disputes concerning the Apprentices and Skilled Trades Sections of this Agreement may be appealed to the Umpire in accordance with Paragraph (55).

[See Par. (46)]

**(123)** The present shop and related training schedules will remain in effect until replaced by revised schedules. The revised schedules will be adopted for those apprentices presently in the training program

to the extent that they can be integrated into such revised programs without interfering with the progress of the apprentice. If local plant requirements indicate deviation should be made in such shop or related training schedules, proposed changes must be referred to the AAM-UAW Skilled Trades and Apprentice Committee, together with the reason for requesting the deviation, for consideration.

[See Par. (122),(124),(126),(149)]

### **Local Apprentice Committee**

(124) A Local Apprentice Committee composed of two (2) Union members and two (2) Management members shall be established in each plant in which apprentices are employed. The International Union shall appoint journeypersons from the plant as members of the Local Apprentice Committee, one of whom shall be designated as the Chairperson of the Union members of the Local Apprentice Committee. Local Management shall notify the local Union of its members, one of whom shall be designated the Apprentice Coordinator and one of the members will have skilled trades experience.

[See Par. (123), (126)]

(125) Chairpersons of the Union members of Local Apprentice Committees shall be permitted to attend regular Shop Committee meetings for the purpose of assisting in the handling of grievances of apprentices. They will be paid their regular rates for time spent in such meetings and for making the investigations provided for in this subparagraph for the hours they would otherwise have worked in the plant. The Chairperson of the Shop Committee may designate the Chairperson of the Union members of the local Apprentice Committee, in lieu of a member of the Shop Committee, to make the further investigation provided for in Paragraph (33) regarding a grievance filed by an apprentice.

(126) The 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. Apprentice Committeepersons will be paid their regular rates for time spent in such meetings and for the necessary time to properly perform their

duties and functions provided for in Paragraph (127) for the hours they would otherwise have worked in the plant. Minutes of such meetings will be furnished to the Union members of the Local Apprentice Committee within seven (7) calendar days from the date of the meeting.

[See Par. (123),(124)]

(127) The duties and functions of the Local Apprentice Committee shall be as follows:

[See Par. (126), (140)]

(127)(a) To negotiate and resolve issues involving the effect of the employment of apprentices on the employment of journeypersons in the trades involved.

(b) To study other matters that may involve the training of apprentices by journeypersons in the shop. When machinery, equipment or material is introduced or modified and new skills are required in the journeyperson classification in the plant, the matter may be reviewed to determine the effect on the shop and related training of apprentices including necessary revision of such training. If requested, arrangements will be made with the Apprentice Coordinator for the Local Apprentice Committee to investigate the new skills on the plant floor as a part of their review. When a meeting is held with the local educational institution providing related training to implement changes in the related training curriculum, the Union members of the Local Apprentice Committee will be given the opportunity to attend.

[See App. J - Statement on Technological Progress]

(c) Progress reports of the apprentice shop and related training schedules shall be reviewed in meetings of the Local Apprentice Committee, except that upon the request of a member of the Local Apprentice Committee an individual apprentice's record shall be reviewed in a meeting of the Local Apprentice Committee once during the last thirty (30) day period prior to completion of the apprentice shop training schedule. Problems involving the improper application of the shop training schedules to individual apprentices may be raised with supervision and if necessary discussed with the apprentice on the

plant floor by the Chairperson or another Union member of the Local Apprentice Committee.

(d)(1) To interview tested apprentice applicants in accordance with the Apprentice Selection Procedure. Interview results will be combined with test scores by central scoring where separate lists will be developed, one for seniority associate applicants and one for all other applicants, each list to be in descending order of points scored for each classification for which they have applied. The lists for each apprentice classification will be provided by central scoring for review by the Local Apprentice Committee. When apprentices are selected, such selections shall be on the basis of at least two from the seniority associate applicant list for every one selected from the other list in descending order of total point score in accordance with the Apprentice Selection Procedure; however, more selections from the other list may be made in the event sufficient seniority associate applicants are not available. Notwithstanding the above provisions of this Paragraph, laid off apprentices may be placed in the classification from which they were laid off prior to the selection of new applicants from either the seniority associate applicant list or the one from all other applicants.

[See Doc. 20, 62]

(2) When a list of qualified applicants for a classification is exhausted, additional qualified applicants may be placed on the list for that classification, but in any event additional qualified applicants will be added to the list at twelve (12) month intervals. Changes in the twelve (12) month interval referred to in this Paragraph may be recommended to the AAM-UAW Skilled Trades and Apprentice Committee.

(3) When necessary, the Apprentice Coordinator will make arrangements to temporarily assign a Union member of the Local Apprentice Committee to another shift for the purpose of interviewing applicants or to handle specified, legitimate apprentice matters. The overtime premium pay provisions of this Agreement are hereby waived in such instances and such changes in shift for this purpose will not result in the payment of overtime premium.

[See Par. (85), (86)]

(e) All applications for apprenticeship will be available upon request for review by the Chairperson of the Union members of the Local Apprentice Committee.

(f) The Local Apprentice Committee will be provided an Interview List containing the name, social security number, date of birth, plant employment information and trades applied for prior to the interview. The Local Apprentice Committee will also be provided with a copy of the Final Applicant Rankings of qualified applicants eligible for selection for each classification containing the name and, in the case of associate applicants, the seniority date will be included.

(g) Associates eligible for tuition assistance who express a desire to enter the apprentice program will be advised by a member of the Local Apprentice Committee of courses that are available through the Tuition Assistance Plan which may help them become better prepared as applicants for apprentice training.

[See App. J - Memo-Tuition Assistance Plan]

[See Doc. 60]

(h) The Apprentice Coordinator and the Chairperson of the Union members of the Local Apprentice Committee may confer with new apprentices for the purpose of acquainting the apprentices with the role of the Corporation, Local Management, the Union and the National and Local Apprentice Committees in the apprentice program and to ascertain that the apprentices understand their status and obligations as apprentices in accordance with the Apprentice Training Agreement provided for in Paragraph (144).

(i) The AAM Apprentice Coordinator and the Chairperson of the Union members of the Local Apprentice Committee will confer with apprentices where there are indications that apprentices are failing to perform their obligations as apprentices.

(j) To evaluate and credit previous experience as provided for in Paragraph (132).

[See Par. (132)]

(k) To issue certificates of completion of apprenticeship as

provided for in Paragraph (150).

(l) Each six months the Chairperson of the Union members of the Local Apprentice Committee will be furnished with a list of the number of apprentices in each training period by classification and the number of journeypersons by classification included in the ratio of apprentices in training to journeypersons.

(m) Apprentice training matters including related training schedules which are discussed by the Local Apprentice Committee and are not resolved may be referred to the AAM-UAW Skilled Trades and Apprentice Committee for disposition.

[See Par. (145)]

(128) Grievances filed by apprentices will be handled under the Representation and Grievance Procedure sections of this Agreement.

### **Apprenticeship Eligibility Requirements**

(130) Management will review its apprentice training needs and will post on the bulletin boards a list of apprentice openings. In order to be eligible for consideration for apprenticeship, all applicants must meet the requirements for apprentice training as established in the AAM-UAW Standard Apprentice Plan, including age, education, and other tests, such as aptitude tests. To satisfy the education requirement, the applicant must be a high school graduate, or have an equivalent education such as the high school equivalency test or other methods that may be agreed upon by the AAM-UAW Skilled Trades and Apprentice Committee, or meet the alternative requirements set forth in the AAM-UAW Standard Apprentice Plan. The new associate applicant must be at least age 18 (or otherwise consistent with applicable State and Federal laws).

(131) Notwithstanding other provisions of this Agreement, any seniority associate in that plant other than those classified as apprentices may file an application for an opening in the apprentice program; provided, however, that where there is evidence that the filing of such applications by journeypersons is inconsistent with skilled trades staffing objectives, such application shall be subject to review and decision by the Local Apprentice Committee. An apprentice with seniority who is scheduled to be removed from an

apprenticeable classification in a reduction in force may apply for an apprentice opening in a related skilled classification.

If such applicants meet all of the requirements for apprentice training as established in the AAM-UAW Standard Apprentice Plan their applications will be considered for the apprentice program (consistent with applicable state and federal laws). When the qualifications of associate-applicants are equal, the associate-applicant with the longest seniority will be given preference. Seniority associates may file an application for an opening in the apprentice program in another American Axle & Manufacturing, Inc. plant where they will be considered as non-seniority applicants.

### **Credit for Previous Experience**

(132) 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 training schedules. Credit for such previous experience shall be given to apprentices at the time they have satisfactorily demonstrated that they possess such previous experience and are able to do the job. Related training credit shall be given apprentices at the time that they have demonstrated that they possess the educational knowledge for which they are requesting credit under the related training 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.

[See Par. (137)(b), (143), (145)]

[See Par. (151)]

(a) Any dispute over such credit shall be referred to the AAM-UAW Skilled Trades and Apprentice Committee for decision.

[See Par. (127)(j)]

### **Term of Apprenticeship**

(133) 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 (8) periods of 916 hours each.

Any associate commencing an apprenticeship program after the effective date of this Agreement, who separates employment from AAM within twenty-four (24) months after completing the apprentice program, shall be required to reimburse AAM for the cost of the program.

[See Par. (142), (146)]

[See CSA #22]

### **Seniority of Apprentices**

(134) Each apprentice classification in the apprentice program shall be a separate non-interchangeable occupational group.

(135) Apprentices hired directly into an apprentice classification shall establish seniority in their non-interchangeable occupational group in accordance with Paragraphs (57) and (58).

[See Par. (137)(a)]

(136) Associates transferred to an apprentice classification shall have a date of entry in the non-interchangeable occupational group to which they are transferred and will continue to accumulate seniority in the seniority group from which they were transferred.

[See Par. (137)(a), (138)(b)]

[See App. B]

(137)(a) For the purpose only of determining the seniority status of apprentices in training, such apprentices shall have their seniority established as provided in Paragraphs (135) and (136) above.

[See Par. (137)(d)]

(137)(b) For the purpose of layoff and rehire or other applicability in their skilled occupational group, the seniority of apprentices, upon graduation, shall be established based upon the date each apprentice entered the particular apprentice classification.

[See Par. (137)(d)]

**(137)(c)(1)** Graduate apprentices whose AAM apprentice training was interrupted by a leave of absence under the provisions of Paragraphs (105a), Paragraph (112), by an approved leave of absence for jury duty, absences which qualify under the Bereavement Pay, Paid Absence Allowance, or Short Term Military Duty sections of this Agreement, by approved vacation time off, or by a sick leave of absence under the provisions of Paragraph (106), shall upon graduation, be given the same journeyman seniority date as they would have received had their apprentice training not been interrupted by such an absence from work.

[See Par. (137)(d), (175)(2), (191)]

[See Par. (202b), (218), (218a), (218b)]

[See App. B, C]

**(137)(c)(2)** For each pay period during which apprentices work in their apprentice classification and, in the case of the pay period in which the full week of Christmas holidays fall provided they would otherwise have been scheduled to work, they shall be credited as having spent seven calendar days in the apprentice program.

[See Par. (137)(d), (175)(2), (203)(c)]

**(137)(d)** Apprentices who satisfactorily complete their shop training schedule in a plant prior to the time they complete their related training shall, notwithstanding the provisions of Paragraph (178)(1), be considered as journeymen but only in the plant in which they were in apprentice training in the classification to which they have been apprenticed and not under Paragraph (178)(2) or (178)(3). Such associates shall be required to complete their related training requirements specified in Paragraph (145). Notwithstanding the provisions of Paragraphs (151) and (181a), such associates who hereafter fail to attend available courses or decline to complete the related training requirements specified in Paragraph (145) shall have their rate adjusted to a rate not greater than the minimum rate of the journeyman classification. Upon satisfactory completion of the related training requirements the rate of such associates shall be adjusted in accordance with Paragraph (181a). Local Shift Preference Agreements must have sufficient flexibility to permit such associates to complete the related training courses in which they are currently

enrolled. Seniority of such associates shall be established in accordance with Paragraph (137)(a), (b) and (c).

Time spent by such associates in completing their required apprentice related training schedule shall be paid for at the straight-time hourly rate applicable to such related training for that classification in that plant in accordance with Paragraph (146) and the Apprentice Rate Schedule set forth in Paragraph (151); provided, however, the hourly rate for such apprentice related training shall not exceed the applicable rate for the eighth (8th) 916 hour Apprentice Training Period for that classification as set forth in Paragraph (151). The Corporation's payment of fees and/or tuition required in connection with apprentice related training for such associates is limited to the maximum provided in Paragraph (148).

Upon completion of their related training schedule, the associates shall be given a certificate of completion of apprenticeship, in accordance with Paragraph (150), and shall thereupon be journeypersons within the meaning of Paragraph (178).

[See Par. (75),(175)(2)]

**(138)** Apprentices removed from the non-interchangeable occupational group to which they are assigned due to a reduction in force or inability to satisfactorily perform the shop and/or related training requirements shall be retained at work, seniority permitting, as follows:

[See Par. (139)]

[See Doc. 66]

**(a)** Apprentices with seniority who were hired directly into an apprentice classification will be placed on other available work in accordance with Paragraph (59).

**(b)** Apprentices with seniority who have been transferred from a job in the plant to an apprentice classification, will be returned to the group from which they were so transferred or otherwise placed according to the Local Seniority Agreement provisions.

[See Par. (136)]

(c) Failing to have sufficient seniority to be placed on other work, as provided above, apprentices will be laid off.

[See Par. (113)(a)]

(139) Apprentices who have been removed from an apprentice non-interchangeable occupational group due to a reduction in force pursuant to Paragraph (138) above, will be recalled to such group in line with their seniority in such group.

### **Ratio of Apprentices to Journeypersons**

(140) The number of new apprentices who may be enrolled shall be determined on the basis of the number of journeypersons employed for the program averaged over the preceding twelve (12) months. The ratio of apprentices in training to journeypersons should not exceed one (1) apprentice to eight (8) journeypersons. However, the Union agrees that local Management can establish a ratio of apprentices to journeypersons in excess of the one (1) to eight (8) ratio, but not to exceed a ratio of one (1) apprentice to five (5) journeypersons. Deviations below the one (1) to five (5) ratio may be agreed to by the Local Apprentice Committee. Favorable consideration will be given to requests for deviation below the one (1) to five (5) ratio in instances in which it is anticipated the impact of early retirement will create a shortage of skilled trades associates. Disputes concerning such deviations or the enrolling of new apprentices at a time when seniority journeypersons in the same classification are laid off due to a permanent reduction in force will be referred to the AAM-UAW Skilled Trades and Apprentice Committee for decision.

[See Par. (122)(d), (122)(h), (127)]

[See Doc. 66]

### **Ratio - Reduction in Force**

(140)(a) 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 journeyperson in that trade is laid off. The ratio of apprentices in training to journeypersons will be based on the average number of journeypersons employed for the program computed on the last Monday of each of the twelve 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 journeypersons are laid off, any monthly computation results in a ratio in excess of one (1) apprentice to eight (8) journeypersons, 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.

[See Par. (176)(2)]

[See Doc. 65, 66]

### **Reduction in Force (Unusual Circumstances)**

(140)(b) 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; local Management, the Shop Committee and the Union members of the Local Apprentice Committee shall mutually agree to an acceptable layoff and recall plan. Such a layoff plan may provide for reducing the ratio below one (1) to eight (8), or for laying off all apprentices in a particular trade. A plan that provides for the layoff of all apprentices in a particular trade is to be reviewed and approved in advance by the AAM-UAW Skilled Trades and Apprentice Committee.

[See Par. (96), (102), (102a), (127), (176)(2)]

[See App. J - Statement on Technological Progress]

[See App. I]

[See Doc. 65, 66]

### **Standard Work Week**

(141) To maintain the proper schedule for graduating apprentices, their standard work week, including time spent in connection with related training, shall be forty (40) hours.

(141)(a) Apprentices may be assigned to overtime work when all journeypersons on the shift in the equalization group with which the apprentices in the course of their training are currently associated, are

either scheduled to work overtime or have had the opportunity to work overtime. Deviation from this provision may be negotiated by local Management and the Shop Committee; however, no local agreements will be made which permit apprentices to be combined with journeymen for the purpose of overtime equalization.

[See Par. (21)]

[See App. I]

(141)(b) Equalization of any overtime available to apprentices is subject to local arrangement between Local Management and the Union in a manner consistent with the shop and related training of each apprentice.

(141)(c) 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.

(142) In case apprentices are required to work overtime, they shall receive credit on the term of apprenticeship for only the actual hours of work.

[See Par. (133)]

### **Allowance - Tools, Books, Supplies**

(143) As soon as practicable after being placed in an apprentice group, apprentices will be furnished an appropriate tool box, which will become the property of the apprentice upon graduation. At the same time and also upon satisfactory completion of the first period of 916 hours of work they will be paid an allowance of \$200.00 for the purchase of tools, books and supplies. Upon satisfactory completion of the second, third, fourth, fifth, sixth and seventh periods of 916 hours of work in the apprentice program, apprentices will be paid \$100.00 for the purchase of tools, books and supplies. Management will assist apprentices in obtaining tools. Upon completion of all shop and related training requirements and graduation, apprentices will receive the balance, if any, of the total allowance of \$1,100.00 including credit granted for prior experience pursuant to Paragraph (132) less any such payments previously received.

## **Apprentice Training Agreement**

(144) All apprentices shall be required to sign an Apprentice Training Agreement. A copy of the Apprentice Training Agreement shall be furnished to the Apprentice. The Apprentice Training Agreement shall be registered with the Bureau of Apprenticeship and Training, U.S. Department of Labor.

[See Par. (127)(h)]

## **Related Training**

(145) Apprentices shall be required during the period of this apprentice program, to complete a program of related and supplemental classroom instructions not to exceed 576 hours during a four-year training course, less the amount of related training for which they received credit pursuant to Paragraph (132). Exceptions up to a maximum of 672 hours may be jointly recommended for specific classifications by the Local Apprentice Committee subject to approval by the AAM-UAW Skilled Trades and Apprentice Committee.

[See Par. (122)(f), (127)(m), (137)(d), (148)]

[See Doc. 65]

[See CSA #22]

(146) Time spent by apprentices in connection with related training shall not be considered time worked under this Agreement; nevertheless, time spent by apprentices in taking required related training shall be paid for at the apprentices' straight time hourly rate, including related training satisfactorily completed while on layoff.

[See Par. (133), (137)(d)]

[See Doc. 65]

(147) Whether related training 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 local Apprentice Committee. However, the final determination will remain the responsibility of Management.

(148) The Corporation agrees to pay, on behalf of apprentices covered by this Agreement, registration fees and/or tuition required in connection with related training under the apprentice program, but not to exceed 576 hours of related training.

[See Par. (137)(d), (145)]

## **Progress Reports**

(149) An accurate record shall be kept of the hours worked by each apprentice under the training program. These hours shall be recorded on appropriate forms. Where the basic work processes are subdivided on the uniform shop training schedules, a more detailed breakdown of hours conforming to such subdivisions, which do not change the uniform shop training schedules, may be developed locally.

[See Par. (123), (145)]

[See CSA #22]

(149)(a) Optional hours are provided in each shop training schedule to be used as follows:

[See Par. (145)]

[See CSA #22]

(1) To give additional training over and above the hours designated in the shop training schedule in those phases which would be most beneficial to apprentices in acquiring their journeyman status.

(2) To give training in related phases of the trade not specifically designated in the shop training schedule but normally required of journeymen.

## **Certificate of Completion**

(150) Upon completion of apprenticeship, a certificate, a copy of which is contained in the AAM-UAW Standard Apprentice Plan, shall be issued to the apprentice. The certificate shall be signed by Local Management and the Union Members of the Local Apprentice Committee. The 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.

[See Par. (127)(k), (137)(d)]

## **Apprentice Wage Rates**

(151) For associates beginning or returning to the Apprentice Program on or after the effective date of this Agreement, the straight time hourly wage rates (exclusive of Cost-of-Living Allowance and shift premium) shall be the rates set forth in the following Apprentice Rate Schedule:

<b>Apprentice Training Period</b>	<b>Hourly Rate*</b>
1st 916 Hours	\$21.08
2nd 916 Hours	21.21
3rd 916 Hours	21.21 plus 9% of "Rate Difference"
4th 916 Hours	21.21 plus 20% of "Rate Difference"
5th 916 Hours	21.21 plus 33% of "Rate Difference"
6th 916 Hours	21.21 plus 48% of "Rate Difference"
7th 916 Hours	21.21 plus 66% of "Rate Difference"
8th 916 Hours	21.21 plus 86% of "Rate Difference"

\*The "Rate Difference" shall be determined by subtracting the sum of \$.20 and the Hourly Rate for the 2nd 916 Hours from the maximum rate established in the Local Wage Agreement for the journeyman/woman classification for which the apprentice is in training. Resultant rates shall be rounded to the nearest 1 cent.

Notwithstanding the foregoing provisions, seniority associates transferred to apprentice training, shall be transferred at their current rate or the rate of \$24.84 per hour, whichever is lower, provided, however, that in no event will their 1st Period Rate be lower than a rate of ten cents (10¢) over the 1st Period Hourly Rate set forth above. Upon their completion of that 1st Period, they shall be paid a rate of \$23.58 or their first period rate, whichever is higher, and if retained, shall be paid such rate until they qualify for a higher rate in accordance with the Apprentice Rate Schedule.

The straight time hourly wage rates for individual apprentices shall be determined only in accordance with the provisions of this Paragraph (151).

[See Par. (99), (132), (181a)]

[See CSA #25]

### **ther Skilled Trades Vacancies**

[See App. I]

### **Associate-In-Training-Program**

(152) Management will study its future tool, die, maintenance and machine repair needs on a regular basis, and will post on the bulletin board a list of jobs, if any, for which a shortage of journeymen is anticipated.

(161) Associates-In-Training (A.I.T.) shall be laid off from the skilled trades classification in which they are working in the reverse order of their date of entry status in such classification, provided, however, that if they have sufficient seniority or date of entry status, they shall thereafter be transferred in the following order:

[See Par. (175)(4)]

[See Doc. 66]

(1) To another skilled trades classification in which they have journeyman status;

(2) To another skilled trades classification in which they have Associate-In-Training-Seniority (A.I.T.S.) status;

(3) To another skilled trades classification in which they have date of entry status;

(4) To a seniority group, other than in skilled trades, in which their seniority is established.

(162) Associates-In-Training-Seniority (A.I.T.S) shall be laid off from the skilled trades classification in which they are working in reverse order of their seniority in such classification, provided, however, that if they have sufficient seniority or date of entry status,

they shall thereafter be transferred in the following order:

(1) To another skilled trades classification in which they have journeyperson status;

(2) To another skilled trades classification in which they have Associate-In-Training-Seniority (A.I.T.S) status;

(3) To another skilled trades classification in which they have date of entry status;

(4) To a seniority group, other than in skilled trades, in which their seniority is established.

### **Seniority Rights of Journeypersons**

(174) No journeyperson so classified will be laid off until it is necessary to further reduce the force after associates who have not attained the status of journeyperson in such classifications, for which the journeyperson is qualified, have been laid off, except as provided in Paragraph (176).

[See Par. (121), (140), (140)(a), (140)(b)]

[See Par. (177), (178), (178)(a)]

[See Doc. 66]

(175) Associates-In-Training (A.I.T.) who have not qualified as journeypersons may be retained in their classification until displaced by:

[See Par. (177), (178), (178)(a)]

[See Doc. 66]

(1) Fully qualified journeypersons in the plant;

[See Par. (177), (178), (178)(a)]

(2) Newly graduated apprentices;

[See Par. (137)]

(3) Associates-In-Training-Seniority (A.I.T.S.)

(4) A reduction in force.

[See Par. (161)]

(176) Associates-In-Training-Seniority (A.I.T.S.) may be retained in the skilled classification in which they are classified as Associates-In-Training-Seniority (A.I.T.S.) until displaced by:

[See Par. (174)]

- (1) Associates with more seniority in the classification;
- (2) A reduction in force.

[See Par. (140)(a), (140)(b)]

(177) Provisions may be negotiated between local Management and the Shop Committee to govern temporary layoff situations.

[See Par. (65)]

[See Doc. 66]

### **Definition of "Journeyman"**

[See App. I]

(178) The term "journeyman" when used in this Agreement means an associate who: (1) has satisfactorily completed a bona fide apprentice training course with similar standards to the AAM-UAW Apprentice Training Program; or (2) one who has properly carried such journeyman status in any AAM plant under the terms of agreements between the parties; or (3) one who has been reclassified as a journeyman under the terms of the Skilled Trades Section of this Agreement; or (4) one, newly hired, who meets one of the above alternative requirements or can prove eight (8) years work experience in the trade at least equivalent to that on-the-job experience required under the UAW-AAM Apprentice Program for that trade. Copies of any documents presented pursuant to this provision will be furnished to the Chairperson of the Shop Committee upon request, and where proof is not clearly established, the matter will be thoroughly investigated by the local Skilled Trades and Apprentice Committee before a hiring decision is made.

[See Par. (122)(d), (137)(d), (152), (174)]

[See Par. (175)(1)]

[See Doc. 68]

(178)(a) Journeypersons in an apprenticeable classification will be considered to be journeypersons classified in the classification(s) for which they are qualified and which is (are) related to that apprenticeable classification, in the application of Paragraph (174).

For the purpose of this Paragraph, the machine operations listed in the apprentice training schedules for the Die Making, Machine Repair, Tool and Die Making and Tool Making trades, are considered related to their respective classification. In addition for this purpose, the local parties may determine, in writing, other classifications which are to be considered related to these and other apprenticeable classifications, subject to approval of the AAM-UAW Skilled Trades and Apprentice Committee. In the event the parties are unable to reach agreement locally, the area of difference may be referred to the AAM-UAW Skilled Trades and Apprentice Committee for resolution on the basis of the specific facts involved. The AAM-UAW Skilled Trades and Apprentice Committee may also determine classifications which are to be considered related to apprenticeable classifications.

[See Par. (122)(d), (175)(1)]

[See Doc. 68]

### **Model Change or Major Plant Rearrangement**

(179) During model change or major plant rearrangement associates may be temporarily transferred to classifications to assist in such work and paid in accordance with the Local Wage Agreement. The duration of such temporary transfers is limited to the temporary period of such model changes or major plant rearrangements. Seniority of such associates shall remain and accumulate in the seniority group in which it is established at the time of the temporary transfer. It is understood, therefore, that no associate will be credited with any seniority in such classifications for the purpose of being retained in the classification.

[See App. I]

## **General**

(181)(a) Upon becoming classified as journeypersons or Associates-In-Training-Seniority (A.I.T.S.), newly hired journeypersons, as well as associates classified as journeypersons in one skilled trades classification and earning the maximum rate for that classification who are transferred to journeyperson status in a related skilled trades classification at that plant shall be paid the maximum rate for the related classification immediately upon hire or transfer.

[See Par. (99a), (137)(d), (151)]

[See App. I]

## **Lines of Demarcation**

[See App. I]

(182)(a) The Chairperson of the Shop Committee may request the Manager of Labor Relations to arrange a special conference to hear the skilled trades representative's views concerning problems in connection with work assignments of associates in skilled trades classifications and to discuss the matter. Such special conference will be attended by two committeepersons representing associates in skilled trades classifications, the Chairperson of the Shop Committee, a representative of the section of the Management organization in charge of the skilled trades activity involved, a representative of labor relations and another representative of the Management organization. The Regional Director of the International Union or a designated representative, upon request to the Corporation Labor Relations Staff, may attend the conference.

[See Doc. 112]

(182)(b) If the matter involves the appropriateness of the work assignment of associates in skilled trades classifications, and is resolved, the settlement will be reduced to writing within seven (7) calendar days from the date of the settlement unless otherwise agreed to by the parties. If the matter is not resolved, the Local Union may reduce the matter to writing in a statement setting forth all the facts and circumstances surrounding the case and the position taken by the Union. The statement will be presented to Local Management, within

ten (10) working days of the special conference. Within five working days thereafter, Local Management will prepare and give to the Union a complete statement of the facts of the case and the reasons for the position taken. The Union may within 30 days of such delivery forward the Union's statement and the Management's statement to the AAM-UAW Department of the International Union.

**(182)(c)** If in its judgment the matter warrants appeal, the International Union may within 30 days of receipt of the statements, appeal the matter to the AAM-UAW Skilled Trades and Apprentice Committee by written notice to the Director of Labor Relations of the Corporation.

**(182)(d)** The AAM-UAW Skilled Trades and Apprentice Committee shall attempt to resolve the matter. If they are unable to resolve the case within three months of the date of appeal to it or any mutual extension of said period, the case may be withdrawn without prejudice by the union members or may be appealed to the Impartial Umpire for final and binding decision. Upon the submission of a case to the Umpire, the parties will make an effort to provide the Umpire with a jointly agreed upon set of specific criteria to guide the Umpire's decision in each case.

**(183)(a)** Employees of an outside contractor will not be utilized in a plant covered by this Agreement to replace seniority associates on production assembly or manufacturing work, or fabrication of tools, dies, jigs and fixtures, normally and historically performed by them, when performance of such work involves the use of Corporation-owned machines, tools, or equipment maintained by Corporation associates.

[See Par. (46)(1)]

[See App. F]

**(183)(b)** The foregoing shall not affect the right of the Corporation to continue arrangements currently in effect; nor shall it limit the fulfillment of normal warranty obligations by vendors nor limit work which a vendor must perform to prove out equipment.

[See Par. (46)(1), (183)(d)]

[See Doc. 58, 100]

**(183)(c)** It is the policy of the Corporation to fully utilize its seniority associates in maintenance skilled trades classifications in the performance of maintenance and construction work, as set forth in its letter, (Appendix F), to the Union on this subject.

[See Par. (46)(1)]

[See App. F-1]

[See Doc. 58]

**(183)(d)** In all cases, except where time and circumstances prevent it, Local Management will hold advance discussion with and provide advance written notice to the Chairperson of the Shop Committee and the Shop Committeeperson or Shop Committeepersons whose zones include the maintenance activities, prior to letting a contract for the performance of maintenance and construction work. In this discussion Local Management is expected to review its plans or prospects for letting a particular contract. The written notice will describe the nature, scope and approximate dates of the work to be performed and the reasons (equipment, available human resources, etc.) why Management is contemplating contracting out the work. Further, this written notice will include the type and duration of warranty work.

At such times Local Management representatives are expected to afford the Local Union representatives an opportunity to comment on the Management's plans and to give appropriate weight to those comments in the light of all attendant circumstances. A Competitive Analysis procedure will be utilized by the parties during the advance discussion meeting to ensure all pertinent variables are considered and all relevant data is presented in a timely fashion.

[See Par. (183)(b)]

[See Doc. 58, 98]

**(183)(e)** In no event shall any seniority associate who customarily performs the work in question be laid off as a direct and immediate result of work being performed by any outside contractor on the plant premises.

[See Par. (46)(1)]

## **VACATION ENTITLEMENT**

(184) The vacation entitlement provisions of this Section shall become effective January 1, 2004, and apply during the remainder of the term of this Agreement. The "eligibility date" for vacation entitlement for all seniority associates is December 31. The "eligibility year" shall begin with the first pay period following the pay period containing December 31 of the previous year and end with the pay period in which December 31 falls.

(187) Associates shall become eligible for vacation entitlement as hereinafter defined, provided they have at least one year's seniority as of December 31 of the eligibility year and have worked during at least 13 pay periods during the eligibility year.

Without modifying or adding to any other provision of the Vacation Entitlement Section, an associate who has seniority but has not acquired one year's seniority as of December 31 shall nevertheless become eligible for a percentage of 40 hours of vacation entitlement pursuant to Paragraphs (192) and (193)(b).

(188) In determining the number of pay periods an associate shall have worked in the eligibility year, the associate shall be credited with one pay period for each pay period in which the associate performs work in any American Axle plant during that year.

(189) For the purpose of this Vacation Entitlement Section only, a pay period during which an associate qualifies for pay pursuant to Paragraph (194), Paragraphs (203) through (213)(a) for holidays falling within the Christmas Holiday Period, Paragraph (218), Paragraph (218)(a), or Paragraph (218)(b), or the Independence week shutdown shall be counted as a pay period worked. A laid off associate who receives pay for a designated holiday shall receive credit for the pay period in which the holiday falls as a pay period worked.

(190) Associates whose seniority at an American Axle & Manufacturing, Inc. plant (base plant) is hereafter broken:

(a) pursuant to Paragraph (64)(d) because they elected to remain at the American Axle & Manufacturing, Inc. plant in which they are working, or

(b) pursuant to Paragraph (64)(e), or

(c) pursuant to Paragraph (113)(a) because of placement as a journeyman, shall have their vacation entitlement computed as though their seniority at the base plant had not been broken, provided, (1) they continuously hold seniority at an American Axle & Manufacturing, Inc. plant(s), or (2) are hired at an American Axle & Manufacturing, Inc. plant before their seniority at a prior plant is broken and they acquire seniority at the plant where hired within the next six (6) continuous months, and they thereafter continuously hold seniority at an American Axle & Manufacturing, Inc. plant(s).

(191)(a) An eligible associate who has worked at least 26 pay periods in the eligibility year shall be entitled to the following vacation entitlement:

<b>For an Eligible Associate With Seniority of</b>	<b>Hours of Vacation Entitlement</b>
Less than one year	40
One but less than three years	80
Three but less than five years	100
Five but less than 10 years	120
Ten but less than fifteen years	140
Fifteen but less than twenty years	160
Twenty or more years	200

(192)(a) An eligible associate shall be entitled to a percentage of vacation entitlement shown in Paragraph (191) based on the number of pay periods the associate works in the eligibility year, in accordance with the following:

**Pay Periods  
Worked**

**Percentage of Hours of  
Vacation Entitlement**

26	100%
25	96
24	92
23	88
22	84
21	80
20	76
19	73
18	69
17	65
16	61
15	57
14	53
13	50

**(193)** An eligible associate who, at the time of the eligibility date, has not used the entire vacation entitlement provided for in Paragraph (191) shall receive a payment in lieu of vacation time off for the unused portion at the rate established in accordance with Paragraph (193)(a).

**(193)(a)** Vacation time off payments will be calculated on the basis of the associate's regular rate of pay, plus attached night shift premium, not including overtime, as of the associate's last day worked prior to the approved vacation time off period for vacation with pay. Payment of the unused portion, if any, of Vacation Entitlement will be calculated on the basis of the associate's rate of pay plus the attached night shift premium but not including overtime premium, as of the last day worked prior to the eligibility date or the last day worked prior to December 15, whichever produces the higher rate.

**(193)(b)** Payment of the unused portion, if any, of the associate's vacation entitlement, shall be made as soon as possible but not later than February 1 of the following year.

**(194)** Eligible associates may use forty (40) hours of their vacation entitlement during the eligibility year provided their absence from

work is for not less than four (4) continuous hours and is excused for illness (when not receiving Sickness and Accident benefits), or personal business, or a leave of absence for vacation purposes.

**(195)** Associates who retire or are retired under the provisions of the American Axle & Manufacturing, Inc. Hourly Rate Associates Pension Plan shall receive prorated vacation entitlement up to the vacation entitlement to which the associate's seniority would have entitled them on December 31 of the current year as follows:

- in accordance with Paragraph (192) provided the associate has worked at least 13 pay periods in the eligibility year in which they retire

- or one twenty-sixth (1/26) of the vacation entitlement provided for in Paragraph (191) for each pay period worked within the eligibility year if they have worked less than 13 pay periods in the eligibility year in which they retire.

**(196)** Associates who are placed on or return from a Leave of Absence for Military Service pursuant to the provisions of Paragraph (112), shall receive vacation entitlement in accordance with Paragraph (192) if the associate has worked at least thirteen (13) pay periods in the eligibility year in which they are placed on or return from a Leave of Absence for Military Service, or one twenty-sixth (1/26) of the vacation entitlement provided for in Paragraph (191) for each pay period worked within the eligibility year if they have worked less than thirteen (13) pay periods in the eligibility year in which they are placed on or return from a Leave of Absence for Military Service.

**(197)** Associates disabled from working by compensable injury or legal occupational disease shall receive credit toward pay periods worked under this Vacation Entitlement Section for pay periods they would otherwise have been scheduled to work during the period of compensable disability, provided they worked during at least (1) pay period in the eligibility year and are otherwise eligible for a vacation entitlement.

**(198)** In the case of an associate who has worked at least thirteen (13) pay periods in the eligibility year and who voluntarily quits or dies prior to the eligibility date, the vacation entitlement to which the

associate would have been entitled based on the number of pay periods worked, shall be paid to the associate or in the event of death, the associate's duly appointed legal representative, if there is one, and, if not, to the spouse, parents, children, or other relative or dependents of such person as the Corporation in its discretion may determine.

(199) The vacation entitlement of an associate who holds seniority in two or more American Axle & Manufacturing, Inc. plants will be computed on the basis of the longest seniority held as of the eligibility date.

(200) In the case of an associate who goes on sick leave during one eligibility year after having worked less than thirteen (13) pay periods in that year and who retires during the next eligibility year under the provisions of the American Axle & Manufacturing, Inc. Hourly Rate Associates Pension Plan before returning to work, the retirement, for the purpose of this Vacation Entitlement Section only, shall be deemed to have occurred as of the day following the associate's last day worked.

(201) When a person is transferred into a bargaining unit covered by this Agreement the amount of vacation entitlement the associate may become eligible for shall be reduced by the amount of any paid vacation or pay in lieu of taking vacation which the associate has already received from the Corporation for the same eligibility year.

### **Vacation Time Off Procedure**

(202) Management recognizes the desirability of providing vacation time off with pay, up to the vacation entitlement to which the associates' seniority will entitle them on December 31 of the current year, in a manner that preserves the maintenance of efficient operations while giving consideration to the desires of the associate.

(202)(a) During each year of this Agreement, the Corporation has designated the following days to be included in an Independence Week Shutdown period:

## 2004

- Tuesday, July 6 - Independence Week Shutdown Day
- Wednesday, July 7 - Independence Week Shutdown Day
- Thursday, July 8 - Independence Week Shutdown Day
- Friday, July 9 - Independence Week Shutdown Day

## 2005

- Tuesday, July 5 - Independence Week Shutdown Day
- Wednesday, July 6 - Independence Week Shutdown Day
- Thursday, July 7 - Independence Week Shutdown Day
- Friday, July 8 - Independence Week Shutdown Day

## 2006

- Monday, July 3 - Independence Week Shutdown Day
- Wednesday, July 5 - Independence Week Shutdown Day
- Thursday, July 6 - Independence Week Shutdown Day
- Friday, July 7 - Independence Week Shutdown Day

## 2007

- Monday, July 2 - Independence Week Shutdown Day
- Tuesday, July 3 - Independence Week Shutdown Day
- Thursday, July 5 - Independence Week Shutdown Day
- Friday, July 6 - Independence Week Shutdown Day

## **Vacation Time Off Procedure**

(202)(b) During February of each year, the local Management will notify the Shop Committee of its decision to schedule the week before or the week after the Independence Week Shutdown period as a Plant Vacation Shutdown Week.

(202)(c) In addition, during February of each year, the local Management will notify the Shop Committee which productive operations, if any, will be scheduled to operate during the Independence Week Shutdown Period and which productive operations, if any, will be scheduled to operate during the Vacation Shutdown Week. Unforeseen circumstances may require subsequent changes in these announced schedules and will be reviewed with the Shop Committee as soon as is practicable.

**(202)(d)** Associates who are not scheduled to work during any portion of the Independence Week Shutdown Period shall be paid up to eight (8) hours of pay for each of the Independence Week Shutdown Period days they are not scheduled to work, up to a maximum of thirty-two (32) hours, which will be calculated on the basis of the associate's regular rate of pay, plus attached night shift premium, not including overtime, as of the associate's last day worked prior to the Independence Week Shutdown period provided:

(1) The associate has seniority in any American Axle plant as of the date of each of the Independence Week Shutdown Days,

(2) The associate is on the active rolls and would otherwise have been scheduled to work if it had not been observed as an Independence Week Shutdown Day,

(3) The associate works their last scheduled work day in the pay period prior to and their next scheduled work day in the pay period after the pay periods of Independence Week Shutdown and Plant Vacation Shutdown Week.

Associates shall receive such pay in the pay period following the Independence Week Shutdown Period.

**(202)(e)** Failure to work either their last scheduled work day in the pay period prior to or their next scheduled work day in the pay period after the pay periods of the Independence Shutdown and any consecutive Plant Vacation Shutdown Week will disqualify the associate for Independence Week Shutdown pay for the two (2) Independence Week Shutdown days which follow or precede such scheduled work day.

**(202)(f)** Associates who are scheduled to work during the Independence Week Shutdown Period, including the Independence Day holiday shall be entitled to up to eight (8) hours of Additional Time Off with pay up to a maximum of forty (40) hours in lieu of the Independence Week Shutdown Period pay for each day worked provided:

(1) The associate has seniority in any AAM plant as of each day of the Independence Week Shutdown Period,

(2) The associate is scheduled to report for work during any of the days, and

(3) The associate reports for and performs such scheduled work on those scheduled days or is absent pursuant to the provisions of Paragraphs (218) or (218)(b).

The Additional Time Off will be scheduled in accordance with local plant practice.

(202)(g) Eligible associates who, as of the next eligibility date, have not used their entire Additional Time Off, shall be paid the unused portion in accordance with Paragraphs (193)(a) and (193)(b).

(202)(h) Management at each plant will establish a procedure whereby associates, during February, may make application in writing for vacation time off, indicating first, second and third choices. If a Vacation Shutdown Week is scheduled, the dates of shutdown are to be included in the associate's vacation schedule. In the event more associates apply for time off than can be spared from the job at a given time, plant seniority will be the basis for resolving priority of applications for time off, except that applicants working on jobs which usually operate when the plant is shut down during such periods as model change, plant rearrangement, plant vacation shutdown or inventory will be given first consideration for time off during periods other than shutdown period.

(202)(i) Each associate will be given a written disposition of their vacation time off request. Approved vacation time off, exclusive of the time identified as a Vacation Shutdown Week, will not thereafter be canceled or changed without the mutual consent of Management and the associate. If an associate's approved vacation time off scheduled for a Vacation Shutdown Week is canceled or changed, the associate may reschedule their vacation in accordance with local plant practice.

(202)(j) An active seniority associate who is not scheduled to work during the Vacation Shutdown Week, shall use any available Vacation Entitlement hours starting with the first day of the Vacation Shutdown Weekend will be placed on a leave of absence for vacation purposes for the balance of the Vacation Shutdown Week. An active associate

without seniority who is not scheduled to work shall be considered on layoff for the Vacation Shutdown Week.

**(202)(k)** An eligible associate who has approved vacation time off in accordance with Paragraph (202)(h), either through individual vacation scheduling or a scheduled vacation shutdown, shall receive their vacation pay, up to the amount of their approved time off, in the pay period following the pay period in which the approved vacation time off is taken. An associate may elect to waive this provision by submitting an application at least two (2) days prior to the approved vacation time off. Upon receipt of the application, payment of the specified Vacation Entitlement will be made pursuant to the provisions for payment of an unused balance in Paragraphs (193)(a) and (193)(b).

**(202)(l)** Regardless of the provisions of Paragraph (49), the Corporation will deduct from earnings subsequently due and payable the amount of any vacation payment made to an associate who does not have seniority as of their next eligibility date, or who receives state or federal benefits as a result of unemployment during the Vacation Entitlement Period, or who receives any payment in excess of their eligibility. Recovery of such overpayments may be made from any future payments payable under any term of this Agreement or any Supplemental Agreement thereto.

**(202)(m)**

(1) Effective January 1, 2005, an associate who has at least two (2) years' of seniority as of their last vacation eligibility date may apply for forty (40) hours of advance vacation pay. Such payment will be calculated in accordance with Paragraph (202m)(2) and will be paid in the pay period immediately preceding the approved vacation period provided:

(a) The associate has an approved vacation time off application pursuant to Paragraph (202h);

(b) The associate is eligible for vacation entitlement pursuant to Paragraph (191) that is at least equal to the amount of vacation requested;

(c) The advance payment cannot be requested for consecutive

vacation weeks, and can only be requested for an entire pay period;

(d) The associate makes application for the advance vacation payment, in writing, at least two (2) weeks prior to payment of the advancement; and

(e) The associate takes the vacation time off. Once the advance vacation is approved, the associate will not be permitted to cancel the vacation time off.

(2) Advance vacation pay paid pursuant to Paragraph (202m)(1) will be calculated on the basis of the associate's regular rate of pay, plus attached night shift premium, not including overtime, at the time the application for advance vacation is processed.

(3) Recovery of this payment, made to an associate who does not meet the requirements of Paragraph (202m)(1)(e) will be made from their next regular paycheck(s).

[see Par.(191),(192),(193),(193a),(193b)]

[see Doc 93]

## **HOLIDAY PAY**

(203) Associates shall be paid for specified holidays and the holidays in each of the Christmas holiday periods as provided hereinafter:

### **1st Year**

April 9, 2004 Good Friday  
April 12, 2004 Day After Easter  
May 28, 2004 Friday Before Memorial Day  
May 31, 2004 Memorial Day  
July 5, 2004 Independence Day (Observed)  
September 6, 2004 Labor Day  
November 2, 2004 Federal Election Day  
November 15, 2004 Veterans' Day (Observed)  
November 25, 2004 Thanksgiving  
November 26, 2004 Day After Thanksgiving

December 24, 2004  
December 27, 2004  
December 28, 2004  
December 29, 2004  
December 30, 2004  
December 31, 2004



Christmas Holiday Period

January 17, 2005 Martin Luther King, Jr. Day

## **2nd Year**

March 25, 2005 Good Friday  
March 28, 2005 Day After Easter  
May 27, 2005 Friday before Memorial Day  
May 30, 2005 Memorial Day  
July 4, 2005 Independence Day  
September 5, 2005 Labor Day  
November 8, 2005 Local Election Day  
November 14, 2005 Veterans' Day (Observed)  
November 24, 2005 Thanksgiving  
November 25, 2005 Day After Thanksgiving  
December 26, 2005  
December 27, 2005  
December 28, 2005  
December 29, 2005  
December 30, 2005



Christmas Holiday Period

January 2, 2006  
January 16, 2006 Martin Luther King, Jr. Day

## **3rd Year**

April 14, 2006 Good Friday  
April 17, 2006 Day After Easter  
May 29, 2006 Memorial Day  
July 4, 2006 Independence Day  
September 4, 2006 Labor Day  
November 7, 2006 Federal Election Day  
November 13, 2006 Veterans' Day (Observed)

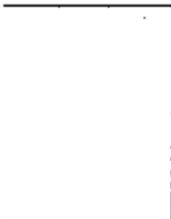
November 23, 2006 Thanksgiving Day  
November 24, 2006 Day After Thanksgiving  
December 25, 2006  
December 26, 2006  
December 27, 2006  
December 28, 2006  
December 29, 2006  
January 1, 2007  
January 15, 2007 Martin Luther King, Jr. Day



— Christmas Holiday Period

#### **4th Year**

April 6, 2007 Good Friday  
April 9, 2007 Day After Easter  
May 28, 2007 Memorial Day  
July 4, 2007 Independence Day  
September 3, 2007 Labor Day  
November 6, 2007 Local Election Day  
November 16, 2007 Veterans' Day (Observed)  
November 22, 2007 Thanksgiving Day  
November 23, 2007 Day After Thanksgiving  
December 24, 2007  
December 25, 2007  
December 26, 2007  
December 27, 2007  
December 28, 2007  
December 31, 2007  
January 1, 2008  
January 21, 2008 Martin Luther King, Jr. Day



— Christmas Holiday Period

providing they meet all of the following eligibility rules unless otherwise provided herein:

[See Par. (86), (187), (205)(a)]

[See Doc. 50, 94]

(1) The associate 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

(2) The associate would otherwise have been scheduled to work on such day if it had not been observed as a holiday, and

(3) The associate must have worked the last scheduled work day prior to and the next scheduled work day after each specified holiday within the associate's scheduled work week. For each Christmas holiday period, the associate must have worked the last scheduled work day prior to each holiday period and the next scheduled work day after each holiday period.

Each of the designated days in the Christmas holiday period shall be a holiday for purposes of this Holiday Pay Section.

(203)(a) Failure to work either the last scheduled work day day prior to or the next scheduled work day after each Christmas holiday period will disqualify the associate for pay for the one holiday in the Christmas holiday period which follows or precedes such scheduled work day.

(203)(b) An associate who retires as of January 1, and who is otherwise eligible for holiday pay for those holidays falling in the Christmas holiday period up to and including December 31, will receive holiday pay for such holidays.

(203)(c) In order for associates to have maximum time off during the Christmas Holiday Period, associates will only be scheduled for work on the following days, which are not paid holidays under this Agreement, on a voluntary basis, except in emergency situations:

Saturday, December 25, 2004

Sunday, December 26, 2004

Saturday, January 1, 2005

Sunday, January 2, 2005

Saturday, December 24, 2005

Sunday, December 25, 2005

Saturday, December 31, 2005

Sunday, January 1, 2006

Saturday, December 23, 2006

Sunday, December 24, 2006  
Saturday, December 30, 2006  
Sunday, December 31, 2006

Saturday, December 22, 2007  
Sunday, December 23, 2007  
Saturday, December 29, 2007  
Sunday, December 30, 2007

Associates shall not be disqualified for holiday pay if they do not accept work on such days. This does not apply to associates on necessary continuous seven-day operations or associates on a flexible operating schedule, when such day is a regular scheduled workday and is not a Holiday (i.e. Christmas, New Years Day).

**(204)** When a holiday falls on Saturday, eligible associates shall receive holiday pay provided they have worked the last preceding scheduled work day within the week in which that holiday falls.

**(205)** Associates eligible under these provisions shall receive eight hours pay for each of the holidays specified in Paragraph (203), computed at their regular straight time hourly rate exclusive of overtime premium.

[See Par. (87)(6), (89), (101)(i), (205)(a)]

**(205)(a)** For holidays specified in Paragraph (203), eligible associates shall have the night shift premium rate which attached to the straight time hours on their last straight time day worked preceding the holiday included in the computation of holiday pay paid pursuant to Paragraph (205).

[See Par. (87)(6), (89)]

**(206)** Associates whose work is in necessary continuous seven-day operations as covered by Paragraph (87) of the National Agreement shall receive holiday pay only in the event the holiday falls on one of their regularly scheduled days off, and they meet the other eligibility requirements of this Holiday Pay Section; provided, however, that such associates shall not receive holiday pay if they are scheduled to work on such day off and absent themselves from scheduled work on such

holiday without reasonable cause acceptable to Management.

[See Par. (87)(6), (87)(3)]

**(207)** Associates of an American Axle & Manufacturing, Inc. plant who obtain employment in another American Axle & Manufacturing, Inc. plant will be eligible for holiday pay during their probationary period provided they have seniority in the home plant as of the date of the holiday and they are otherwise eligible under the terms of these provisions on Holiday Pay.

**(208)** Seniority associates who have been laid off in a reduction of force (except as provided below), or who have gone on sick leave, or on leave of absence for military service, or on a Leave for Family and Medical Reasons during the work week prior to or during the week in which the holiday falls, shall receive pay for such holiday.

Seniority associates who work in the fourth work week prior to the week in which the Christmas Holiday Period begins, and who are laid off in a reduction in force during that week, or seniority associates who are laid off in a reduction in force during the first, second or third work week prior to or during the work week in which the Christmas Holiday Period begins, shall, if otherwise eligible, receive pay for each of the holidays in the Christmas Holiday Period providing such associates worked the last scheduled work day prior to such layoff.

Seniority associates who work in the fifth, sixth, or seventh work week prior to the week in which the Christmas Holiday Period begins, and who are laid off in a reduction in force during that week, shall, if otherwise eligible, receive pay for one-half of the holidays falling during such Christmas Holiday Period providing such associates worked the last scheduled work day prior to such layoff.

[See Par. (209)]

**(209)** Associates who have been laid off because of model change, plant rearrangement, or inventory shall be eligible for holiday pay under these Holiday Pay provisions, for a specified holiday falling within the period of such layoff providing they meet all the following eligibility rules:

[See Par. (208)]

**(1) They have seniority as of the day of the holiday.**

**(2) They are ineligible for holiday pay for the holiday under the other provisions of this Holiday Pay Section.**

**(3) They return to work during the work week in which the holiday falls or during the work week immediately following the work week in which the holiday falls.**

**(4) They work the first day they are scheduled to work following the holiday.**

**(210) When a holiday, specified above, falls within an eligible associate's approved vacation period or during a period in which jury duty pay is received pursuant to Paragraph (218) of this Agreement, and such vacation or jury duty causes the associate to be absent from work during the regularly scheduled work week, the associate shall be paid for such holiday.**

**(211) When eligible associates are on an approved leave of absence and return to work following the holiday but during the week in which the holiday falls, they shall be eligible for pay for that holiday. Eligible associates whose leave of absence terminates during the Christmas Holiday Period, and who report for work on the next scheduled work day after the Christmas Holiday Period, will be eligible for holiday pay beginning with the first holiday such associates would otherwise have worked and each holiday thereafter in the Christmas Holiday Period.**

**(212) Associates not working in necessary continuous seven-day operations 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.**

[See Par. (203)]

**(213) When any of the above-enumerated holidays falls on Sunday and the day following is observed as the 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.**

(213)(a) It is the purpose of the Holiday Pay Provisions in Paragraphs (203) through (213) of this Agreement to enable eligible associates to enjoy the specified holidays with full straight time pay. If, with respect to a week included in the Christmas Holiday Period, associates supplement their Holiday Pay by claiming and receiving an unemployment compensation benefit, or claim and receive waiting period credit, to which they would not have been entitled if their Holiday Pay had been treated as remuneration for the week, such associates shall be obligated to pay to the Corporation the lesser of the following amounts:

(a) an amount equal to their Holiday Pay for the week in question, or,

(b) an amount equal to either the unemployment compensation paid to them for such week or the unemployment compensation which would have been paid to them for such week if it had not been a waiting period.

The Corporation will deduct from earnings subsequently due and payable the amount which such associates are obligated to pay as provided above.

## **GENERAL PROVISIONS**

(214) After consultation with the Shop Committee, the Corporation shall make reasonable rules in each plant regarding smoking. Any protest against the reasonableness of the rules may be treated as a grievance.

(215) Supervisory associates shall not be permitted to perform work on any hourly-rated job except in the following types of situations: (1) in emergencies arising out of unforeseen circumstances which call for immediate action to avoid interruption of operations; (2) in the instruction or training of associates, including demonstrating the proper method to accomplish the task assigned; Complaints of repeated violations of this paragraph will be handled under the provisions of Paragraph (5)(a) of the National Agreement. For the purposes of this Special Procedure only, prior to being referred from the plant, the problem will be discussed between the Chairperson of the Shop Committee, the President of the Local Union, the Regional

Servicing Representative, the Plant Manager and the Plant Personnel Director.

(216) A report of physical examination and any laboratory tests made by physicians acting for the Corporation will be given to the personal physician of the individual associate involved upon the written request of the associate.

[See Par. (43)(b)]

(217) Associates working on their regular shifts on pay day will be paid on the job in a manner that will not result in loss of time by the associate or loss of production. Associates who are not working on their regular shifts on pay day will be paid in accordance with the practice that is or may be established to meet local conditions.

(218) Associates with seniority, in any American Axle & Manufacturing, Inc. plant who are summoned and report for jury duty (including coroner's juries), as prescribed by applicable law, or who report for pre-jury duty examination required by the court or administrative governmental agency, shall be paid by the Corporation wages (including night shift premium) they otherwise would have earned by working during straight-time hours for the Corporation, for the day on which they report for pre-jury duty examination, and for each day on which they report for or perform jury duty and on which they otherwise would have been scheduled to work for the Corporation.

Associates with an established shift starting time on or after 7:00 p.m. and on or before 4:45 a.m. will be excused from work on either their shift immediately preceding the jury service, or their shift immediately following the completion of the jury service at the option of the associate. Such associate must notify their immediate supervisor of their election prior to being absent from work.

In order to receive payment, associates must give local Management prior notice that they have been directed to report for pre-jury duty examination or have been summoned for jury duty and must furnish satisfactory evidence that they reported for such examination or reported for or performed jury duty on the days for which they claim such payment. The provisions of this Paragraph (218) are not

applicable to associates who, without being summoned, volunteer for jury duty.

[See Par. (87)(6), (101)(i), (137)(c)(1)].

[See Par. (187), (210)]

[See App. B, C]

**(218)(a)** Associates with seniority in any American Axle & Manufacturing, Inc. plant who are called to and perform 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 as provided below for days spent performing such duty provided they would not otherwise be on layoff or leave of absence.

A payment will be made for each day, except for a day for which they receive holiday pay, which they would otherwise have worked equal to the amount by which their straight time rate of pay as of their last day worked plus applicable night shift premium (but not including overtime) for not more than eight (8) hours, exceeds their military earnings for that day including all allowances except for rations, subsistence and travel. Except for short term active duty of thirty (30) days or less performed by associates called to active service in the National Guard by state or federal authorities in case of public emergency (e.g., disaster relief), payment is limited to a maximum of fifteen (15) working days in a calendar year.

In order to receive payment under this Paragraph (218)(a), associates must give local Management prior notice of such military duty and, upon their return to work, furnish Management with a statement of the military pay received for performing such duty.

[See Par. (87)(6), (101)(i), (112)(a)]

[See Par. (137)(c)(1), (187)]

[See App. C]

**(218)(b)** When death occurs in an associate's immediate family as defined below, and the associate has seniority in any American Axle & Manufacturing, Inc. plant, the associate, on request, will be excused for any of the first three (3) normally scheduled working days or the first

five (5) normally scheduled working days in the case of the death of an associate's current spouse, parent, child, or stepchild (excluding Saturdays, Sundays and holidays) immediately following the date of death. The five (5) day limit will also apply in cases of multiple deaths of members of the associate's immediate family resulting from a single incident. The immediate family for purposes of this Paragraph (218)(b) is defined as including the associate's:

- Spouse
- Parent
- Step-Parent
- Grandparent
- Great Grandparent
- Child
- Step-Child
- Grandchild
- Brother
- Step-Brother
- Half-Brother
- Sister
- Step-Sister
- Half-Sister
- Current Spouse's Parent
- Current Spouse's Step-Parent
- Current Spouse's Grandparent
- Current Spouse's Great Grandparent

In the case of an associate who is granted a leave of absence due to the illness of an immediate family member, as above defined, and such family member dies within the first seven (7) calendar days of the leave, the requirement that the associate otherwise be scheduled to work will be waived.

Associates excused from work under this Paragraph (218)(b) shall, after making written application, upon request, (which shall include appropriate documentation establishing the relation of the associate to the deceased) receive the amount of wages they would have earned by working during straight time hours on such scheduled days of work for which they are excused (excluding Saturdays, Sundays and holidays, or, in the case of associates working in necessary continuous seven-day

operations, the sixth and seventh work days of the associate's scheduled working week and holidays).

[See Par. (87)(6), (101)(i), (137)(c)(1)]

[See App. B, C]

[See Doc. 93]

(219) With respect to any matter that is to be negotiated locally the Corporation will fully inform the Union and the Union will fully inform the Corporation, as to the limits, if any, set by higher authority upon the scope of the local negotiations.

[See Par. (220)]

(220) No provisions of any local agreements between local Plant Managements and Shop Committees therein shall supersede or conflict with any provisions of this Agreement.

[See Par. (59), (75), (100), (219)]

[See App. J]

[See CSA #11]

(221) No local agreement containing a termination clause shall be terminated except in accordance with such termination clause and then only if notice of termination is countersigned by the Director of the AAM Department of the International Union or the Director of Labor Relations of the Corporation as the case may be.

[See CSA #9]

(222) No provision of this Agreement shall be retroactive prior to the date hereof unless otherwise specifically stated herein.

(223) This Agreement shall continue in full force and effect without change until 11:59 P.M. (Detroit Time), February 25, 2008. If either party desires to terminate this Agreement, it shall sixty (60) days prior to February 25, 2008, give written notice of the termination. If neither party shall give notice to terminate this Agreement as provided above, or to modify this Agreement as hereinafter provided, the Agreement shall continue in effect from year to year after February 25, 2008, subject to termination by either party on sixty (60) days' written notice

prior to February 25th of any subsequent year.

If either party desires to modify or change this Agreement it shall, sixty (60) days prior to February 25, 2008, or any subsequent February 25th, give written notice to such effect. Within ten days after receipt of said notice, a conference will be arranged to negotiate the proposals in which case this Agreement shall continue in full force and effect until terminated as provided hereinafter.

If notice of intention to modify or change has been given in accordance with the above provisions, this Agreement may be terminated by either party on thirty (30) days written notice of termination given on or after the next January 25th following said notice of intention to modify or change.

**PENSION PLAN, LIFE AND DISABILITY  
BENEFITS PROGRAM, HEALTH CARE PROGRAM,  
SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN,  
PROFIT SHARING PLAN, PERSONAL SAVINGS PLAN,  
AND GROUP LEGAL SERVICES PLAN**

(224) The parties have provided for a Pension Plan, a Life and Disability Benefits Program, a Health Care Program, a Supplemental Unemployment Benefit Plan, a Profit Sharing Plan, a Personal Savings Plan, and a Legal Services Plan by Supplemental Agreements signed by the parties simultaneously with the execution of this Agreement, which Supplemental Agreements are attached hereto as Exhibit "A", Exhibit "B", Exhibit "C", Exhibit "D", Exhibit "F" and Exhibit "G", and Exhibit "I" respectively and made parts of this Agreement as if set out in full herein, subject to all provisions of this Agreement. No matter respecting the provisions of the Pension Plan or the Life and Disability Benefits Program or the Health Care Program or the Supplemental Unemployment Benefit Plan or the Profit Sharing Plan or the Personal Savings Plan or the Legal Services Plan shall be subject to the grievance procedure established in this Agreement, except as expressly provided in Paragraph (46) of this Agreement.

## **WAIVER**

(225) The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Corporation and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any subject or matter referred to, or covered in this Agreement, or with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement.

(226) Partial Invalidity of Agreement - Should the parties hereafter agree that applicable law renders invalid or unenforceable any of the provisions of this Agreement, including all 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.

(227) Separability - In the event that any of the provisions of this Agreement or of any local agreement, including all 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.

In witness whereof, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives the day and the year first above written.

**INTERNATIONAL UNION,  
UAW**

Ron Gettelfinger  
Cal Rapson  
Richard Ruppert  
John Clark  
Norwood Jewell  
Kenny Laubert  
Scott Bean  
Angela Blue

**AMERICAN AXLE &  
MANUFACTURING, INC.**

Richard E. Dauch  
Joel Robinson  
Robin Adams  
Patrick Paige  
David Dauch  
Rick Dauch  
Allan Monich  
John Jerge  
Diane Antishin  
William Stachura  
Karl Kontyko  
David Galaviz  
Karen Cimafranca  
Sue Joiner  
Rob Mathis  
Carla Wesley  
Mike Serement  
Dana Vallaire  
Jay Zemmol

**INTERNATIONAL UNION,  
UAW**

Dennis Pawlik  
Wayne Bieger  
Wayne Hendel  
Jack Kennedy  
Randy Sherfield  
Steve DeKilder  
Jerry Richardson  
Wendy Thompson  
Mike Bussell  
Bill Crews

**AMERICAN AXLE &  
MANUFACTURING, INC.**

Linda Seay  
Judy Giese  
Thomas Schultz  
Terri Kemp  
Ron Kramer

## **N TES**

## APPENDIX A

### MEMORANDUM OF UNDERSTANDING ASSOCIATE PLACEMENT

It is recognized that the hiring of new associates in one location while there is a surplus of seniority associates in other locations is not in the best interest of the parties. Therefore, the parties will provide eligible seniority laid-off, protected and active seniority associates an opportunity to relocate to be reemployed in UAW-AAM plant locations in accordance with the applicable provisions of this Memorandum.

In the event of an opening for regular full-time employment at an AAM facility covered by this Memorandum and the situation where there are excess associates at that or other AAM facilities covered by this Memorandum, the National Parties will review the situation and where appropriate may mutually agree to implement the following procedure for associate placement.

1. Plant Recall
2. Plant Rehire
3. Area Hire
  - a. Combined list of seniority associates on indefinite layoff; active associates from plants that have excess associates and seniority return to former community applicants.
  - b. Volunteers will be placed in seniority order.
  - c. In the event of insufficient volunteers, the associate with the least seniority on the Area Hire List (except active and Protected status associates) will be placed.
4. Area Hire Protected Status Non-Volunteers
  - a. Protected Status associates may be placed if the Parties agree to do so.

- b. Non-volunteers will be placed in inverse seniority order.**
- 5. Extended Area Hire – Closed Plants**  
- Volunteers will be placed in seniority order.
- 6. Extended Area Hire – Closed Plant Return to Former Community.**  
- Volunteers will be placed in seniority order.
- 7. Other Extended Area Hire**
- a. Includes volunteers from plants with excess associates, from plants where replacement is available, or from plants where there is no need to replace.**
- b. Volunteers will be placed in seniority order.**
- 8. Area Hire Active Associates from Plants without Replacement.**  
- Volunteers will be placed in seniority order.
- 9. Extended Area Hire Active Associates from Plants without Replacement**  
- Volunteers will be placed in seniority order.

In administering the Placement Procedure, items (1) through (9) above will be applied sequentially.

Active associates who volunteer and are placed in accordance with this Placement Procedure must terminate seniority at their current location.

It is understood that the National Parties may mutually agree from time to time to other special provisions, including offering jobs to active or Protected associates.

It is further understood that the National Parties may also mutually agree to deviate from the above order of selection in a particular situation.

Any complaints regarding the application of these provisions in any plant may be taken up with Local Management of that plant by the

local Shop Committee and if not resolved may be referred to the Corporate Labor Relations Staff and the International Union for resolution; however, the above provisions shall not be the basis for any claims for back wages or any form of retroactive adjustments.

It is understood that if an associate whose problem is referred to the Corporate Labor Relations Staff and the International Union is adjudged by the National Parties to be entitled to an adjustment, the associate will be offered an available opening as soon as possible, but in any event within two weeks of such decision. If no such opening develops, he or she will be offered the opportunity to displace a lesser seniority associate, seniority permitting, at the plant where the problem occurred.

## **I. AREA HIRE PLACEMENT**

- A.** An Area Hire Area is comprised of all plants within a fifty (50) mile radius of a given plant or larger as may be agreed upon by the National Parties.
- B.** Associates on the Area Hire List include: seniority associates on indefinite layoff, active associates from plants that have excess associates and seniority return to the former community applicants.
- C.** Such associates will be given the opportunity to designate from among those plants within their Area Hire Area which plants, if any, they volunteer to accept an offer of employment, should future job openings occur. An associate will be allowed to change the plants so designated any time prior to a bona fide job offer.
- D.** In the event that higher seniority associates are placed on layoff, associates with the least seniority who would have otherwise been laid off will be placed on the Area Hire List. Such associates placed on the Area Hire List will be advised of this fact and be given the opportunity to designate plants within the Area Hire Area.
- E.** Volunteers will be offered the available jobs in seniority order. In the event there are insufficient volunteers, the associate with

the least seniority on the Area Hire List (except active and Protected status) will be placed.

- F. Active associates will be made a maximum of one (1) Area Hire job offer in each year of this Agreement. Such associates may later be eligible to refile an Area Hire application in the event that their status changes at their current plant.
- G. When selecting associates, the Corporate wide seniority date established for each associate will be used for non-skilled job offers. For skilled trades job offers, the longest unbroken seniority date in the skilled trades classification will be used. In the event two (2) or more associates have the same seniority date, the associates' entire Social Security number in ascending order will be used as a tie breaker.
- H. Skilled trades journeypersons laid off from a plant and working in a non-skilled trades classification will have their name placed on the area hire list and will remain eligible for area hire in the same or a related skilled trades classification.
- I. It is further understood that each plant will review local procedures for implementing the provisions of Area Hire and Extended Area Hire Placement and that during these reviews particular attention would be directed toward insuring that information regarding applying for placement are made available to all seniority associates at the time they are laid off in a reduction in force and that the forms are designed to provide applicants with evidence that they have applied.

## **II. EXTENDED AREA HIRE PLACEMENT**

- A. Seniority laid off and active associates will be given the opportunity to indicate their interest in working at another AAM location outside their Area Hire Area. An application form developed for this purpose will be made available to associates to express their interest.
- B. In applying the provisions of Extended Area Hire Placement, the National Parties will develop a list of associates who have

applied (Extended Area Placement List) which places such associates in seniority order.

- C. The offer of an available job will be made in seniority order from volunteers on the Extended Area Placement List.
- D. If an opening occurs for which an active associate is eligible, the active associate will be given the opportunity to fill the job opening only if there is a seniority associate within the Area Hire Area to replace the active associate, if required.
- E. Associates who have filed an application who are placed on the Extended Area Placement List will receive one (1) offer for placement in each year of the Agreement to one of the plants they have selected. If associates do not take advantage of this offer their application will be canceled and their name will be removed from the Extended Area Placement List for that year. Such associates may later be eligible to refile for Extended Area Placement only in the event their status changes at their location.
- F. Associates will be eligible for relocation as described in the Relocation Section (Section VI) of this Memorandum of Understanding Associate Placement and in Paragraph (96)(a) of the National Agreement.
- G. Associates who are placed in accordance with the Extended Area Hire Placement provisions of the National Agreement and who accept the Basic Relocation Option specified in Paragraph (96)(a) of the National Agreement will not be subject to recall or rehire or Extended Area Hire placement at any American Axle & Manufacturing, Inc. plants, for a period of six (6) months or until permanently laid off under conditions which establish there is no reasonable likelihood of recall, whichever occurs first. It is understood that the six month period may be modified or extended by mutual agreement between the Corporation and the International Union, UAW.

At the end of such period, associates who would otherwise

have been recalled or rehired to a former location(s) may either remain at the current plant or return to such previous location. If an associate returns, the local parties may make adjustments necessary to insure that the associate is neither advantaged nor disadvantaged by the above provisions. Local Managements have ninety (90) days following the date an associate elects to return to accomplish such adjustments.

- H. Associates will be given a reasonable amount of time to relocate to another plant.
- I. Associates who are placed in accordance with Appendix A and accept the Enhanced Relocation Allowance will not be eligible to apply for another Extended Area Hire placement or initiate an Area Hire placement as an active associate for a period of 36 months unless the associate's status changes to laid off, Protected, or as otherwise agreed to by the National Parties. In the event the plant has excess associates on a permanent indefinite layoff or placed on Protected status with no likelihood of recall into the active workforce, the thirty-six (36) month period will be eliminated.
- J. Eligible associates from closed plants who have relocated via Extended Area Hire will be given preference to return to a plant in their former community. Such associates will receive the applicable relocation allowance.

### **III. AREA HIRE PROTECTED STATUS NON-VOLUNTEERS**

- A. In the event there are insufficient volunteers for an opening, Protected status associates may be placed if the Parties agree to do so.
- B. Associates will be made job offers in inverse seniority order.

### **IV. AREA HIRE PLACEMENT FROM PLANTS WITHOUT REPLACEMENT**

- A. Upon receiving new hire approval, active associates at Area Hire plants without replacement will be made a job offer.

- B. Such active associates will be offered the available job in seniority order. The new hire will be placed at the Area Hire plant to replace the active associate.
- C. Such active associates will be made one (1) Area Hire job offer in each year of this Agreement. Such associates may later be eligible to refile an Area Hire Application in the event that their status changes at their current plant.

## **V. EXTENDED AREA HIRE PLACEMENT FROM PLANTS WITHOUT REPLACEMENT**

- A. Upon receiving new hire approval, active associates at Extended Area Hire plants without replacements will be made a job offer.
- B. Such active associates will be offered the available job in seniority order. The new hire will be placed at the Extended Area Hire plant to replace the active associate.
- C. Such associates will be eligible for a basic relocation allowance.
- D. All other provisions of Section II of this Memorandum shall apply to associates made job offers under this Section.

## **VI. RELOCATION**

- A. Any associates who are employed in accordance with the above procedure will be eligible to receive a relocation allowance and relocation services as specified in Paragraphs (96)(a)(1), (2), (3), and (4) of the National Agreement.
- B. Associates who return to their former community pursuant to the Return to Former Community Procedure will be eligible for a basic relocation allowance.

## **VII. PHYSICALS**

- A. When physicals are conducted on Area Hire or Extended Area Placement Applicants, the criteria used is the same as that used for a Fit for Duty exam when an associate of that plant is

undergoing a reinstatement to return to work from a sick leave.

- B. In medical disputes, the National Parties may refer the associate for an impartial medical opinion.

## **VIII. SENIORITY RETURN TO FORMER COMMUNITY**

The following methods and procedures detail the circumstances under which eligible associates who apply will be offered the opportunity to return to their former community.

- A. Eligible associates are those seniority associates on roll at a plant who have been relocated to that plant from a plant outside the Area Hire in accordance with Appendix A and worked there six (6) months and who still retain seniority at a plant in the former community.
- B. Eligible associates will be given the opportunity to file an application to return to their former community. Such associates may apply at the personnel office of the plant at which they are employed and will be provided a copy of their application.

Associates may have only one return to former community application on file at any given time. Once associates return to a former community under the provisions of this document, they are no longer eligible to return to any other community until such time as they are laid off or relocate in accordance with Appendix A.

- C. Eligible associates who have applied to return to their former community shall have their names placed on the Area Hire list for the plants within the community to which they have applied.
- D. At the time of receiving an offer to return to a plant in a former community, associates who have filed a Return to Former Community Application, may elect to receive a payment of \$6,000 to remain at their current plant. As a result of receiving this payment, the associates will terminate seniority and return

rights at all AAM facilities in their former community and therefore no longer be eligible for Return To Former Community consideration.

- E. Associates returning to a plant in their former community will acquire seniority in accordance with the Application of Corporate Seniority Section (Section IX) of this Memorandum.
- F. Should associates return to their former community under the provisions of this Section, their seniority will be terminated pursuant to the provisions of Paragraph (64)(d) at the plant from which they are leaving, effective with the date to report to the new plant.
- G. It is recognized that the plant from which the eligible associate is released must do so in a manner consistent with the maintenance of quality and efficiency. Accordingly, no eligible associate will be released until a fully trained replacement is available. Consistent with these principles, it is recognized that the rate at which associates are released may vary due to the types of jobs held by such associates, the availability of replacement personnel, product or new model launch, the releasing plant's staffing requirements or other business reasons. In all cases, management will endeavor to release associates as quickly as possible.

## **IX. APPLICATION OF CORPORATE SENIORITY**

- A. Associates who are moved to a secondary plant in accordance with this Memorandum, while retaining unbroken seniority in their base plant, shall establish seniority in such secondary plant as follows:
  - 1. Associates with seniority dates of January 7, 1985 or earlier will establish an adjusted plant seniority date of January 7, 1985.
  - 2. When two (2) or more associates establish the same plant seniority date pursuant to Paragraph (1) above, the date established for each associate for vacation under

Paragraph (190) of the National Agreement will be used to determine seniority preference among such associates.

3. Associates with seniority dates subsequent to January 7, 1985 will establish that subsequent date as their plant seniority date.
  4. Journeypersons or A.I.T.S. associates with unbroken Skilled Trades seniority dates or dates of entry of January 7, 1985 or before, who are employed in the same or related Skilled Trades Classification, will establish a date of entry of January 7, 1985 in that classification.
  5. When two or more journeypersons or A.I.T.S. associates establish the same date of entry in the same classification and plant pursuant to Paragraph (4) above, each associate's longest unbroken seniority in that classification in any AAM plant covered by the Agreement, will be used to determine seniority preference among such associates for all purposes applicable to that classification.
  6. Journeypersons or A.I.T.S. associates with unbroken skilled trades seniority dates or dates of entry subsequent to January 7, 1985 who are employed in the same or a related skilled trades classification, will establish that subsequent date as their date of entry in that classification.
  7. Journeypersons or A.I.T.S. associates who are employed in non-skilled classifications and later reclassified to the same or related Skilled Trades Classification, will establish a date of entry as though originally employed in that classification in accordance with (4) or (6) above, whichever is applicable.
- B.** Journeypersons or A.I.T.S. associates reclassified to related Skilled Trades Classifications in their same plant will establish a date of entry in accordance with (7) above, or applicable Local Seniority Agreement provisions, whichever is earlier.

- C. The above provisions are not applicable to laid off apprentices who are employed in the apprentice program in another plant.

## **X. VACATION REPLACEMENTS AND OTHER ASSOCIATES HIRED FOR TEMPORARY WORK**

Associates who are on layoff from any AAM-UAW plant who retain unbroken seniority in any such plant on the date they are hired as a vacation replacement or for other temporary work in any other plant covered by the National Agreement, or a new associate who does not have seniority in any AAM plant who is hired for such work shall be employed in accordance with the following:

- A. An associate may be hired as a vacation replacement or to fill other job openings of a temporary nature.
- B. Vacation replacements may be employed under the provisions of this Memorandum commencing the second Monday in May each year and ending no later than 120 days thereafter. The utilization of vacation replacements and other associates hired for temporary work shall be discussed in advance with the local Leadership Team. Requests for vacation replacements and other associates hired for temporary work shall be made in writing to the National Parties for mutual approval.
- C. In the event of permanent job openings which involve the relocation of associates, the National Parties may agree to hire temporary associates under the provisions of this Section to enable plants to operate effectively while permanent seniority associates are being identified or relocated at the new location.
- D. Time worked by a vacation replacement or other temporary associate who is hired pursuant to this Memorandum will not be included in the computation for acquiring seniority pursuant to Paragraph (57) and Appendix D.
- E. Such time worked by a laid off seniority associate will not be considered in the calculation for breaking seniority and exhausting rehire rights at a former plant pursuant to Paragraph (64)(e).

- F. The provisions of the Application of Corporate Seniority (Section IX) of this Memorandum are not applicable to associates hired pursuant to this Section X.
- G. An associate with seniority hired at a secondary plant for vacation replacement or other temporary work will remain eligible for permanent job openings in accordance with the provisions of Area Hire Placement (Section I) and Extended Area Hire Placement (Section II) of this Memorandum.
- H. All other provisions of the National Agreement and its Exhibits shall apply to associates hired pursuant to this Memorandum.
- I. This procedure does not apply to permanent job openings.
- J. The National Parties are authorized to make modifications and adjustments as necessary.

#### **XI. TEMPORARY OPENINGS - PARAGRAPH (64)(e)**

- A. Laid off associates working at permanent jobs in other AAM plants, whose seniority would entitle them to be recalled to former locations to fill openings considered at the time to be temporary, will not be recalled or rehired under such circumstances.
- B. Furthermore, if laid off associates working at permanent jobs with outside employers or participating in the UAW-AAM Dislocated Worker Program are recalled to their former locations to fill openings considered at the time to be temporary, those individuals who desire to be bypassed under the provisions of this Section should notify the appropriate AAM employment office.
- C. In this regard, solely for the purposes of calculating the periods relative to breaking seniority and exhausting rehire rights at the former plant pursuant to Paragraph (64)(e), such associates in Sections (A) and (B) above, shall be considered

as having accepted recall to their former plant on the date such work became available and returned to layoff status at such time as the period of temporary work is completed.

## **XII. TRAINING**

In order to ensure consistent administration of Area Hire and/or Extended Area Hire, training materials will be developed and a joint meeting will be held of those people responsible for the administration of these provisions. Costs for the training will be covered by joint funds upon approval of the Executive Board-Joint Activities. Topics to be discussed, but not limited to, are:

- Changes in the Area Hire provisions and related matters as a result of 2004 Negotiations.
- Review of existing procedures and provisions.

## **APPENDIX B**

Inter-Organization

### **AMERICAN AXLE & MANUFACTURING, INC.**

Date: February 27, 2004

Subject: Date of Entry Status  
Apprentices and AIT's

To: All Personnel Directors  
of Plants Covered by the  
AAM-UAW National Agreement

During the course of the discussions leading to the current National Agreement, the Corporation and the UAW discussed situations where the placement in the program of a selected apprentice or AIT applicant is delayed. The Union emphasized that problems resulted when such a delay occurs due to (1) an approved leave of absence for jury duty, (2) approved time off pursuant to the Vacation Entitlement Section, (3) a sick leave of absence under the provisions of Paragraph (106) or (108), (4) the short term needs of Local Management such as the necessity to train a replacement for the person who has been selected, or (5) an absence which qualifies the associate for bereavement pay, (6) for paid absence allowance time off under the provisions of prior agreements, or (7) for short term military duty.

The Corporation has advised the Union that if an opening occurs and the person selected to fill the opening is delayed for one of the reasons specified above and the delay is for not more than 21 calendar days, that person's date of entry for seniority purposes shall be the date they would have originally been placed in the opening.

Patrick J. Paige

Vice President, Human Resources

## APPENDIX C

The parties hereto agree as follows:

1. Associates whose training in the skilled trades was interrupted by a leave of absence under Paragraph (105)(a), Paragraph (106), Paragraph (108) or Paragraph (112), or for Jury Duty, approved absences which qualify under the Bereavement Pay, Paid Absence Allowance, or Short Term Military Duty Sections of this Agreement, by approved vacation time off, and all time on layoff out of the program occurring on and after March 1, 1994 who thereafter qualify for status as Associates-in-Training-Seniority (A.I.T.S.) or are reclassified as journeymen in the skilled trades, shall, at such time, be given the same A.I.T.S. date or journeyman seniority date as they would have received if they had not been on such leave, layoff or approved absence.
2. Associates-in-Training (A.I.T.) or associates-in-Training-Seniority (A.I.T.S.) shall be credited with seven days worked in a skilled trades classification for each pay period during which they worked in that classification in that plant and seven days for the pay period in which the full week of Christmas holidays fall provided such associates would otherwise have been scheduled to work in that plant. Such associates shall receive credit as time worked in a skilled classification for time spent on approved leaves of absence from that classification up to but not exceeding an aggregate of thirty (30) calendar days within the calendar year. Such associates will not receive credit as time worked in a skilled classification for any portion of the leave that they would have been laid off in a reduction in force or returned to their production classification had they not been granted such leave.
3. Associates-in-Training (A.I.T.), who are Committeepersons or in-plant full time Union Representatives, shall be credited with seven days worked in a skilled trades classification for each pay period during which they function in such capacity until they acquire associate-in-Training-Seniority (A.I.T.S.) status. Thereafter they shall be credited as provided in 2. above.

## **APPENDIX D**

### **INTERPRETATION OF PARAGRAPH (4) THRU (4)(c) AND PARAGRAPH (57)**

#### **Rules for Computing Seniority of Associates Who Acquire Seniority by Working 90 Days Within Six Continuous Months, and Computing the Period Specified in Paragraph (4) thru (4)(c)**

1. Credit toward acquiring seniority will begin with the first day worked by the new associate and will include the subsequent days of that pay period.
2. Thereafter during six consecutive months until the associate acquires seniority, the associate will receive credit for seven days for each pay period during which the associate works except that credit will not be given for any days the associate is on layoff.
3. No credit will be given for any pay period during which for any reason, the associate does not work except as provided in Paragraph (108) and in the case of the pay period in which the full week of Christmas holidays falls, provided the associate would otherwise have been scheduled to work.
4. Unless associates are at work on the 90th day of their accumulated credited period, they must work another day within their probationary period to acquire seniority. If the 90th day of their accumulated credited period falls on a holiday, the associates will be considered as having seniority as of the holiday. If the 90th day of their accumulated credited period falls on their vacation pay eligibility date, the associates will be considered as having seniority as of the vacation pay eligibility date.
5. In the event temporary associates are summoned and report for jury duty as prescribed by applicable law during the period of six continuous months preceding the date they acquire seniority pursuant to Paragraph (57), the associates' seniority when acquired will be adjusted to give the associates credit for seven additional days for each week in the period in which they did not work and during which jury duty was performed. The associates must furnish evidence that the jury duty was performed in order to

receive seniority credit in accordance with this provision.

[See Par. (64)(a), (64)(e), (107)]

[See Par. (137)(c)(2), (203)]

[See App. A]

## APPENDIX F

### AMERICAN AXLE & MANUFACTURING, INC.

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

It is the policy of the American Axle & Manufacturing, Inc., to perform maintenance work with its own associates, provided it has the labor, skills, equipment and facilities to do so and can do the work competitively in quality, cost and performance and within the projected time limits. At times the Corporation does not deem advisable doing the work itself, and it must, as in the past, reserve to itself the right to decide whether it will do any particular work or let the work to outside contractors. This letter is not to be regarded as impairing that right in any way.

The Corporation hereby assures the Union that it has no plans to change its policy and that it expects to continue its general operating policy of placing primary reliance on its own skilled trades associates to perform maintenance work to the extent consistent with sound business practice, as in the past.

In this regard, we have seen the use of joint Management and Union work schedule and business opportunity planning teams work very successfully. This approach has not only enhanced job security, but has allowed a better understanding as to the competitive challenges facing the parties. As such, each location will establish a skilled trades business team involving both Management and Union representation who will work jointly to develop the most efficient approach to the work to be performed. Plants who have experienced success with this approach have found that meetings scheduled weekly, if necessary, were most beneficial and therefore such meetings should be scheduled

accordingly at all plants.

The Corporation is genuinely interested in maintaining maximum employment opportunities for its skilled trades associates consistent with the needs of the Corporation. Therefore, in making these determinations, the Corporation intends always to keep the interests of American Axle & Manufacturing, Inc., personnel in mind.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See Par. (42)(a), (183)(a)-(e)]

[See App. F-1-F2]

[See Doc. 58]

## **APPENDIX F-1**

### **AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson

Vice President and Director

AAM-UAW Department

8000 East Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. Rapson:

During these negotiations the Union discussed with the Corporation issues regarding contracting out of work.

During the course of previous negotiations, the Union complained that in certain instances the work force in maintenance and tool and die trades particularly was reduced through attrition and then work was contracted out to the point where there was insufficient manpower available within the plant to perform the work; that in certain instances AIT's were reduced to production jobs and work in their trades which they historically performed and which they were capable of performing was subsequently contracted out for extended periods without recalling the AIT's to the skilled trades jobs from which they had been reduced; and that in certain instances skilled trades associates were permanently laid off and new work which they had historically performed was contracted out for extended periods, instead of recalling these associates to their jobs.

The essential elements in the complaints registered by the Union went to the question of job security.

During these National Negotiations, the parties reviewed the competitive advantage of AAM's talented skilled trades workforce. Discussed were the Union's concerns for the integrity of the apprenticeable trades, the job security of the skilled trades workforce, and the content of skilled trades work assignments, and the status of work functions historically performed by the bargaining unit.

At times it is not practicable for the Corporation to do the work itself, and it must, as in the past, reserve the right to decide whether it will do particular maintenance, tool and die and engineering skilled trades

work, or contract it out. The Union recognizes that in making such decisions the Corporation must consider, among other things, the efficiencies and economies involved, the need for specialized tools and equipment, special skills, the necessity of meeting production schedules, model change, plant rearrangement deadlines, and focusing resources to improve product competitiveness.

In our discussions we agreed that associates' jobs should not be eliminated by reason of a practice of contracting out, and we agreed that existing employment opportunities of seniority associates should not be unnecessarily reduced by reason of management contracting out work. The Corporation, moreover, states that it is its policy to fully utilize its seniority associates, under circumstances in which it is reasonable and practicable to do so, in the performance of work which they have historically performed to produce its product and perform its services.

While AAM intends to provide this opportunity to its skilled trades workforce, the parties agreed that prolonged schedules involving substantial overtime were not in the best interest of associates or the Corporation and, as a result, AAM must consider the availability of its skilled workforce, to include refusal rates, when planning projects and scheduling potential overtime. The parties are expected to work out acceptable means by which Management will have reliable information as to the hours associates will work when planning such work schedules.

Accordingly, the Corporation states that it will make a reasonable effort to avoid contracting out work which adversely affects the job security of its associates and that it will utilize various training programs available to it, whenever practicable, to maintain employment opportunities for its associates consistent with the needs of the Corporation.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See Par. (42)(a), (183)(a)-(e)]

[See App. F, F-2]

[See Doc. 58]

**APPENDIX F-2**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

International Union, UAW  
Solidarity House  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Attention: Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department

Dear Mr. Rapson:

During the current negotiations the parties discussed the special procedure for processing subcontracting grievances as provided by Paragraphs (42)(a) and (46).

The parties agreed that should the Director of the AAM Department of the International Union elect to handle such a case pursuant to Paragraph (42)(a)(2), and refer it back to the Appeal Committee for negotiation pursuant to Paragraph (117), such negotiations shall be limited to the issues defined in the written record of the case.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

[See App. F, F-1]

## **APPENDIX H**

### **MEMORANDUM OF AGREEMENT**

#### **Selection of Associates-in-Training**

Agreement dated this 27th day of February, 2004, between American Axle & Manufacturing, Inc. and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW),

WHEREAS, the parties have as a mutual objective maximizing employment opportunities for minorities and women as associates-in-training in skilled trades classifications, and

WHEREAS, the parties recognize a need to increase the utilization of minorities and women as Associates-in-Training at certain locations, and

WHEREAS, the parties recognize that an acceptable utilization rate of minorities and women as Associates-in-Training may vary from location to location depending upon a complex of circumstances, including the availability of such individuals in the labor market or in the work force having the requisite qualifications for and interest in skilled trades work, and

WHEREAS, the applicable law governing the selection of individuals as Associates-in-Training in the skilled trades is undergoing continuing development and refinement.

NOW THEREFORE, the parties agree as follows:

1. The AAM-UAW Skilled Trades and Apprentice Committee, in consultation with the Equal Application Committee, shall review the utilization of minorities and women as Associates-in-Training in skilled trades classifications at the various locations to determine whether obstacles exist to the achievement of a more representative utilization of such associates who are qualified and interested in skilled trades work; and,

2. Where such obstacles are determined to exist, the AAM-UAW National Skilled Trades and Apprentice Committee shall agree upon appropriate action to remedy particular situations or to establish various methods of selection including, where practicable, the establishment of special pre-AIT training programs to further equal employment opportunity for minorities and women in the associate-in-training program.

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

**American Axle &  
Manufacturing, Inc.**

Cal Rapson

Patrick J. Paige

{See Par. (6)(a), (122)(g)}

[See Doc. 31]

## **APPENDIX I**

### **MEMORANDUM OF AGREEMENT SPECIAL SKILLED TRADES REPRESENTATIVE**

- I. In any Plant on a shift where there are 30 or more skilled trades associates (A.I.T., A.I.T.S., Journeypersons) who are not represented by a District Committeeperson who is classified as a skilled trades associate, a Special Skilled Trades Representative may be selected to assist in handling skilled trades grievances. Guidelines for the implementation and the roles and responsibilities have been mutually agreed to by the parties.

## **APPENDIX J**

### **Memorandum of Understanding on Joint Programs**

The parties agree that it is in their mutual interests to pursue effective joint programs. These programs are founded, and will operate, in the spirit of mutual trust and respect while addressing the collective interests of all associates and the business. The parties agree that successful implementation of the initiatives produced from these joint programs will provide for the needs of both the associates and the business.

This philosophy is embodied in the UAW-AAM theme of "Be the Best by Working Together," based upon our Value Statement:

"We value AAM people above everything else. We will achieve success by providing our associates with an environment which respects the dignity of every individual, which fosters trust in relationships and allows each associate the opportunity to realize their full potential as an individual and as a team member."

As Union and Management relations continue to improve, emphasis will be placed on maximizing the effectiveness of these various programs and activities. The parties recognize that success in these endeavors benefits all of the parties: the UAW through a strong and viable membership; the associates through job satisfaction and job security; and the Corporation by continuing to improve its competitiveness in pursuit of being the Premier, Global Supplier of Driveline Systems, Chassis Components and Forged Products. During these negotiations the parties agreed to effectively focus all joint programs and activities into three mutually dependent categories:

- Health and Safety
- Education and Empowerment
- Operational Effectiveness

The Union will be fully involved in all phases of training including analysis and development that is directed at UAW-represented

associates. When such associates will be impacted by training and manual specifications for equipment and manufacturing systems, Management will obtain Union input prior to the AAM site training coordinator signing off on the specifications.

It is in this spirit that the parties agree and recognize the total involvement of people in all we do is essential to job security and the success of both the UAW and AAM. The joint programs and activities in this agreement continue to encompass a philosophy that emphasizes joint relationships built on mutual trust, cooperation and respect.

## **I. OPERATING STRUCTURE (SEE EXHIBITS 1 & 2)**

### **A. Executive Board - Joint Programs**

It is agreed the Co-Directors of the Executive Board - Joint Programs will be the Vice President of Human Resources American Axle & Manufacturing, Inc. and the Vice President of the AAM Department of the UAW. Additional members will include the Corporate Manager of Joint Program Administration, the UAW International Servicing Representative of the AAM Department, and the appointed UAW Corporate Joint Program Representative.

The duties and responsibilities of the Executive Board - Joint Programs will include, but not be limited to, the following:

1. Setting and reviewing policies and providing guidelines for joint programs and activities in the areas of Health and Safety, Education and Empowerment and Operational Effectiveness;
2. Allocating funds and monitoring expenditures for joint projects and activities;
3. Evaluating and auditing the ongoing performance and results of joint programs;
4. Reviewing and approving proposals for National meetings, conferences, and workshops;

5. Integrating joint programs with Corporate structures and business decisions; and,
6. Keeping UAW leadership and Corporate management informed of joint program activities and their progress as well as sharing appropriate business and joint activity information.

*Exhibit I*

**UAW/AAM JOINT PROGRAM STRUCTURE**

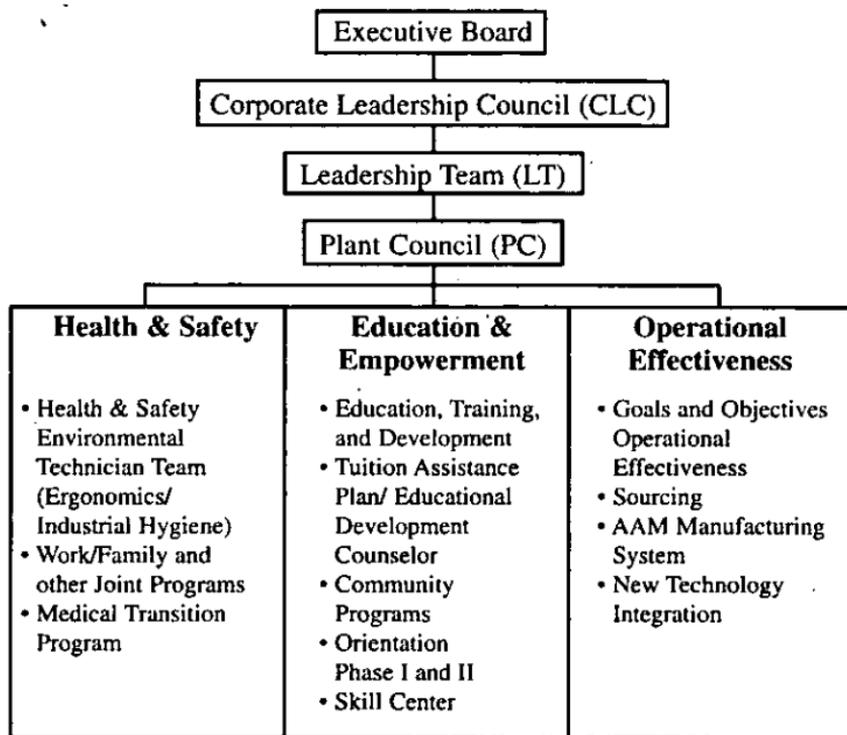




Exhibit 2



## UAW/AAM CORPORATE JOINT PROGRAM ADMINISTRATION

### EXECUTIVE BOARD

#### AAM

V.P. HUMAN RESOURCES CO-CHAIR

MGR. JOINT PROGRAM ADM.

#### UAW

V.P. & DIRECTOR AAM DEPT. -  
CO-CHAIR

INTERNATIONAL REP. AAM DEPT.  
CORP. JOINT PROGRAM REP.

### CORPORATE LEADERSHIP COUNCIL

#### AAM

V.P. MFG, DRIVELINE DIVISION -  
CO-CHAIR

V.P. HUMAN RESOURCES

V.P. METAL FORMED

PRODUCTS DIVISION

EXECUTIVE DIRECTOR,

LABOR RELATIONS

MGR. JOINT PROGRAM ADM.

DIRECTOR SAFETY

#### UAW

INT'L REP. AAM DEPT. -  
CO-CHAIR

REGION 1 SERVICING REP.

REGION 1-D SERVICING REP.

REGION 9 SERVICING REP.

CORP. JOINT PROGRAM REP.

INT'L REP'S AS NEEDED

### LEADERSHIP TEAM

#### AAM

PLANT MANAGER

PLANT PERSONNEL DIRECTOR

#### UAW

CHAIRPERSON SHOP COMMITTEE

PRESIDENT LOCAL UNION

### PLANT COUNCIL

#### AAM

PLANT MANAGER

PLANT PERSONNEL DIRECTOR

PLANT MANAGER STAFF

#### UAW

CHAIRPERSON SHOP COMMITTEE

PRESIDENT LOCAL UNION

SHOP COMMITTEEPERSONS

## B. Corporate Leadership Council (CLC)

(NOTE: This section incorporates the duties and responsibilities of all National Committees)

It is agreed that the Co-Chairs of the Corporate Leadership Council will be the Vice President of Manufacturing, Driveline Division, of American Axle & Manufacturing, Inc. and the International Servicing Representative UAW/AAM Department. Additional members will include for AAM: Vice President of Human Resources, Vice President, Metal Formed Products Division, Corporate Executive Director of Labor Relations, Corporate Director of Safety and the Corporate Manager Joint Programs Administration; for the UAW: Regional Servicing Representatives, Corporate Joint Program Representative, Representatives from the International Union (as requested by the UAW).

The duties and responsibilities of the Corporate Leadership Council will include, but not be limited to, the following:

1. Assures the policies and guidelines of the Executive Board are carried out;
2. Meeting at a minimum of four times a year to administer policy for all joint programs;
3. Setting policies and providing guidelines for joint programs and activities in the areas of Health and Safety, Education and Empowerment and Operational Effectiveness;
4. Serving as the joint fund allocation and approval authority for joint program activity expenditures;
5. Reviewing the roles, responsibilities, training requirements and results of Joint Program Representatives to ensure their effectiveness and proper utilization;
6. Establishing guidelines for and conducting audits twice a year on the successful completion of Joint Program Representative training and certification.
7. Annually establish, publish and review measurable corporate-wide goals and objectives in the following categories:

- Health and Safety
  - Education and Empowerment
  - Operational Effectiveness
8. Scheduling and coordinating joint program meetings, conferences and workshops;
  9. Establishing skill development and training priorities for active associates in:
    - Health and Safety, Work/Family Programs, ETT, and Medical Transition
    - Basic education, job related and interpersonal skills
    - Operational Effectiveness tools and procedures
  10. Approving promotional material and activities to encourage the utilization of joint Union-Management recognition processes;
  11. Authorizing studies, pilot programs and research projects of mutual interest;
  12. Providing appropriate training, resources and support as required to meet the needs of Plant Leadership Teams or to meet Federal, State or Local Regulations;
  13. Reviewing and anticipating problems of serious health and safety situations and making timely recommendations;
  14. Receiving and resolving matters referred to them by the Local Leadership Teams; and,
  15. Develop and rollout a comprehensive program for use at plants in their efforts to conduct training needs analysis, task analysis, training plans and maintain training records.

### **C. Leadership Team (LT)**

Members of the Leadership Team will include: Shop Committee Chairperson, President of the Local Union, Plant Manager, and Personnel Director.

The duties and responsibilities of the Leadership Team will include, but not be limited to, the following:

1. Achieving the annual Joint Objectives and Goals as set forth by the CLC;
2. Supporting the AAM Manufacturing System initiatives;
3. Meeting twice monthly, at a minimum;
4. Establishing the annual priorities, objectives and supporting the joint programs initiatives at the local level;
5. Allocating and monitoring local funds and other resources in accordance with this memorandum and guidelines established by the Executive Board and/or Corporate Leadership Council;
6. Monitoring and evaluating the performance and results of all joint activities on a monthly basis and providing positive recognition and/or corrective direction as required to meet annual goals and contractual guidelines or any other assignment that may be given;
7. Regularly communicating information on plant operations to associates and updating the Corporate Leadership Council and Executive Board on progress of joint activities as appropriate;
8. Providing the appropriate structure to effectively integrate and implement joint program activity;
9. Periodically reviewing priorities and modifying Joint Program Representative assignments to best serve the associates of the organization and meet local site needs;
10. Determining the level of involvement of the Joint Activities Representative in the implementation and ongoing activities of the AAM Manufacturing System;

11. Reviewing, anticipating and proactively addressing problems of serious health and safety situations and make timely recommendations; and,
12. Approving training plans directed at UAW represented AAM associates.

In situations where mutual agreement regarding joint activities cannot be reached locally, either party may refer the issue to the Corporate Leadership Council for resolution.

#### **D. Plant Council (PC)**

Members of the Plant Council will include: President of the Local Union, Shop Chairperson, Members of the Local Union Shop Committee, Plant Manager, Personnel Director, and selected Plant Staff members. The Leadership Team may modify the structure of Plant Council(s) to better suit the specific needs of the site.

The primary duty and responsibility of the Plant Council is to implement joint program initiatives to achieve the annual goals and objectives as set forth by the CLC and LT. Additionally, the duties and responsibilities of the Plant Council will include, but not be limited to, the following:

1. Meeting on a monthly basis, at a minimum, to review progress of joint program activity and plant performance, with time dedicated to review Health & Safety issues;
2. Developing and reviewing implementation plans with the LT to accomplish the joint program goals and objectives as set forth by the CLC;
3. Ensuring UAW Joint Training Representative(s) are involved in the preparation of training budgets/plans directed at UAW represented AAM associates;
4. Implementing training plans directed at UAW represented AAM associates;
5. Identifying resources to assure that a comprehensive annual training needs analysis is conducted based on plant business plan information. Locally approved training identified in the

needs analysis and the necessary resources to conduct such training should be integrated into the business planning process; and,

6. Ensure accurate understanding of these joint programs initiatives by union and management personnel at the plant floor level.

## **E. Joint Program Representatives**

### **1. Areas of Assignment:**

Each AAM plant, depending on associate population, may have associates assigned to the following functions:

- **Health and Safety**  
Health and Safety  
Work/Family  
Medical Transition  
Environmental Technician Team
- **Education & Empowerment**  
Joint Training
- **Operational Effectiveness**  
AAM Manufacturing System  
Joint Activity

It is recognized that each plant location has its own unique culture and needs; therefore, the Leadership Team will determine where their current full time representatives will be allocated to best serve the associates of the organization.

### **2. Roles and Responsibilities for Joint Program Representatives**

The parties are committed to working together in a spirit of cooperation to improve AAM's competitiveness, relationships, and the effectiveness of joint programs. The result of such cooperation will improve the working environment for all AAM associates.

The Joint Program Representatives are appointed to ensure that the agreed upon joint programs in this Appendix are effectively conducted by carrying out their responsibilities listed below. Joint

Program Representatives take their direction from, and are accountable, to the Leadership Team.

Overall, the duties and responsibilities common to all Joint Program Representatives include the following:

- Work with the Leadership Team and Plant Council to identify and remove roadblocks to implementation of joint program initiatives;
- Establish understanding of both the local and national agreements;
- Serve as a liaison between the Leadership Team / Plant Council and external resources;
- Promote the development and use of the AAM Manufacturing System to support people, teamwork and continuous improvement in our day-to-day business decisions and actions;
- Monitor and measure progress in achieving our annual joint program goals and objectives;
- Prepare reports and studies as directed by the Leadership Team or CLC;
- Assist the Leadership Team with special projects;
- Assist with ISO / QS and other related audits;
- Interface with other local joint program representatives;
- Meet with and report to the Leadership Team on a quarterly basis;
- Submit an activity summary to Corporate Joint Program representatives on a monthly basis;
- Be a subject matter expert to associates, district committeepersons and supervisors/advisors;
- Coordinate program activities with assigned management representative;
- Attend and participate in joint conferences and/or workshops,

regional and/or local meetings;

- Attend national training conferences, workshops or complete certifications as directed by the Corporate Leadership Council.

The following additional responsibilities are specific to each Joint Program Representative's appointed function:

### **Health and Safety Representative**

The functions of the Health and Safety Representative are prescribed to assure that safety in the workplace is the number one responsibility of all associates and that such activity is carried out consistent with this document and is fully supported throughout the organization. The Health and Safety Representative responsibilities are:

- Implement, promote, and assure implementation and maintenance of the S.A.F.E Program
- Serve on the Local Joint Health and Safety Committee;
- Make health and safety inspections once each week and participate in development and implementation of corrective actions. Report findings, progress and recommendations in writing to the Leadership Team;
- Review and approve the OSHA form 300 accident experience log on a daily basis;
- Receive a copy of the plant's report on OSHA "Summary of Occupational Injuries and Illnesses" and the facilities total associate hours worked and the incidence rate for the comparable period;
- Review Incident Investigation Report and Case Analysis and OSHA 101;
- Receive prompt notification and immediately investigate any serious accidents or associate fatalities resulting from work related injuries;
- Accompany Federal and State OSHA governmental health and safety inspectors, Corporate and International Union health and safety professionals on plant inspection tours;

- Review plant safety reports on accidents, make any necessary or desirable recommendations, track and participate in the completion of corrective actions, and provide a monthly report to Plant Leadership Team;
- Review, recommend and implement/conduct local safety education and information programs and associate job-related health and safety training;
- Where necessary, measure noise, air contaminants, and air flow with equipment provided by the Corporation and observe the use of appropriate industrial hygiene and safety testing equipment as required when available in the plant;
- Handle health and safety complaints pursuant to the Health and Safety Complaint Procedure;
- Be familiar with breathing zone air sample results and known physical agents or chemicals to which associates are exposed and protective measures and applicable emergency procedures;
- Participate as an active member of the local Plant Hazardous Materials Control Committee and participate in the Ergonomics Program;
- Become familiar and assist with Work/Family and medical transition activity; and,
- Analyze and make recommendations based on reports and feedback from the Environmental Technician Team.
- Maintain safety data system to include all incidents, corrective actions and any required reports.

### **Work/Family Representative**

The functions of the Work/Family Representative are to help workers and their families develop healthier life styles, help prevent the development of personal problems and provide access to treatment and aftercare for those already afflicted. The Work/Family Representative will:

- Coordinate distribution and posting of monthly wellness material throughout plant to keep EAP resource and phone number within reach of associates.
- Schedule and coordinate “Lunch and Learn” seminars and other EAP and Wellness related seminars for the site at least quarterly. Seminars are to be scheduled during associate lunch periods or before and after work time.
- Conduct other promotional and outreach activities as appropriate to communicate EAP program resources and services to associates and family members.
- Direct associates to the EAP 800# for crisis management, assessment and treatment;
- Assist associates in contacting EAP via the 800# to coordinate face-to-face meetings with the third party provider and the associate when requested to do so from the associate seeking help;
- Should the need arise, assist the third party provider during critical incident experiences;
- Coordinate continuity of care by being knowledgeable with information about benefits;
- Consult, on a confidential basis, with workers regarding personal problems;.
- Consult with managers, supervisors and union leaders regarding job performance issues and referrals;
- Work with local benefits representatives to determine how treatment options qualify for payment under the AAM Health Care Plan;
- Conduct aftercare and on-site follow-up activities; and,
- Support self-help groups.

### **Medical Transition Representative**

The Medical Transition Representative’s primary function is to implement a program that enables associates to be retained or

returned to work from sick leave or workers' compensation leave and be placed on jobs in line with the local and national agreements and their physical restrictions. The Medical Transition Representative will:

- Attend training in workers' compensation, EEOC, ADA regulations, FMLA and any other training or certifications as directed by the CLC;
- Become familiar with associates' workers' compensation and sickness and accident cases;
- Work as a team and maintain communication with plant Medical Department, Case Management, and other appropriate personnel, i.e., floor supervisors, committee-persons, industrial engineers, safety and ergonomics personnel;
- Review cases and make recommendations on placement;
- Document and maintain information in the medical system of all placement activity and prepare and submit weekly reports of such activity to the leadership team;
- Maintain cost savings information and provide feedback to appropriate parties on a monthly basis;
- Conduct weekly reviews of associate restriction changes and ensure appropriate adjustments to job assignments for affected associates;
- Continually review jobs on the plant floor and stay current with job placement assignments.
- Develop, maintain and update as needed a log of all equipment and job functions on the plant floor.

### **Joint Training Representative**

The primary function of the Joint Training Representative is to participate in the administration of the joint training process. This requires that all Joint Training Representatives receive and successfully complete appropriate training to become subject matter experts in all phases of the training process. (Refer to

NTAG JTR Certification document.) In addition, the Joint Training Representative will:

- Perform annual training needs analysis including task analysis, skill assessment and develop an annualized training plan based on the results of the task and skill assessments;
- Determine training effectiveness and make corrections to the training;
- Design, plan and evaluate all training directed at UAW represented associates. This includes job related training, basic skills training, and interpersonal skills training when required for a specific job;
- Identify and secure funding sources;
- Maintain training records in accordance with established requirements;
- Initiate approved training projects, develop project plans and estimate costs in line with plant budget; and,
- Monitor training projects, including progress reports, expenditures to date, and revise project plans as required.

### **Joint Activities Representative**

The primary function of the Joint Activities Representative is based upon the needs and direction of the Leadership Team. The Leadership Team must jointly decide on the Joint Activities Representative's level of authority and degree of involvement. The Joint Activities Representative will:

- Assist in the implementation and ongoing development of the AAM Manufacturing System. The level of involvement will be determined by the Leadership Team;
- Develop communication linkages between the various joint program activities as well as between the Leadership Team and joint program representatives;
- Coordinate the activities of joint functions;
- Lead Plant Council development efforts;

- Assist in allocating various resources for joint activities;
- Assist in the needs analysis process for the total organization;
- Assist in the development of monitoring systems; and,
- Monitor the status of joint funds.

### **AAM Manufacturing System Representative**

The AAM Manufacturing System Representative assists in the implementation and ongoing evolution of the jointly developed AAM Manufacturing System. This requires the Manufacturing System Representative to receive and successfully complete appropriate training to become a subject matter expert in the AAM Manufacturing System as well as team development practices. In addition, the AAM Manufacturing System Representative:

- Supports the Corporate Leadership and Plant Councils in the assessment of implementation and integration of AAM Manufacturing System strategies, providing feedback for continuous improvement;
- Coordinates the assessment of plant readiness for the implementation and start-up of AAM Manufacturing System initiatives, goals and objectives, as well as ISO / QS and other related surveillance audits;
- Participates in “Best In Class” benchmarking reviews of World Class manufacturing operations;
- Assists the Plant Council in assuring that every aspect of the business is driven by the AAM Manufacturing System process;
- Coordinates and assists in the training and workshops associated with the AAM Manufacturing System;
- Ensures that action items resulting from workshops or other related AAM Manufacturing System activities are documented; and,
- Participates in quarterly status meetings with all AAM Manufacturing System Representatives and their joint

counterparts as coordinated by the Corporate Joint Program Representatives.

### 3. Representation Ratios:

The total number of full time Joint Program Representatives shall not exceed the number provided for below:

Plant Population	Number of Representatives--
Up to 200	1
201 to 400	2
401 to 600	3
601 to 1,000	4
1,001 to 5000	Ratio of 1:250
5001 and above	Ratio of 1:275

In the case of bargaining units between 1,001 to 5,000 and 5,001 and above, the number of representatives in a given bargaining unit will be determined by the number of represented associates (active, temporary layoff) divided by the appropriate ratio number. Where the fraction of the result is .5 and above, the number will be rounded up to the next highest whole number and where the fraction is less than .5, rounded down to the whole number.

Further, each bargaining unit will have an additional full time Joint Program Representative designated as an Environmental Technician. Such Representative may be assigned to other functions as approved by the Vice President and Director of the AAM Department, UAW. Plants with 2000 or more associates may supplement the ETT with a second UAW Technician upon the approval of the CLC.

Nothing in this agreement limits or is intended to interfere with any local mutually agreed upon projects or initiatives falling outside the scope of this document that may provide additional staff resources to meet the specific objectives of the local parties.

Following the effective date of this agreement, each plant will submit an updated plan for deployment of these resources in

accordance with specific guidelines issued by the National Parties. Such plans shall be submitted and approved prior to the appointment of the Joint Program Representatives. All such representatives will be appointed by the Vice President and Director of the AAM Department, UAW. Such plans will include the names and assignments for each of the local representatives assigned to joint programs and will be forwarded to the Corporate Leadership Council, for approval prior to implementation. Likewise, as individual plant needs and priorities change, the local parties are afforded the flexibility to submit revised plans for National approval.

When plant population changes occur which would increase or decrease the number of representatives, such population changes must be in effect for a period of six consecutive months before such adjustment is made in the number of representatives, in which case such adjustment will be made at the conclusion of the six month period. In the event such population change results from the discontinuance or addition of a shift, the opening of a plant, or the cessation of a plant's operations, the adjustment in the number of representatives will be made within the first twenty working days following the first day such population change occurs. Other situations involving a sudden significant change in the number of associates at a location may be discussed by the Corporation and the AAM Department of the International Union.

When a reduction or increase in plant population calls for a change in the number of representatives, the local parties will be required to submit a revised deployment plan for approval. All representatives in either case will also be appointed by the Vice President and Director of the AAM Department, UAW.

It is understood that the Representatives re-deployed in these locally determined areas of special focus and attention will require training. It is agreed that such training will be provided by the UAW and AAM Joint Program Administration subject to the approval of the Corporate Leadership Council.

Joint Program Representatives will be required to complete a curriculum within two years after the effective date of the Agreement or two years from the date of their appointment,

whichever is first. Certification will be granted upon completion of the curriculum. This curriculum could be developed in conjunction with colleges and universities or developed by utilizing courses or a combination of both.

It is agreed that such representatives shall function in accordance with governing provisions of the UAW-AAM National Agreement germane to their area of focus.

In the event that a local union Health and Safety Representative is absent for one day or more, or attending meetings, such representative will be replaced by an associate who has been designated as the alternate by the International Union. As soon as practical following the effective date of this Agreement, the International Union shall provide to the Corporation the names of the associates so designated.

#### **4. Overtime Guidelines for Joint Program Representatives:**

During overtime hours, Joint Program Representatives in the areas of Health and Safety, Education and Empowerment and Operational Effectiveness will be scheduled to perform joint program-related activities for nine (9) hours Monday through Friday and up to eight (8) hours on Saturdays when ten (10) or more associates are working on their shift, Sundays, and Holidays are based on the following rules:

##### **A. Health and Safety**

1. During overtime, temporary layoffs, or inventory when three hundred (300) or more or fifty percent (50%) or more of the associates on the representative's shift in the representative's Health and Safety representation area are scheduled to work. In addition, when new equipment and/or processes are being installed or tried out and one hundred (100) or more of the associates on the representative's shift in the representative's Health and Safety representation area are scheduled to work.
2. During shutdown for model change, or for plant rearrangement when one hundred (100) or more of the associates on the representative's shift in the

representative's Health and Safety representation area are working on model change or plant rearrangement work.

3. When the Management Joint Representative for Health and Safety determine on a business case basis that overtime is necessary, such Health and Safety coverage may be scheduled.

**B. Work/Family Representatives, Environmental Technicians and all Other Joint Program Representatives will not be scheduled to perform joint program-related activities on Sundays and Holidays.**

The spirit and intent of this document is to provide increased focus on joint associate programs and to more consistently utilize the experience and talents of the representatives assigned to joint programs.

**F. Statement on Joint Training Center**

AAM has constructed a full service Training Center for the use of Joint Training activities. This new center is located in Detroit and was constructed to facilitate all types of H&S training and any other training activity that may be necessary. The funding for this center was provided by AAM and did not utilize any joint funds for the construction or new equipment. It is planned that any joint activities conducted at this facility be supported from Joint Funds as approved by CLC.

**II. FUNDING OF JOINT PROGRAMS**

**A. NATIONAL FUNDS**

1. It is agreed that the Corporation will make available funding at ten cents (10¢) per hour worked for use at the national level for Education and Empowerment or Operational Effectiveness activities. An additional four cents (4¢) per hour worked will be contributed to the National Health and Safety fund.
2. Further, the Corporation will make available additional

funding up to \$5.00 per overtime hour worked in incremental amounts in excess of five percent (5%) of straight time hours worked (calculated on a twelve month rolling average). Such additional funding will be calculated in accordance with the following incremental table:

<b>Overtime hour as Percent of Straight time Hours</b>	<b>Additional Amount per Hour</b>
5% or less	\$0.00
Greater than 5% thru 12%	\$1.25
Greater than 12% thru 13%	1.50
Greater than 13% thru 14%	2.00
Greater than 14% thru 15%	2.50
Greater than 15% thru 16%	3.00
Greater than 16% thru 17%	3.50
Greater than 17% thru 18%	4.00
Greater than 18% thru 19%	4.50
Greater than 19%	5.00

#### **B. LOCAL FUNDS**

It is agreed that the Corporation will make available funding at five cents (5¢) per hour worked for use by the plants in accordance with applicable guidelines and approval requirements.

#### **C. FUNDING UNDER 2000 UAW-AAM NATIONAL AGREEMENT**

It is agreed that all uncommitted funding balances accrued by AAM under the 2000 UAW-AAM National Agreement will be carried forward under the new UAW-AAM National Agreement. Subsequent to February 25, 2004, a final reconciliation and balancing of accounts, expenditures and commitments as of May 1, 2004, will be completed. Thereafter, the remaining funds will be available for use as specified herein.

## **D. AGREEMENT EXPIRATION**

In the event the parties should agree to discontinue, in whole or in part, this Memorandum prior to the expiration date of the new National Agreement, or upon expiration, the parties shall meet to discuss any problems arising out of the termination. After reconciliation of claims, commitments, and accruals through the expiration date of the new National Agreement, remaining National and Local Funds shall be disposed of in such manner as the parties shall agree consistent with the objectives of this Memorandum.

## **E. FUNDING APPROVAL PROCESS**

### **1. NATIONAL FUNDS**

Requests for authorization to expend National Funds must be approved in advance by the Corporate Leadership Council.

### **2. LOCAL FUNDS**

Requests for authorization to expend Local Funds must be jointly approved by the Leadership Team. In addition, certain requests, specified in the Funding Guidelines, must receive prior approval from the Corporate Leadership Council. In situations where mutual agreement regarding fund approval cannot be reached locally, either party may refer the matter to the Corporate Leadership Council for resolution.

In the event a local fund is depleted, subsequent funding for future reoccurring expenses, if approved, will be made available through National Funds.

### **3. HEALTH AND SAFETY FUNDS**

Requests for authorization to expend Health and Safety Funds must be jointly approved by the Corporate Leadership Council, which will direct and support the joint health and safety activities at the national and local level. In the event this fund is depleted, subsequent funding for future reoccurring expenses, if approved, will be made available through National Funds.

## **F. FUNDS UTILIZATION**

- 1. The National, Local and Health and Safety Funds may only be used for approved joint activities. The parties are specifically empowered to review and evaluate Appendix J, the funding guidelines, and to make mutually satisfactory adjustments and modifications during the term of this Agreement.**
- 2. Examples of Appropriate Funds Utilization**
  - a. National Funds**
    - National, Area and Local efforts to assist laid-off associates
    - Specific projects dealing with active associates
    - Tuition Assistance Program
    - Skill Centers and Local Health Centers
    - Associate Orientation Programs (Phase I and II)
    - Joint National Studies, Pilot Programs and Training Efforts
    - Joint National Agreement administration
    - Training and development for internationally appointed Joint Program Representatives.
    - Administration of joint programs and training of active associates when Local funds have been exhausted.
    - Training of active associates at new, reopened or retooled plants where sufficient local funds have not been generated.
    - Pre & Post Retirement Programs
    - Inter-Plant/Local conference, meetings or training.

## **b. Local Funds**

- Training efforts of active associates in job related skills, basic education enhancement, interpersonal skills and Education and Empowerment .
- Specific studies, pilots, activities, conferences and other training as agreed to by the Local Leadership Team.

## **c. Health and Safety Funds**

- Health and Safety training for all associates.
- Pilot and research projects initiated by the Corporate Leadership Council.
- Expenses associated with the purchase and installation of equipment to improve communication of health and safety information between the Corporation and the Union.

## **3. Examples of Inappropriate Funds Utilization**

It is understood that Funds at any level may not be utilized for contractually specified training such as apprentice training nor for funding of time off the job of designated or elected UAW representatives routinely functioning in administration of the contract. In addition, Funds should not be used to train associates who will be required to service newly introduced technology. However, subsequent general training of other tradespersons on this equipment to broaden their skills is appropriate. Further, Funds should not be used for the training of tradespersons to implement a newly negotiated change in classifications, however, the use of Funds to broaden or update generally the skills of tradespersons is appropriate.

It is understood that nothing in this Memorandum limits the rights of either party to provide education and training programs on the same, similar or other subjects.

### III. HEALTH AND SAFETY

American Axle & Manufacturing, Inc. recognizes that its associates are its most important asset. The health and safety of its associates are vital for the effective and efficient operation of the Corporation.

The Corporation and the UAW have worked jointly in an innovative manner to identify and correct potential hazards. The process used to correct potential hazards is the "Hierarchy of Controls", which describes the process of consideration of higher level controls such as elimination or engineering before administrative procedures or personal protective equipment.

To this end, the UAW and the Corporation have entered into the following agreement which embodies the spirit of the concern shared by the UAW and AAM for the health and safety of associates. The parties recognize that, the UAW and AAM leadership have demonstrated a visible commitment to protecting associates from work place hazards. The Local Joint Health and Safety Committee at each location has determined what their training needs are. This training covered roles and responsibilities which lead to the establishment of a leadership driven safety process. This training was also extended to other members of plant leadership, including supervisors and committeepersons. The parties have re-committed to jointly work toward a safer workplace through the joint involvement of all associates, and have developed and conducted general awareness training for hourly associates that included an overview of the health and safety leadership process and associated responsibilities.

The leadership driven safety process that was created was labeled SAFE and stands for:

Safe Work Environment  
Associate Responsibility  
Forward Thinking  
Education and Empowerment

SAFE is a comprehensive system approach that is further described in Attachment A. It was designed to add structure and

process to safety activities. All the training described above referenced the SAFE program and gave our safety program an identity that could be built upon.

The Corporation shall continue to recognize its obligation to provide a safe and healthy working environment for associates during working hours. The Union will cooperate with the Corporation's efforts to fulfill its obligations.

**A. The Health and Safety Commitment:**

1. Provide the necessary or required personal protective equipment, devices and clothing at no cost to associates. Concerns in this regard will be worked out locally.
2. Provide equipment for measuring noise, air contaminants, and air flow, including smoke tubes, which will be available for use by the representatives of the Local Joint Committee on Health and Safety. Industrial hygiene monitoring equipment authorized by the Corporate Leadership Council will be available as requested for use by the representatives of the local committees.
3. Provide training for members of such Local Committees, and appropriate education and training in health and safety, for all associates.
4. Make available to the co-chairs of the Corporate Leadership Council, the identity of chemicals or materials to which associates are exposed, including any information regarding remedies and antidotes for such chemicals. Information contained in such disclosure shall remain the property of AAM and will not be released without the expressed written permission of the Corporation.
5. Provide competent staff and medical facilities adequate to implement its obligation as outlined in (6) below. In addition, the Manager of Medical Services will provide the guidelines necessary to implement the Voluntary Emergency Medical Response Team.

6. Provide to associates who are exposed to potentially toxic agents or toxic materials, at no cost to them, those medical services, physical examinations and other appropriate tests as medically necessary and appropriate medical surveillance as identified by the Corporate Leadership Council at a frequency and extent necessary to determine whether the health of such associates is being adversely affected. Also, to provide the specific tests required for associates in jobs with special physical requirements.
7. Provide to each associate upon written request by such associate, 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 associate has had a personal exposure exceeding the permissible levels as set forth in 29CFR-1910.1000, Air Contaminants, will be reviewed with the associate by the plant medical department prior to their release. Upon the associate's written request, copies of such information will be forwarded to the associate's personal physician. Problems regarding this procedure should be brought to the attention of Management.
8. In addition, in those instances where a breathing zone air sample is collected the associate will be notified of the results which will be entered on the associate's medical records.
9. Utilize the UAW Representative and Corporate Manager of Health & Safety to coordinate requests from Plant Management, the Local Shop Committee, the Local Health and Safety Committee, or the Corporate Leadership Council for plant surveys. Reports generated from such surveys will be reviewed by the Corporate Leadership Council.
10. Provide access, upon reasonable notice, to all Corporation plants and locations to International Representative. Upon request, reports on such surveys will be provided to the Corporation.
11. Arrange for the AAM Manager - Health and Safety and the UAW International Health and Safety Representative to

compile the OSHA "Summary of Occupational Injuries and Illnesses", along with the total associate hours worked and incidence rate for each plant for the comparable period. Such information will be provided to the Corporate Leadership Council.

12. Direct Local Management and Local Health and Safety Committees to provide prompt notification of fatalities, serious accidents or incidents including chemical spills, having potential for serious injuries or illnesses to the Corporate Leadership Council. After making appropriate arrangements, a prompt investigation may be made by a team from the UAW and AAM in accordance with the established procedure.

## **B. Local Joint Health and Safety Committee**

Local Joint Committees on Health and Safety, hereinafter referred to as Local Committee, will be established in each bargaining unit.

Each such Local Committee will consist of one (1) representative appointed by the Corporation and the representative(s) appointed by the Vice President of the Union's AAM Department. The Union member(s) shall serve an indefinite term. The CLC will monitor status of certification and performance toward goals and objectives of each appointee. The Union member(s) will receive, without personal cost, adequate and necessary training, to enable the effective performance of assigned functions and certification.

The parties agreed that the primary role and responsibility of the Local Committee is to serve as a technical resource and consulting team to the Local Management and Union in matters regarding associate health and safety. In the performance of its role, the Local Health and Safety Committee should coordinate and administer activities directly related to associate health and safety and prevention of occupational injuries and illnesses. Among these activities are job related health and safety training, hazard communication, industrial hygiene air sampling, medical transition and ergonomics.

In recognition of the desirability of maintaining the professional

standards established for associates assigned to health and safety activities, a system will be established to encourage and facilitate the professional development of local health and safety representatives.

1. The Local Committees shall:

- a. Meet at least once each month at a mutually agreeable time and place to review health and safety conditions within the plant and make such recommendations in this regard as they deem necessary or desirable. Local Health and Safety Committees that have members on different shifts, may have such members attend mutually agreed upon meetings. Periodically the Local Health and Safety Committee will review the associated functions performed by other International and local appointees functioning within the Health and Safety activity to ensure effective utilization of human resources and eliminate duplication of assignments. Issues raised during these meetings will be documented in action register format to ensure timely resolution of safety and health matters.
- b. Make a health and safety inspection once each week. Prior to such inspections, a joint review will be made of OSHA Form 300 accident experience.
- c. Review lost time incidents, and other major incidents, as defined by the Corporate Leadership Council that occur in the work place which do not result in lost time, and also review plant safety reports on such incidents and make any necessary or desirable recommendations.
- d. Investigate promptly major accidents as defined by the Corporate Leadership Council. Receive prompt notification of any associate fatalities or serious accidents resulting from work-related injuries. When such events occur during the 2nd or 3rd shift, the Management member of the local Committee will endeavor to notify the Union member, inform the representative of the facts, and arrange upon request, for the representative to enter the plant and investigate such events.

- e.** Be informed in advance and have the opportunity to accompany Federal and State OSHA Governmental Health and Safety inspectors and International Union Health and Safety professionals on plant inspection tours. Also, accompany Corporate or professional Health and Safety consultants retained by the Corporation, including insurance inspectors, on regular surveys at the plant and surveys requested by the Union and receive results of such surveys. A copy of such reports will be provided, upon request, to the Local Joint Health and Safety Committee regarding alleged violations of applicable local, state or federal code or standard violation. The parties acknowledge that information contained in such surveys may be inaccurate or unfounded. Reports and/or results of such surveys shall be for the use of the Local Health and Safety Committee or the Corporate Leadership Council. Information contained therein shall remain the property of AAM and will not be released without the expressed written permission of the Corporation. Advance arrangements should be made to permit participation in such surveys.
- f.** The Union does not waive any rights provided by federal or state law by such accompaniment.
- g.** Receive a copy of the plant's report on OSHA "Summary of Occupational Injuries and Illnesses" and the facilities total associate hours worked and the incidence rate for the comparable period.
- h.** Review the Incident Investigation Reports assist in root cause analysis so that appropriate corrective actions can be developed.
- i.** Review, recommend, approve, conduct and participate in local safety education and information programs and associate job related health and safety training. In addition, annual training programs agreed to by the Corporate Leadership Council will be provided to the Local Health and Safety Committees so that they may perform their functions satisfactorily.

- j.** The Chairperson of the Shop Committee in locations which do not have a designated Health and Safety Representative, may upon request of the International UAW, attend training or instruction programs afforded appointed Health and Safety Representatives.
- k.** Associates who wish to enroll in courses relating to industrial health and safety at approved educational institutions will be eligible to apply for tuition refund.
- l.** Where necessary, measure noise, air contaminants, and air flow with equipment provided by the Corporation and observe the use of appropriate industrial hygiene and safety testing equipment as required when available in the plant. Upon request, the Local Committee and the Corporate Leadership Council will be provided copies of photographs taken which relate to health and safety matters in the plant. Such photographs (including video tapes, etc.) shall be for the confidential use of the Local Committee, the Corporate Leadership Council or the UAW-AAM Department of the International Union only and shall not be reproduced, published and distributed in any way without the expressed written consent of American Axle & Manufacturing, Inc.
- m.** Be advised of breathing zone air sample results and known physical agents or chemicals to which associates are exposed and protective measures and applicable emergency procedures. In addition, whenever it is determined that an associate has had a personal exposure exceeding the permissible level as set forth in 29CFR-1910.1000, Air Contaminants and AAM Occupational Exposure Guidelines, the Local Committee and the Corporate Leadership Council shall be informed in writing of such exposure and the corrective action to be taken.
- n.** When either member of the Local Committee has a reasonable basis for concluding that a condition involving imminent danger exists, relevant information shall be immediately communicated to the co-committee member so that joint

investigation can be carried out immediately and necessary or desirable recommendations made. Upon joint recommendation, the machine or operation will be taken out of service to perform any and all corrective action.

- o. A management and a union member of the local Health and Safety Committee will be members of the local Plant Hazardous Materials Control Committee.

Nothing herein shall be construed to restrict any associate's rights under Section 502 of the Labor-Management Relations Act, 1947, as amended.

No provision herein will restrict the right of the Chairperson of the Shop Committee, Zone Committeepersons or District Committeepersons to perform their functions under the terms of the National Agreement and locally negotiated agreements.

### **C. Complaint Procedure**

1. Each District Committeeperson shall conduct an inspection of their district at least once a week for the purpose of examining health and safety conditions. The Committeeperson may call for a Union representative of the Local Committee to take measurements of noise, air flow and chemical exposure utilizing equipment authorized by the Corporate Leadership Council where appropriate training has been completed. The District Committeeperson will discuss with the supervisor and, failing successful resolution, with higher supervision, any problems which the Committeeperson feels requires correction. Every reasonable effort shall be made to settle the complaint at this point through discussion. If the problem remains unresolved, the Committeeperson may complete a "Health and Safety Complaint Form" in writing, in quadruplicate, which will include a statement of all the facts of the complaint.
2. Complaints by associates concerning health and safety issues may be taken up in accordance with Paragraph (29) of the National Agreement with the understanding, however, that the

Committeeperson, if called, will discuss the matter with the supervisor and, failing resolution, with higher supervision. If the matter is still not resolved, the Committeeperson may complete a "Health and Safety Complaint Form," as described in (1) above.

3. The member of higher supervision will give Management's answer promptly in writing on the "Complaint Form." The Committeeperson will give to higher supervision two (2) copies of the "Complaint Form" and transmit one (1) copy to the Union representative of the Local Committee.
4. The Local Committee will within two (2) working days visit the area where the complaint arose and observe the condition. Within three (3) working days from the day of their visit and observation, the Local Committee will answer the complaint in writing. A unanimous decision by the Local Committee will settle the issue. Failing such unanimous decision, the complaint will be discussed at a special conference attended by the Union and Management members of the Local Committee, the Chairperson of the Shop Committee or the Chairperson's designated representative, and another member of Management. If the parties are unable to resolve the complaint in the special conference, the complaint will be answered by Local Management within five (5) working days. Thereafter, Paragraph (37) of the National Agreement will be applicable. Thereafter, the 3rd Step of the regular Grievance Procedure of the National Agreement will be applicable.
5. Health and Safety complaints affecting substantial groups of associates may be initiated by the Health and Safety Representative. To do so, the representative shall submit a completed "Health and Safety Complaint Form" to the Chairperson of the Shop Committee. Should the Chairperson of the Shop Committee, upon investigation of the complaint, determine that the complaint has merit, the Chairperson shall sign the form and present it to Management in a special conference as outlined above within five (5) working days.

#### **D. Corrective Counseling**

American Axle & Manufacturing, Inc. recognizes the responsibility of management to provide appropriate training, leadership, counseling and corrective action as necessary to eliminate unsafe practices or conditions from the workplace. Management and the Local Health and Safety Committee shall provide appropriate technical resources, safe practice instructions, support training and counseling. Unsafe practices or conditions that are observed normally require prompt action. Management so notified and/or observing such unsafe practices or conditions should take appropriate action promptly and document such action. The Local Joint Health and Safety Committee will assist in counseling associates regarding audiometric testing, blood lead, pulmonary function testing, etc. Action taken to improve safety performance of associates should be documented and copies retained by the Local Joint Health and Safety Committee on a permanent basis.

#### **E. Review Boards**

The parties are committed to the continuous improvement of associate health and safety. The joint process developed between the parties has positively impacted this commitment. In order to place further emphasis on the implementation of the joint process and to enhance communication and resolution of health and safety issues the Corporate Leadership Council will meet on a regular basis and consider appropriate health and safety matters such as; special projects, studies, training, current ergonomic status including a review of the AAM Engineering Specification Manual and modifications resulting from the Corporation's periodic revision of this document and other such matters that pertain to associate health and safety, as well as, to consider funding requests for special projects, studies, training and other associate health and safety matters.

The Plant Council during their monthly meetings will review the unit's health and safety performance and monitor implementation of its health and safety programs.

The parties are committed to preventing fatalities and serious injuries. In furtherance of this interest, a "Special Health and Safety Board" meeting will be convened at such time as appropriate upon the request of the Corporate Leadership Council. The Special Review Board will consist of members of the Corporate Leadership Council, the UAW Servicing Representatives, the Local Chairperson, the Plant Manager and the Plant Manager's superior for the affected unit. The Local Health and Safety Committee, and/or other officials or resources, as deemed appropriate by the Corporate Leadership Council, may be invited to attend as observers. The Special Review Board will meet at a site designated by the Corporate Leadership Council, and will provide technical support for the Special Review Board's efforts. The Special Review Board will normally convene one week after notification by the Corporate Leadership Council and issue its recommendations within two weeks after concluding its review.

The purpose of the Special Review Board will be to recommend improvements in Health and Safety practices. The primary tool to accomplish this objective will be a complete safety hazard analysis of the job or operation at issue. An action plan will be developed by the Special Review Board for the Corporation.

#### **F. Environmental Technician Team (Ergonomics/Industrial Hygiene)**

The parties recognize that cumulative trauma disorders (hereafter "CTD's") are an occupational illness and control of CTD's is a complex issue often requiring the application of different control methods and technologies. These include ergonomically appropriate design, feasible engineering and administrative controls that reduce or eliminate job related CTD stressors, associate and supervisory training and education, early recognition of the problem, early and proper medical diagnosis, treatment and care.

The Corporation is committed to maintaining an effective Ergonomics Program and to improving and enhancing the current process with the UAW. The purpose of the program is to deal

cooperatively and constructively with the problem of CTD's in the workplace.

AAM is committed to fixing jobs that are identified as presenting a corresponding and documented risk of associate injury. The parties recognize that effective corrective action for jobs which present a documented risk of injury require the timely use of sound judgement in combination with training, experience, and the following:

- Analysis results from the risk factor checklist and secondary analysis tools (when utilized)
- Injury/illness history of both the job and the associate
- The history and future plans of the job

Also, seats, chairs and mats can be considered appropriate solutions to control specific ergonomic risk factors. The Corporation agrees to leave such devices in place when they are provided in accordance with the guidelines in the risk factor checklist.

The Plant Council has the responsibility for supervising and supporting the ergonomics program. In each plant, the parties will establish an Environmental Technician Team (hereafter referred as ETT). The ETT will be comprised of one UAW Technician and one AAM Management Technician.

Plants that do not experience enough ergonomic activity to sustain the level of resources agreed upon can petition the Corporate Leadership Council for a variance. Any petition must be based on the level of sustained activity required to meet the requirements of the Ergonomic Program for that plant. The Plant Council can also petition the Corporate Leadership Council for additional resources should the ergonomic needs of the plant exceed the level of what can be reasonably expected to be accomplished by the ETT.

The Corporate Leadership Council has established selection criteria for the Environmental Technicians. The UAW Technicians will be selected from the local workforce and appointed to the

position by the Vice President and Director of the AAM Department of the International Union.

The responsibilities of the ETT will include, but not be limited to, the following:

- Conducting job analysis
- Providing recommendations and facilitation for corrective action team activity
- Monitoring the implementation of job improvements
- Conducting review and follow up
- Reporting monthly to the Plant Council

Providing technical assistance in the plant (e.g.: Safety Programs, assist in the collection of air samples, noise surveys, etc.),

The ETT will coordinate their efforts through the Local Health and Safety Committee, and resources from appropriate departments, e.g., Medical, Engineering, Skilled Trades, and Production, will be made available to support the Team. The ETT will report monthly to the Plant Council. Quarterly reports will be provided to the Local Health and Safety Committee, the Plant Council, and the Corporate Leadership Council. The status of the ergonomics process for each facility will be reviewed at the Corporate Leadership Council Meeting. Discussions concerning significant problems or roadblocks will take place at these meetings. In addition, the Corporate Leadership Council may empower a subcommittee to audit ergonomic processes at all plants in order to improve such processes.

The parties agree to use outside consultants in situations where in-house efforts concerning reduction of job CTD's are not successful or practical. The consultant's reports will be made available to the ETT and Local Committee, the Co-Chairs of the Corporate Leadership Council and members of the Leadership Team.

Based on the results of the job analysis program, each facility shall implement feasible measures to control CTD risk factors. The ETT and Local Committee, in conjunction with input from associates, engineering, supervision, skilled trades and others, as appropriate, will make recommendations for corrective actions in accordance with the current ergonomics process. Once it is determined through the agreed upon ergonomics process that a job requires correction, recommendations for corrective action will be developed using the results of the jointly agreed upon analysis tools. AAM Engineering Specification Manual, Section 2 (Ergonomics) may be referenced for information regarding areas for potential improvement. A good-faith effort will be made to accomplish correction of identified CTD hazards at a particular job or work station within six (6) months after the ETT determines that corrective action is required. Extension of the six month time frame requires documentation of the reason for such extension.

The Local Committee will maintain documentation of modification activity, including the job or work station identified for modification, number of associates affected, the nature of modification, the projected completion date, the actual completion date and, where available, the cost of the modification when completed.

Plants and facilities will include ergonomics in their planning process and this information will be available to the ETT.

AAM recognizes the importance of identifying and addressing ergonomic issues early in the development process and values the importance of receiving input from plant ergonomic personnel. Feedback from the Ergonomic Technician Team on site specific ergonomic issues and practices will be provided in the design process at the earliest appropriate planning/design stage. This process will be evaluated and reviewed during the life of this agreement. AAM will take into account existing jointly established analysis methods when developing internal ergonomic design recommendations for advanced product programs.

For the purpose of job analysis, ergonomic consideration will be given to jobs identified through the use of OSHA Injury and Illness

records, medically confirmed symptoms questionnaires, Worker Compensation reports and work-related sickness and accident data. Based on the above data, a list of jobs requiring analysis will be maintained. The job analysis will be conducted using the UAW-AAM Risk Factor Checklist as a first level screening tool which includes lift guidelines as identified in the AAM Engineering Specification Manual and 1981 NIOSH Lift Guidelines. The parties agree to utilize objective and scientific methods to analyze the results of a Risk Factor Checklist completed on a job. A good-faith effort will be made to conduct the initial job analysis within two (2) months of when a job is identified as having a potential CTD risk factor. Job analysis and redesign will include input from associates whose jobs are affected. The original risk factor checklist will be used, along with the symptoms questionnaire, to re-evaluate the controls that were implemented to confirm their effectiveness.

The parties agree to provide appropriate training for the ETT as well as other resources responsible for conducting the ergonomics process at each facility. The UAW-AAM Ergonomics Awareness Education and Training Program will continue to be provided for newly hired associates as well as associates returning to work from an extended leave who have not received the training previously.

All newly hired and transferred associates will be informed on the proper use of the tools and equipment required to be used in the performance of their assigned duties.

The Corporation shall annually include the prevention of CTD's as a topic of regular safety talks.

The parties agree to continue to maintain a Medical Management Program for the early detection, evaluation and treatment of CTD's at all UAW-AAM facilities. The Medical Management Program will provide for common medical practice guidelines for patient evaluation and treatment, follow-up, workplace walk-throughs and restricted work placement.

The Corporation agrees to continue implementation of a CTD Education and Training Program for medical physicians

(including contract personnel) that render medical services related to CTD. All medical personnel (including contract personnel) will receive CTD education and training prior to rendering medical services. Medical personnel shall be authorized to attend education and training conferences that address CTD's.

Associates will be encouraged by the Medical Department staff, their supervisors, the ETT and the Local Committee to report early signs and symptoms of CTD's to the facility's Medical Department. Supervisors will have available Ergonomic Symptoms Questionnaires to be provided to associates upon request and will encourage their use during safety talks. An associate with a possible CTD, will be scheduled to report to the facility's Medical Department. A brief non-invasive examination for the evaluation of the possible CTD will be performed and a symptoms questionnaire will be completed. When symptoms are confirmed, the ETT will be forwarded all the pertinent evaluation data.

The Corporation will audit a random sample of medical records, Workers Compensation reports and work-related sickness and accident data to verify that the OSHA 300 log is correct.

The Corporate Leadership Council will monitor implementation of these processes and consider changes for continuous improvement.

## **G. Lockout Policy**

During the current negotiations the UAW and AAM discussed their mutual concern regarding fatalities and serious injuries to associates, including operators, performing repair, service and maintenance activities on machinery and equipment. The parties agreed that, to be effective, the Lockout - Energy Control program must be universally implemented and enforced throughout the Corporation. The parties reaffirmed that the elimination of the potential for injury from hazardous energy is critical to associate safety.

It is the policy of AAM and endorsed by the UAW that:

- Lockout is required where associates may be exposed to hazardous energy which could cause injury. Exposure means that the associate is in a position to be injured by released energy.
- Where an associate is exposed to potential injury from expected machine energy/motion, the exposure must be eliminated. If the exposure cannot be eliminated, the machine will be locked out.
- Each location will maintain an effective Lockout - Energy Control program which will apply to all associates.

During these discussions, the parties agreed to review the results of planned pilots to determine how "monitored power systems" could be integrated into the existing Lockout/Energy Control procedures.

#### **H. Video Filming and Reports**

A video camera will be provided for use by the Local Health and Safety Committee. The operation or job site may be videotaped, without comment, for informational purposes. Any video tape made of a job or operation will not be copied or released except under the direction of the Corporate Leadership. A confidential edited copy will be provided to the International Union upon request.

#### **I. Fitness Centers and Health Promotions**

The Corporation supports the continuation of Fitness Center activity at locations operating such centers. Facilities that desire to establish a fitness center should submit their needs analysis and plan to the Corporate Leadership Council. The local parties may request approval for the use of Joint Health and Safety Funds to establish this activity. When centers are developed they will be available to all associates, including AAM retirees of that location.

The Corporate Leadership Council supports and directs that a health promotion program be developed to address health matters such as hypertension, high levels of fat in the blood, overweight

conditions, tobacco, drugs and alcohol usage, prevention of the spread of AIDS and certain other factors which place associates at risk of disease.

## **J. Hazardous Work Assignments and Working Alone**

An associate who has a reasonable belief that their work assignment may result in serious physical injury, including illness, should immediately discuss the safety aspects of the work assignment with their supervisor. Failing resolution, the issue may be discussed with the District Committeeperson.

Should technical consultation be requested by the supervisor or committeeperson, the Local Health and Safety Committee will be notified to respond before further action is taken. In line with this document, upon joint recommendation, the machine or operation will be taken out of service to perform any and all corrective action.

Failing resolution of the matter, it may be taken up in accordance with the Complaint Procedure.

Also, the parties discussed the policy regarding the assignment of associates to tasks in isolated locations or confined closed entry spaces. When work assignments involve situations hazardous to an associate, appropriate precautions will be taken in accordance with safe work practices.

When an associate brings to Management's attention a situation where they are reasonably concerned that their safety is jeopardized because they are working alone, Management will provide a copy of an applicable written Safe Operating Practice to the associate detailing precautions to take to perform the task safely. If one has not been developed and reviewed, Management will give the associate job instructions to perform the task safely and within 24 hours make a written request to the Local Health and Safety Committee for the development of a Safe Operating Practice within 5 working days. The Safe Operating Practice will then be reviewed with the Plant Council at the next regularly scheduled meeting. This will not change or restrict any mutually satisfactory local practices.

## **K. Industrial Hygiene Services**

The Corporation reserves the right to select and hire appropriate consultants for health and safety services. The Union will be informed in advance and be provided an account based on specific legitimate requests regarding qualifications of the consultant(s) engaged by the Corporation to provide services. The Union may recommend consultants for Management's consideration. Included in such recommendation should be an account of the qualifications of the consultants recommended by the Union.

The Local Health and Safety Committee will be informed regarding the engagement of consultants to provide industrial hygiene and safety services. Qualifications of such consultants will be provided upon request. Reports prepared by such consultants will be provided to the Local Health and Safety Committee.

Management in conjunction with the Local Joint Health and Safety Committee will assess the need and where required, a facility will develop and implement an air sampling plan. Such plans should be reviewed and updated on an appropriately scheduled basis. Guidance in the preparation of such plans will be provided by the Corporate Leadership Council.

Based upon the air sampling plan, the Environmental Technician appointed by the Vice President and Director of the AAM Department of the International Union, may work under the technical supervision of an AAM Industrial Hygienist to assist in the collection of air samples.

Reports of industrial hygiene and noise measurement surveys will be provided to the Local Health and Safety Committee and the co-chairs of the Corporate Leadership Council.

Additionally, the Environmental Technician Team member, where established, will be added to the membership of the Hazardous Materials Control Committee.

## **L. Environmental Control**

Environmental information and reports, which are required to be reported to various governmental regulatory agencies, will be made available to the Corporate Leadership Council and the local Health and Safety Committee upon request. For example, this information may include the local Toxic Release Inventory compiled to comply with the Superfund Amendments and Re-authorization Act, copies of environmental permits and compliance monitoring data. Other studies which directly involve or impact UAW bargaining unit associates will be discussed with the Corporate Leadership Council.

## **M. Periodic Joint Audits Of Plants**

The parties agree that a formal system of performance review is an effective means of obtaining and re-enforcing compliance with established Health and Safety requirements. The parties, therefore, agree that annually the Corporate Leadership Council will conduct such reviews and evaluate each facility's health and safety performance. The purpose of the review will be to determine the effectiveness of health and safety activities reaching the operations level and being implemented across the workplace.

The established National Joint Review Team, as determined by the CLC, will conduct such reviews.

A plant visit itinerary will be established by the Corporate Leadership Council which will be scheduled through appropriate channels. The team will meet with the Plant Manager, Shop Committee Chairperson and the Local Health and Safety Committee before beginning the performance review, and have a closing conference upon completion of the on-site review. Within two weeks following the review, a draft report will be prepared for the Local Health and Safety Committee. The finalized report will be prepared for the plant and corporation within thirty (30) days of the review. Following the finalized report, the Local Health and Safety Committee after review by the Leadership Team, will reply, addressing issues contained in the report.

The parties also agree to enhance the current audit process by developing methods to assure the process is consistently applied and delivers measurable results. Joint Module Champions, will be designated to improve plants commitment and progress toward the audit modules. Additionally, the parties have developed a process to address repeat audit findings for identical deficient conditions found on consecutive audits at the Corporate Leadership Council.

## **N. New Technology Specifications**

Discussions were held during these negotiations regarding health and safety being designed into new equipment, refurbished equipment and/or new processes. AAM and the UAW recognize the advantages of designing processes and equipment with effective health and safety controls. The parties developed a program which includes health and safety controls during the development of new equipment and processes.

In an effort to promote improved communications regarding such matters, as early as possible and preferably in the early phase of the planning in the design process and incorporating lessons learned, the parties agree to perform a risk analysis such as, Task Based Risk Assessments (TaBRA), on new equipment and manufacturing systems, and on existing equipment and manufacturing systems where locally agreed to and approved by the Local Joint Health and Safety Committee. A risk analysis will be performed after the detailed designs are completed on new manufacturing equipment and/or processes. A review of anticipated equipment and/or processes with the shop committee and local Health and Safety Committee will be held. The Local Joint Health and Safety Committee may be required to travel to vendors, plants, or other locations to participate in a design review of such equipment or processes as outlined in the Engineering Specification Manual. The Union will have an opportunity to discuss health and safety concerns with Management and make recommendations designed to improve the equipment and/or process. Additionally, risk analysis data will be incorporated at several points or gate reviews early in the design process.

Reviews will be made at the appropriate level (i.e. Local Joint Health and Safety Committee and/or Corporate Leadership Council), for new technology/process awareness and to discuss safety related issues and/or concerns. In addition, the Corporate Leadership Council will establish a joint team to identify the risks associated with high hazard jobs, with the intent of developing recommendations for evaluating and controlling them. Recommendations from the team will be submitted to the Corporate Leadership Council.

Machinery, equipment or processes will not be released for production without the written approval of the Health and Safety Manager or designee. Where required, lockout instructions and/or diagrams will be posted for all applicable energy sources.

The Local Health and Safety Committee will consult with operators, skilled trades, engineers, supervisors or related personnel to ensure that required safeguards provide effective protection and do not interfere with their ability to perform their assigned tasks.

#### **O. Control Of Chemical Exposures**

The Corporation will continue to set occupational exposure guidelines to assess associate exposure to chemicals in AAM facilities, as needed. Guidelines are considered necessary whenever existing OSHA Permissible Exposure Limits do not sufficiently protect the worker, or when there is no applicable OSHA Permissible Exposure Limit. Guidelines will be based on consensus standards and recommendations in addition to available scientific evidence. AAM will require plants to use the guidelines as the basis for evaluating associate exposures and for taking appropriate corrective or preventive action.

The Corporation will review Guidelines with the Corporate Leadership Council on an annual basis and will discuss proposals for necessary changes. When changes to the existing list are proposed, the Corporate Leadership Council:

- Will review the proposed change and its rationale.

- Will review existing air sampling data to determine the prevailing exposure level to the chemical or substance under consideration.
- May seek advise of UAW and/or outside consultant concerning the proposed change.

AAM will continue to assess associate exposures at operations using metal removal fluids and, on the basis of the most recent scientific studies, will comply with an occupational exposure guideline of 1.0 mg/m<sup>3</sup> or less (expressed as Machining Fluid Particulate, MF-P) on existing equipment in our existing facilities.

Where warranted, based on confirmed results, a plan will be developed to reduce exposure to coolant aerosol. The plan will include a phased-in approach, as appropriate, across affected plants taking into consideration plant process and/or product changes.

In addition, AAM will specify that new equipment be engineered and designed to attain a level of 0.5mg/m<sup>3</sup> (expressed as Machining Fluid- Particulate, MF-P).

The Joint Parties agree that prior to implementing new chemical technology/processes and changes to current chemical processes, reviews will be made at the appropriate level (i.e. Local Joint Health and Safety Committee, Corporate Leadership Council) for awareness and discussion of safety related issues and/or concerns.

The Local Health and Safety Committee will review process exhaust ventilation systems at facilities where air is recirculated. Air testing will be performed when requested by the Local Health and Safety Committee. To the extent feasible, these tests will be incorporated into an air sampling plan. Recirculation will not be permitted where associate health and safety cannot be assured.

Medical surveillance for respiratory effects of machining fluids will be offered to associates who regularly work in operations with machining fluids. Such medical surveillance will include a standardized respiratory symptoms questionnaire and pulmonary function test. For personnel newly assigned to such operations,

pre and post shift pulmonary function tests will be done at least once during the first year.

Records of laboratory testing and coolant additions will be maintained and made available to the Local Health and Safety Committee upon request.

#### **P. Noise / Control Abatement Program**

The Joint Parties recognize that the Corporation has had a comprehensive Hearing Conservation and Noise Control Program for the purpose of continuous incremental improvements in noise reduction. In accordance with this program, each plant is required to have a Noise Control Committee. The Noise Control Committee will consist of representatives from Plant Engineering, Operations, Medical, Industrial Hygiene, the Local Joint Health and Safety Committee, Environmental Technicians Team members (where available), and others as deemed appropriate by the Leadership Team, such as certain skilled trades personnel, and/or other associates. Membership of those on the Local Noise Control Committee will be submitted to the CLC by each location's Leadership Team. The Noise Control Committee has the responsibility to seek input from plant personnel in identifying noise sources and potential ways to reduce noise levels.

The Noise Control Committee will:

- Ensure audiometric testing is performed for associates exposed above 85 dBA.
- Perform an annual evaluation of the noise abatement plan and provide recommendation for improvement to the Local Joint Health and Safety Committee.
- Identify planned maintenance items related to noise control.
- Ensure new and rebuilt equipment meets the AAM Engineering Specification Manual Noise Level Control, Section 2.

The Corporation will continue to conduct the annual noise exposure survey and provide findings to the Local Joint Health and Safety Committee and summary noise abatement program findings to the Corporate Leadership Council.

The Noise Control Committee will meet regularly, record minutes and report quarterly to the Leadership Team regarding progress of the Noise Abatement Plan. The annual evaluation will include:

- Copies of the plant's noise abatement program;
- The number of associates that experienced standard threshold shift;
- The number of associates that are required to wear hearing protection.
- The number of associates at risk of exposure at or above 85 dBA.
- The number of associates at risk of exposure above 90 dBA.

#### **Q. No Hands In Dies Policy**

The Corporate policy has been and continues to be 'No Hands in Dies'. Implementation of 'No Hands in Dies' in the plant requires provision for expendable hand feeding tools, slide feeds, sliding bolsters, automatic or semi-automatic operation, die cutouts or other means and procedures whereby the operators are not required to place their hands into the point of operation. In addition, well disciplined procedures for use of die blocks and safety lock-outs for maintenance and setup personnel are imperative. An intensive orientation program for operating supervisors, and process and facilities engineers may also be advisable.

#### **R. Contractor Safety**

It is the Corporation's practice to provide outside contractors with Corporate Health and Safety polices and procedures and, where applicable relevant site specific UAW-AAM Health and Safety work practices. Additionally, AAM requires that construction or

maintenance contractors comply with applicable Federal, State, and Municipal Health and Safety regulations as stipulated in AAM/contractor contracts.

Where the nature of the construction or maintenance requires that the contractor's employees work together with UAW-AAM associates, AAM will require as a condition of the construction or maintenance contract, the contractor's commitment to abide by applicable UAW-AAM plant/site health and safety work rules and practices.

The Local Joint Health and Safety Committee will monitor contractor safety activity to ensure compliance, and any unresolved issues or concerns can be referred through the safety process to the Corporate Leadership Council.

## **S. Access To Data**

A Health and Safety Information System has been implemented to provide access by the Corporate Leadership Council to a common method for recorded medical visit information. The local Health and Safety Committee will be provided access to relevant medical visit information from the Health and Safety Information System as it becomes operational.

During these negotiations, the Joint Parties agreed to enhance the Health and Safety Information System (HSIS) for the purpose of making it easier for the Local Joint Health and Safety Committee to retrieve and analyze injury/illness data.

Additionally a joint effort through the Corporate Leadership Council will be initiated to develop standardized reports of information customarily used by the Local Joint Health and Safety Committee in carrying out their responsibilities. The existing reports in HSIS, that include the OSHA 300 overrides, will continue to be available for access by the Local Joint Health and Safety Committee.

A joint procedure has been established for review of the quarterly audit results of HSIS injury/illness records with the Local Joint Health and Safety Committee, by the Medical Department. This

medical department audit includes a review of Worker's Compensation cases as part of the current audit of HSIS injury/illness records.

The Corporate Leadership Council will annually review Department of Labor, Mortality Data.

## **T. Medical Transition**

The Medical Transition Program is designed to enable associates with disabilities to be retrained at work or returned to work from sick leave or workers compensation leave and be placed on jobs within their physical restrictions, while complying with applicable provisions of Local and National Agreements. The program will be used in returning associates to work who are able to do meaningful work. It will be administered at the plant level in accordance with existing National Guidelines.

During these negotiations, it was agreed that emphasis must be placed on Step 3 of the 6 Step Medical Transition process focusing on job modifications. It was reaffirmed that members of the local Medical Transition Committee, both management and the union, are responsible for the successful implementation of the Program at their location. This is accomplished by taking an active role and by assigning and maintaining the necessary resources to administer the Program to meet the requirements of the Local and National Agreements.

The parties agreed to develop and implement an audit procedure and a computerized measurement system. This reporting system will provide the National Parties with the necessary information to ensure a common process is being used at all UAW-AAM locations.

In addition, the parties agreed a further emphasis must be placed on making an associate, both hourly and salary, aware of the Medical Transition Program and the opportunities it provides for accommodating people with disabilities. This will be accomplished through recurrent training, approved mailings to associates' homes and inter plant communications via videos, newsletters, etc.

The National Parties will monitor the Program and provide guidance and training, such as participating in an AAM-UAW national joint conference/workshop, as appropriate during this Agreement.

Problems not resolved at the plant level will be communicated to the National Parties for resolution.

#### **U. Work/Family Program**

AAM and the International Union agree the UAW-AAM Associate Assistance Program Representatives' title will be changed to Work/Family Representative. This change reflects the broadened scope of resource and referral information they will provide associates in addition to providing all AAP services for all UAW represented associates. Work/Family Program Representatives will provide resource and referral information, program promotion and awareness for all Work/Family Programs. These programs include the Associate Assistance Program, Child Care and Elder Care Resource and Referral, Childcare Consortiums, Workplace Violence Training and Critical Incident Response.

AAM and the International Union express their determination to work jointly in dealing with personal problems involving substance abuse and mental health among AAM associates and their families.

Alcoholism and drug dependency are recognized by medical, public health authorities, AAM and the UAW as diseases. These diseases can impair associates' ability to function in their lives and on their jobs. Alcoholism and drug dependency as well as other personal problems contribute to increased absenteeism and tardiness and deterioration of job performance. This in turn disrupts work schedules with consequent dissatisfaction among the majority of associates 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 and in some instances, the safety of the associate.

The causes of personal problems including alcoholism, drug dependency and mental health are not well understood and cures are difficult. Nonetheless, AAM and the UAW believe, that constructive measures are possible to deal with these problems which can be a major cause of personal and family breakdown and are related to personal breakdown and violence in the community.

AAM and the International Union agree that the UAW-AAM Work/Family Program should be used to provide all associate assistance services for all UAW represented associates. AAM and the International Union will designate a Third Party Administrator that would be responsible for providing all such services.

The objectives of this joint effort are to help associates and their family members develop healthier life styles and enhance the effectiveness of the workforce. Further the purpose of this program is designed to help prevent the development of personal problems and provide access for treatment and aftercare for those already affected.

AAM and the International Union acknowledge that neither local management nor the local union working alone can always provide the level of motivation required by associates experiencing personal problems. As a result, joint efforts are imperative in encouraging the associate to seek associate assistance services, as needed, to respond successfully to treatment, and to maintain a resolve to avoid further personal problems.

Responsibility for directing and coordinating these efforts will be the Corporate Leadership Council. The Council will engage in joint efforts and function administratively in consultation with local management and local union personnel which will review the local Work/Family Program progress on a regular basis. The UAW-AAM Corporate Joint Program Representatives, the Company-Union Committee on Benefits (CUCB) and CDR representatives will meet periodically to discuss issues impacting Work/Family Program administration. In this regard it is important to:

- Generate a climate at the plant level which will eliminate the effects of the social stigma associated with mental disorders, alcoholism and drug dependency, and other personal problems which act as a barrier to associates seeking help to resolve personal problems;
- Insist that local management and the local union at all levels exercise their best efforts toward the objective of earlier identification and motivation of the associate to accept associate assistance services;
- Assure confidentiality in working with the associate, and help associates understand that they may consult on a confidential basis with the local Work/Family Program contact, concerning the associate's problem;
- Assist in developing educational and informational materials for use at the plant level;
- 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;
- Ensure that there will be an assessment by a CDR within 24 hours of a Work/Family representative's direct referral resulting from a medical emergency. While the parties recognize the value of providing timely assessments, they also recognize that there may be situations where the 24 hours assessment does not occur. On a case by case basis, the joint parties will review situations and undertake efforts to improve the situation.
- Arrange for the local union benefits representative to be available to explain to the associate and others who may be involved the extent to which recommended treatment qualifies for payment under the AAM Health Care Program;
- Establish and maintain active aftercare and follow-up programs. Help associates understand the therapeutic benefits

of self-help groups and engage Work/Family Program participants in these group activities.

American Axle and Manufacturing, Inc. and the International Union acknowledge that:

- 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 or personal problems. The union may exercise its right to process grievances concerning such matters in accordance with the UAW-AAM National Agreement;
- During or following treatment the associate should not expect any special privileges or exemptions from standard personnel practices; and
- When a leave of absence is necessary so that an associate may undergo medical treatment for alcoholism or drug dependence or personal problems in or from an appropriate facility in accordance with this program, and when the associate has voluntarily submitted to such treatment and provided the associate has unbroken seniority, sick leave of absence will be granted pursuant to the National Agreement and the associate will be eligible for benefits in accordance with the AAM Health Care and Life and Disability Benefits Programs as negotiated with the International Union.

## 1. Drug Testing

During 2004 National Negotiations, the parties discussed at length the worsening drug problem in our country and the rising incidence of chemical dependency. Chemical dependence on the part of associates impacts the workplace in terms of quality, productivity and effectiveness of the operations, while threatening the safety and well being of both the chemically dependent associate and his/her co-workers. As a result, the parties agreed to institute a screening program and to periodically review it during the term of the agreement and make adjustments where deemed

appropriate. This language reflects such screening program and adjustments to it.

### **Process**

Associates may be screened for substance abuse (alcohol and drugs) in the following instances:

1. As part of a return to work physical for associates returning from substance abuse related sick leaves of absence.
2. As required by law; such as, F.A.A., D.O.T. and D.O.D.

All testing and reporting will be conducted in accordance with the guidelines established by the Department of Health and Human Services.

### **Implications**

It is not the intent of the testing requirements to imply that an associate is impaired at the time a sample is provided for testing. An individual who tests positive will be handled in the following manner:

1. **FIRST POSITIVE:** The associate will be deferred from working for approximately two weeks and scheduled for follow-up testing. Work/Family associate assistance services are to be offered to the associate and the associate is to be referred to the CDR. The associate will automatically be subject to further unannounced screening for a period of three months.
2. **SECOND POSITIVE:** The associate will again be deferred from working for approximately two weeks and scheduled for follow-up testing. Work/Family associate assistance services are to again be offered to the associate and the associate is to be referred to the CDR. The associate will automatically be subject to further unannounced screening for a period of six months.
3. **THIRD POSITIVE:** The associate will again be deferred from working for approximately two weeks and scheduled for follow-

up testing. Work/Family associate assistance services are to again be offered to the associate and the associate is to be referred to the CDR. The associate will automatically be subject to further unannounced screening for a period of twelve months.

4. **FOURTH POSTIVE:** The associate will be discharged regardless of prior disciplinary record or length of service. Grievances protesting irregularities in the testing procedure may be taken through the grievance procedure; however, extent of penalties arguments are not subject to the Umpire's discretion.

All positive test results will be subject to a mutually agreed to third party evaluation upon request of either party. Problems selecting a third party may be referred to the Corporate Leadership Council which is responsible for Work/Family associate assistance services. Associates who refuse to be tested will be treated as though they had tested positive.

Once terminated, if the associate satisfactorily documents to local management and local union six months continuous sobriety, within 60 months following discharge, the associate will qualify for re-employment under the following conditions.

## **2. Conditions of Employment Guidelines - For those Associates in the Associate Assistance Program Whose Seniority has been Broken**

When Associate Assistance Program participants or other associates suspected of being in need of Work/Family Program services return to work, the following can be agreed upon between the bargaining unit representative, Labor Relations, the Work/Family team and the associate.

The specific items to be included will depend on the individual case and should be developed to meet the particular circumstances. Accordingly, the items listed below may be recommended for inclusion in a condition of continued employment contract.

- Participation in in-plant self-help meetings. Length of participation that will be required and frequency of meetings can be either specified in advance or left up to the discretion of the Work/Family team.
- Participation in outside self-help groups and mandatory completion of an aftercare plan which could include antabuse recommended by a treatment facility and monitored by the Work/Family team.
- Mandatory cooperation in follow-up and monitoring for a period of time specified by Work/Family team members.
- Periodic scheduled urine screening when it is felt this procedure could be of value in monitoring and encouraging abstinence. In cases of positive findings, the results must be confirmed by a second testing method.
- A specific period of total non-use of alcohol or other drugs can be agreed to between the parties. The Work/Family team and the associate must concur with this probationary period which is defined as not less than six months nor more than two years and it must be understood by all parties that resumed use could result in termination of employment during this period.

The above items will be administered jointly by the Work/Family team for those associates returning under these conditions. Any conditions of continued employment contract agreed to by Management, the Union and the associate are considered contractually binding and non-compliance could result in disciplinary action up to and including discharge. The associate's previous disciplinary record and action which may be taken for further misconduct will be matters reserved to the actual settlement of any grievance(s) involved and/or will be resolved between the bargaining unit representative and Labor Relations.

The seniority status of the associate must be specified as either a new hire or reinstatement of former seniority. If seniority is reinstated, all rights and privileges which would normally accrue in line with the reinstated seniority under the terms of the national or local agreement will apply.

### **3. Resource and Referral Services Program**

The childcare and elder care resource and referral programs integrated during the 1997 negotiations will be formally renamed the UAW-AAM Work/Family Program.<sup>4</sup>

This Program is designed to assist associates in finding and selecting quality child care and elder care, which meets their individual needs and provides information to make them more informed consumers of Work/Family services. The parties agreed that detailed information about the child care resource and referral will be presented to the Local Leadership Team.

Plants interested in providing such services may submit a joint, written request to the Executive Board-Joint Programs. The service will then be made available as early as practical, consistent with the need to ensure a high quality, cost effective service.

Additionally, the parties have implemented an elder care resource and referral services program.

Funding will continue to be provided by National Funds.

The parties also agreed to continue the consortium approach in Western New York and to conduct a pilot in Detroit and Three Rivers MI to make available additional child care services.

The UAW-AAM share of the costs will be funded by National Funds. The UAW-AAM share of on-going operations costs will be funded on a cost sharing basis using a combination of fees assessed to associates utilizing the service and National Funds.

Management and Union representatives from those companies participating in the consortium will jointly develop plans for the center.

The Executive Board-Joint Programs will periodically review and evaluate the operating status of the pilot consortium to determine the viability and the advisability of continued operation, the desirability of expanding the concept, and other innovative activities that may meet the needs of our associates in a mutually satisfactory manner.

Nothing in this Appendix, various policy letters on health and safety, or the joint health and safety training materials is intended nor should it be taken to impose upon the International Union, Local Unions, Union Health and Safety Committees, Union Officials, associates or agents, a legal or financial liability for either the health and safety of AAM associates or for work connected injuries, disabilities, diseases or related losses incurred by associates of AAM or by third parties while on the property of AAM.

#### **IV. EDUCATION AND EMPOWERMENT**

American Axle & Manufacturing, Inc. and the UAW affirm the need to expand Associate Education and Empowerment. Furthermore, the parties pledge to provide the resources necessary to assure that all associates receive training and development opportunities in order to produce a highly motivated, capable workforce that continually improves its own and the Corporation's ability to succeed in an increasingly competitive industry. The Union will be fully involved in all phases of training including analysis and development that is directed at UAW represented associates.

The parties recognize the desirability of mutual organizational change efforts designed to improve the quality of work life of associates and the success of the Corporation. Going forward, American Axle & Manufacturing, Inc. and the International Union, UAW, have agreed that a single focus must be communicated throughout the organization.

This focus should revolve around people and the Values Statement of the AAM Manufacturing System, recognizing that the total involvement of people in all that we do is essential to job security and the success of both the UAW and the Corporation.

In accordance with this focus, the parties recognize that all joint activities will continue to encompass a philosophy that emphasizes joint relationships built on mutual trust, cooperation and respect.

Therefore, the parties agree that all processes directed at educating and empowering our associates will be jointly developed, implemented, monitored and evaluated.

The parties further recognize the need for organizational strategies that focus on systems change and the integration of all people involvement efforts. Joint resources will be provided to support this objective.

The Plant Council will be responsible for implementing local Educational and Empowerment processes, setting goals and policy direction consistent with guidelines established by the Corporate Leadership Council and will jointly guide, maintain and evaluate work group philosophy development.

#### **A. Orientation Program**

1. The parties have long recognized the importance of providing orientation programs for new associates. Many of these programs resulted from diligent efforts of plant associate groups and have addressed such topics as quality, teamwork, safety, and joint programs in addition to those items new associates must know to perform their jobs. A thorough orientation program should include information about such things as:

- What is expected of each associate;
- The identity of the Corporation, the products it manufactures, its quality policy and its customer base;
- The importance of associates coming to work every day;
- The UAW, its structure both local and international, and its role in AAM;
- Economic benefits available to associates pursuant to the collective bargaining agreement;
- The Corporation and UAW commitment to treat all associates equally, without regard to race, color, age, sex, religion, disability, sexual orientation or national origin;

- Opportunities for advancement to highly paid skilled trades jobs through the Apprentice program; and,
  - The importance of quality workmanship and cooperation.
2. The parties have agreed to supplement local plant programs and have provided a national new associate orientation program. The parties agree to make jointly agreed upon modifications on an ongoing basis. The program, jointly developed by the Corporation and the Union, is conducted in two phases:
- a. Phase I: focuses on the structure of the Corporation, how it works, its product lines by plant, its customer base, the total number of associates, future business prospects, state of the business, changing composition and diversity of the work force, joint programs, and how associates, management and the Union work together to foster associate participation in order to contribute to the success of the Corporation.
  - b. Phase II: this phase is being periodically updated to provide associates a unique opportunity to enhance their knowledge of the automobile and supplier industry. It utilizes university analysts to examine and discuss economic, technological, and political forces influencing the future of the world-wide automotive and supplier industry. The parties agree that development of this program is a positive step forward in the evolution in joint union-management relations.
  - c. Coordinating the program at the Corporate-Union level will ensure uniformity of message to all associates at all locations. The Corporation and the Union will obtain broad-based feedback from groups that receive both phases of the orientation and will periodically evaluate the program to ensure the program meets the needs of its customers. It is anticipated that Phase I of the national program will be packaged in a self-contained module to allow locations the flexibility to incorporate it into their

ongoing local orientation programs, as they deem appropriate. Locations will make the program available to all new associates within a reasonable time.

- d. Development of both phases of the national orientation program will be funded through national funds and ongoing costs at locations will be funded through local funds.
- e. This program shall not be subject to the grievance procedure.

## **B. Tuition Assistance Plan**

During these negotiations, American Axle & Manufacturing, Inc. and the UAW reaffirmed the necessity of providing active and laid-off associates opportunities for education and training. These efforts will enable them to either re-enter the work force or enhance their development. Accordingly, the parties agree to provide the Tuition Assistance Plan for all qualifying associates who wish to pursue further education and training. The Plan is designed to help associates:

- who are laid off, improve their chances for re-employment;
- or who are active, enhance their opportunities for advancement.

Under this Plan, qualified associates are able to receive assistance in the form of up-front payment to licensed or accredited schools such as colleges, universities, proprietary schools or vocational institutions. The Plan permits associates to select virtually any type of vocational training or education, for their situation and goals, subject to approval as specified herein.

### **1. Tuition Assistance Plan For Laid Off Associates**

#### **a. Eligibility**

The participant must be a UAW represented American Axle & Manufacturing, Inc. associate on indefinite layoff, who has recall or rehire rights under the terms of the current UAW-

AAM National Agreement, and who had at least one year seniority as of the last day worked prior to layoff.

**b. Courses**

Suitable courses are those required for adult basic education, high school completion or high school equivalency certification, university, college, business, trade or vocational school courses or adult education classes.

**c. Schools**

Acceptable schools are those approved by the UAW and AAM including, but not limited to those generally recognized by accrediting agencies, or under governmental education agencies.

**d. Type of Assistance**

The Plan will provide for tuition and compulsory fees to be paid directly to the schools providing the course in which the applicant is enrolled. There shall be no duplication of tuition fees already covered by other state or federal education assistance plans or programs. Maximum eligibility under this Plan is \$8,400 of tuition assistance while on indefinite layoff. Eligibility is established by seniority as of last day worked prior to layoff as follows:

Seniority as of date of layoff:

- 1 to 3 Years \$6400
- 3 to 4 years \$7400
- 4 or more Years \$8400

The above specified amounts shall constitute an account upon which the associate may draw so long as the individual retains recall or rehire rights while on indefinite layoff. Certain changes in employment status will affect eligibility. If recall or rehire rights are lost under the terms of the UAW-AAM National Agreement, or full-time employment is accepted that would pay wages comparable to those of the former job at

American Axle & Manufacturing, Inc., or if similar training programs are provided by a new employer, eligibility will cease. Continued eligibility will depend upon satisfactory completion of courses in which the associate has enrolled and compliance with other provisions of the Plan. In no event shall total assistance to an associate exceed \$8400 in any four calendar year period.

## 2. Tuition Assistance Plan For Active Associates

### a. Eligibility

The participant must be a UAW represented American Axle & Manufacturing, Inc. associate on the active employment rolls with at least one-year of seniority or on temporary layoff with at least one-year seniority under the terms of the current UAW-AAM National Agreement. New hires, hired after the date of this agreement will be eligible after 2 years of seniority. Also included are union officials on leave under the provisions of Paragraph (109) who are functioning in positions at AAM locations or special assigned UAW-AAM associates on leave under the provisions of Paragraph (109)(a) who are assigned at UAW-AAM facilities. Additionally, the spouse or dependent children of an eligible associate who dies while on active status will be entitled to:

#### Spouse

- Utilize the remaining balance of the associate's current annual Tuition Assistance eligibility for college or educational pursuits during a period equal to the length of the present Agreement following the date of the associate's death.
- A one time payment up to a maximum of \$300 of the remaining balance may be used for jointly approved financial counseling.

#### Dependent Children

In the event that the decedent's spouse does not use this

benefit, the dependent children of a deceased, active associate will be entitled to:

Utilize the remaining balance of the associate's current year's Tuition Assistance eligibility (excluding any advance payment) for college or educational pursuits during a period equal to the length of the present Agreement following the date of the associate's death.

**b. Type of Assistance**

The Plan will provide for tuition and/or compulsory fees to be paid directly to the schools providing the course in which the applicants are enrolled. There shall be no duplication of tuition or fees already covered by state or federal education assistance plans or programs. The following courses shall entitle individuals to those benefit levels specified below:

- \$4600 per year for courses at regionally accredited colleges and universities of which \$100.00 may be used for the purchase of books;
- \$2200 per year for other job related courses;
- \$1,450 per year for courses not related to the associate's current job assignment through acceptable schools including those accredited by recognized accreditation agencies, those approved by Government Education or Training Programs, or certain specified others. The UAW and AAM will publish a listing of approved courses of study.

**Advance Payment:** Associates enrolled in college degree programs through accredited institutions, who exhaust their current year tuition eligibility, may utilize up to \$1,000 of the following year's eligibility to cover the present or next semester eligible expenses. This advance payment is provided only in conjunction with courses offered at regionally accredited colleges or universities on a semester or quarterly basis and is not available for job related or personal enhancement classes. Advance payment of up to \$1,000 will occur automatically when the

associate's request for tuition assistance exceeds the current year eligibility.

Advance payment is not available in the last calendar year of this Agreement, and does not expand total tuition assistance eligibility over the life of the present agreement.

In no event shall the total assistance to an associate exceed \$5600 in a twelve month period. All courses are subject to approval by the UAW-AAM Corporate Leadership Council.

### **3. Tuition Assistance For Dependent Children**

In consideration of the importance of continuing education for school-aged dependent children of UAW represented AAM associates, the Corporation and the UAW have agreed to continue a scholarship program for dependent children. The program will have the following parameters:

- a. Eligibility: A dependent child of an active, retired, or deceased UAW-represented associate, (with one-year seniority or a new hire under this agreement with 2 years of seniority), who is pursuing post-secondary education or training at an institution accredited by a governmental or nationally recognized agency is eligible to apply for continuing education support. For purposes of this program, the definition of dependent children will be the same as defined in the UAW-AAM Legal Services Plan.
- b. Amount of support: An annual voucher of up to \$1500 will be distributed directly to the recipient's educational institution for tuition and/or compulsory fees.
- c. Payments under the Dependent Children portion of the Plan will be subject to applicable federal, state and local income tax provisions.
- d. Funding: Funding for this program, including administrative costs, will be provided through joint national funds. Total annual funding and expenditures for this program will be determined by the Executive Board.

- e. Administrative procedures: The Corporate Leadership Council will develop operating guidelines, administrative procedures, and selection criteria for approval by the Executive Board.

#### **4 Retiree Tuition Assistance Plan**

The parties agree that a Retiree Tuition Assistance Plan (including personal enhancement courses approved by recognized accreditation agencies and those approved by government education or training programs) for retired UAW-represented AAM associates shall continue to be funded under the Tuition Assistance Program. Retirees would be eligible to take classes approved on-site at the plant or local union hall at the location from which they retired. The courses offered to retirees must be those that are available to the active workforce.

The program provides up to \$1500 per calendar year per retiree for the prepayment of tuition and compulsory fees for approved courses leading to credits or degrees only offered on-site by approved educational institutions, or courses included in a special range of approved competency based courses, including non credit and non degree courses or activities.

The plan will be administered by the UAW-AAM Joint Program Administration. They have the authority and discretion to interpret the terms of the plan including, but not limited to, school and course approval, location of courses and program guidelines.

#### **5. Funding: Tuition Assistance Plan**

The plan shall be funded by the Corporate Leadership Council upon approval of the Executive Board.

#### **6. Administration**

The Plan will be jointly administered by the UAW and AAM Corporate Joint Program Administration. The grievance procedure set forth in the UAW-AAM National Agreement has no application to, or jurisdiction over, any matter related to this Program.

### **C. Skill Centers - Training In Plant**

The parties agreed to continue emphasis on basic education, insuring that associates and their spouses and retirees have access to education and training opportunities for basic skills in areas such as math, reading, problem solving or language, master new skills and achieve personal goals in basic education. Additionally, it was agreed that the Corporate Leadership Council will develop a basic education curriculum that would offer six main areas of educational counseling and learning opportunities:

- **Adult Basic Education** - provides an emphasis on skill building in the areas of reading, writing, language and mathematics.
- **General Education Development** - provides the opportunity to prepare for a high school equivalency exam for those who have not earned a high school diploma.
- **Educational Enrichment Services** - provides the opportunity to sharpen skills in areas such as math, writing, reading comprehension, communication, problem solving and science, which can assist participants in technical training, college courses, or other personal goals.
- **High School Completion** - provides the necessary instruction in subject areas required to complete a high school diploma.
- **English as a Second Language** - provides instruction in speaking and writing the English language for participants whose native tongue is not English.
- **Academic Advising Services** - provides individualized academic advising services to participants to assist them in identifying and pursuing basic education goals through project educational staffs and Educational Development Counselors.

The basic education curriculum would continue to be developed through the coordinated efforts of the Plant Council along with local education providers and approved by the UAW and AAM Corporate Joint Program Administration. The program design

may vary from one UAW-AAM location to another, but generally will focus on the individuals, adapting to the different interests, abilities, and work schedules of the participants including:

- Individual Needs Assessments
- Individual Instructional Plan
- Individual and Small Group Instruction
- Computer-Aided and Computer-Managed Instruction
- Instruction in Diverse Subject Area
- Participant Anonymity

Hardware, software and training materials used in the above mentioned computer-aided and computer-managed instruction are subject to approval by the UAW and AAM Corporate Joint Program Administration.

It is essential that training and educational services offered in Skill Centers will be jointly monitored, analyzed, and extensively researched to better meet the needs of the workforce.

These Skill Centers create an environment which allows education opportunities to be more accessible within a positive environment. Project services would be integrated and coordinated with other personal development, educational and training activities in each location. Project staff will be made available at times that are convenient for associates including before and after shifts, breaks and lunchtimes.

The above educational pursuits will be supported by a combination of national, local and plant training funds and will be jointly administered by the Corporate Leadership Council and the Leadership Team for each facility. In addition, these facilities may be used for other appropriate training approved by the Plant Leadership Council.

If a plant constituting a local bargaining unit is scheduled to be idled or closed, the local parties will notify the UAW and AAM

Corporate Joint Program Administration of their proposed plan to alter Skill Center services for participants enrolled in the plant's Skill Center.

The notice will include a projected date for alternative arrangements, the number of participants enrolled and a brief description of the alternative arrangements. Thereafter, the National Parties will discuss the matter and resolve any issues by mutual agreement of the Corporation and the International Union.

In this process, the parties agreed to develop changes or enhancements in the curriculum to meet the needs of the workforce. Additionally, the parties agreed to ensure that associates and their spouses and retirees have access to education and training opportunities offered in Skill Centers to meet the challenges of the coming information age.

In developing these changes the parties will solicit input from plants, Local Educational Agencies, and other sources external to UAW-AAM, regarding what changes are deemed appropriate in the Skill Center curriculum and administration.

#### **D. Transition Programs**

1. The parties have agreed to offer the Pre-Retirement Program "Design Your Successful Tomorrow" to UAW-represented AAM associates and their spouses. In addition, the parties have agreed to support the Post Retirement Program.

It was recognized that joint efforts will be required to explore and analyze the various options available in order to address concerns regarding the availability and participation of both Management and Union personnel in the implementation of these programs. Any problems coordinating the scheduling/facilitating of pre- or post- retirement sessions should be raised with the administrators.

The programs will be supported by National Funds and will be jointly administered under the direction of the Corporate Leadership Council.

2. During the course of negotiations, the parties discussed the

type and extent of services available to UAW-AAM associates who face indefinite layoffs.

In cases involving associate's facing indefinite layoffs where recall or future AAM placement is unlikely, the parties agreed that efforts to assist such associates will include pre-layoff meetings not to exceed 24 hours in which topics developed by the Corporate Leadership Council, such as the following, will be covered during working hours on or before the associate's last day worked:

- State of the Business, Local Perspective
- Contractual Rights and Responsibilities
- Benefits (services, entitlements and continuation)
- Unemployment Compensation
- Money Management
- Community Services
- Associate Assistance Program
- Tuition Assistance
- Training and Outplacement
- Relocation and Placement Assistance within AAM.
- Veterans Services
- Legal Services

Corporate Labor Relations activity will notify the Union, where possible, at least two (2) weeks prior to such layoffs.

Post layoff services will continue to be made available to laid off associates by the Corporation or other local agencies designated by the Union and the Corporation.

## **E. Educational And Career Counseling**

During the course of national negotiations, the parties discussed matters relating to the Tuition Assistance Plan and the shared concern that eligible associates may be using available tuition assistance funds for courses or programs that do not maximize their educational potential. As a result, it was mutually agreed it would be desirable and potentially cost effective to continue to make available competent educational counseling to such associates when educational decisions are being contemplated.

Accordingly, following negotiations, the parties jointly commit to review the experience of the Educational Development Counselor (EDC) Program currently underway. Following such review, the parties will seek authority and funding from the Executive Board to further implement cost effective methods of providing such counseling, including utilization of public and private resources and regionalization of the service, where practicable.

## **V. OPERATIONAL EFFECTIVENESS**

The Corporation and the Union recognize that quality and operating efficiency are inextricably wed to job security, and that a high level of quality and operating efficiency requires mutual respect and recognition of each other's problems and concerns. Both the Corporate Leadership Council and Plant Leadership Teams will focus on cooperative efforts toward our common goals to improve product quality and the effectiveness of operations, remove barriers to improvements, increase job opportunities and fully utilize the workforce. In doing so, we will be more competitive in the global markets we serve, while protecting current jobs and potentially creating new jobs from insourcing, internal growth and conquered business.

The parties agree to focus efforts for improved Operational Effectiveness on the following initiatives:

- AAM Manufacturing System
- Sourcing
- New Technology Integration

## A. AAM Manufacturing System



### 1. Joint Commitment to World Class Product Quality

The UAW and AAM recognize that the production of the highest quality, shortest lead-time, lowest cost, and customer-valued products is essential to secure the Corporation's position in the market and assure job security for its associates. The parties agreed to support the Corporate Quality Policy which reads:

"To provide products and services which totally satisfy the requirements as defined by the customer who uses the product".

### 2. Joint Commitment to the AAM Manufacturing System

The Corporation stated that the highest quality shortest lead-time and lowest cost products have to be the result of the AAM Manufacturing System if AAM is to become a premier, global Tier 1 supplier of driveline systems, chassis systems, forged products and services.

The AAM process for total quality management and continuous improvement is the AAM Manufacturing System. Although Management has the ultimate responsibility for the AAM Manufacturing System, it is recognized that UAW leaders and members are valuable partners in its planning, execution, institutionalization and development of the process, the action strategies, and its implementation plans.

Participation is reflected in the extensive efforts both parties have devoted to the joint development and implementation of the AAM Manufacturing System, both on the national and

local levels, exemplified by the institution of leadership councils at the plant and corporate levels. Further, the parties, during discussion of this appendix, have stated their commitment to the AAM Manufacturing System and to the successful institutionalization of this jointly developed strategy. This process includes continuously improving the competitiveness of AAM by eliminating waste in the manufacture of products and in services provided, and as a result, will serve to enhance the job security of all AAM associates.

**The AAM Manufacturing System is an operational strategy that includes the following tenets:**

- **Attain the highest possible levels of associate involvement and recognition,**
- **Elimination of waste** in our plants and offices,
- **Continuous improvement** in everything we do, and
- **Achieve maximum levels of manufacturing flexibility and reliability.**

**a) Associate Involvement and Recognition**

It is recognized that the point where product design, technology, process and materials come together in harmony is at the associate/supervisor level in the organization.

Management's business planning process will provide associates with the appropriate training, methods and systems, materials and equipment in an appropriate environment to perform their work. It is then incumbent upon associates to exercise diligence and properly perform their work, utilizing takt-time based standardized work, to produce customer-valued products with the highest quality, shortest lead-time, and lowest cost.

**1) Suggestion Program**

The parties have developed a plan for joint administration of the AAM Suggestion Program. The parties have agreed that

the purpose of the Suggestion Program is to enhance job security for all associates, not to reduce employment levels. Therefore, consistent with Suggestion Program guidelines, the parties agree to place special emphasis on:

- Generating ideas that contribute to a safe work environment for all associates,
- Encouraging greater participation of associates in all aspects of the business,
- Recognizing associates for their ideas,
- Encouraging cost reduction and continuous improvement in all aspects of our business, and
- Encouraging a greater level of teamwork through recognition of team suggestions

## 2) People Focused Practice (PFP) Workshops

The parties agree to continue to use the People Focused Practice (PFP) strategy as the process to address operational and business issues in AAM. As the parties continue to jointly implement the AAM Manufacturing System, emphasis will be placed on lean manufacturing training team-based training, communication skills and joint operational objectives at the workgroup level. The parties agree that it is critical to create a working environment that motivates associates to work together within a spirit of teamwork to continuously improve customer satisfaction. In this process, it is recognized that seeking opportunities for continuously improving product quality, delivery and cost must be the foundation for achieving customer, associate and shareholder satisfaction. It is acknowledged that it is Management's ultimate responsibility to establish and ensure product quality requirements and provide the processes, associate support and skills needed for continuous quality, delivery, and cost improvement.

It is recognized that performance of high quality work is everyone's responsibility, and as a result, it is intended that the

Joint Program Representatives and UAW leadership working together with local management will reinforce other ongoing AAM Manufacturing System activities. Each Joint Program Representative assigned to AAM Manufacturing System initiatives will participate in mutually agreed upon training sessions, including personal skill enhancement, that are associated with their AAM Manufacturing System responsibilities, and complete mutually agreed upon certification programs in agreed upon timeframes. All Manufacturing System Representatives, both locally and internationally appointed to the AAM Manufacturing System, will be evaluated as to their performance and effectiveness in their support roles annually by mutually agreed upon criteria. Management and the UAW through the CLC will mutually determine these criteria. The annual evaluations will be used by Management and the UAW to determine further skill enhancements that are necessary to improve the representative's performance.

### 3) Labels and Decals

During these negotiations, the Union stated and the Corporation agreed that UAW members contribute significantly to improved product quality. In recognition of that contribution, a joint label or decal certifying that the product is proudly built by AAM associates, who are members of the UAW, will be displayed on packaging and shipping containers.

### b) Elimination of Waste

To be globally competitive and ensure job security, the parties agree that we must work together and focus our efforts on eliminating waste and unnecessary cost in our current operations and business processes. In addressing the elimination of waste, the parties agree to emphasize the use of takt-time based "Standardized Work" at all manufacturing locations as well as the other jointly approved strategies of the AAM Manufacturing System in workshops to develop and implement action plans for continuous improvement in the following categories:

- Overproduction
- Excess Inventory
- Unnecessary Motion
- Over-processing
- Correction of Defects
- Handling (unnecessary transportation)
- Waiting Time

### **1) Quality Improvement Process**

The parties also discussed associates having the opportunity to raise product quality concerns in the course of carrying out their required work assignments. It is recognized that such concerns require proper attention and response to be valuable contributions to product quality improvement.

The Plant Council will implement a process for associates to voice their product quality concern(s), independent of the grievance procedure, for timely resolution of such concerns based on the following:

- Associate/supervisor discussion to attempt to resolve concern, consulting as required with plant quality resources.
- If unresolved, the District Committeeperson, if requested, will assist in the resolution of the associate's concern.
- The supervisor and/or District Committeeperson may request the assistance of the appropriate Joint Program Representative to participate in the resolution of the concern.
- Thereafter, if unresolved, the concern will be discussed with the Plant Council at the next meeting. If unresolved, the Leadership Team may request the issue be referred to the Corporate Leadership Council for discussion.

Joint Program Representatives will advise the Leadership Team on the status of quality concerns referred to them. Feedback regarding the status of the associate concern will be provided to the originating supervisor and the associate on a regular basis by the plant Joint Program Representatives until the concern is resolved.

## **2) Redeployment Plans**

The Union leadership felt they could not be party to asking their members to assist in "working themselves out of a job". In any joint effort, job security and "people issues" have to be considered so that people can be redeployed to meaningful work.

Management and the Union recognize that associate support and involvement in plant quality and productivity improvement activities are essential. The parties agree that prior to initiating continuous improvement workshops, the Leadership Team will ensure that workable redeployment plans for affected associates have been developed.

The parties agree to jointly develop guidelines for redeployment processes as approved by the Corporate Leadership Council. Such guidelines are intended to assist the local parties with the development of plans that put first emphasis on redeployment of associates to meaningful assignments, which can include regular productive assignments and "non-traditional" work, as well as efforts to competitively obtain new work. It is the intent of the parties to not place associates in underutilized or unproductive assignments.

## **c) Continuous Improvement**

The Corporate Leadership Council will review company-wide new management quality or productivity improvement programs potentially involving UAW-represented associates prior to assigning resources for development and implementation. Management recognizes that UAW input to such improvement programs may create opportunities for collaboration and support.

Accordingly, in an effort to avoid parallel programs that deviate from the jointly developed AAM Manufacturing System, the parties agree to establish a joint committee comprised of representatives of the AAM Manufacturing System and the Corporate Leadership Council Co-Chairs to discuss such opportunities for collaboration and support and resolve issues that may arise.

The parties acknowledge that the best way to ensure both associate job security and the long- term viability of the Corporation is through an aggressive focus takt-time based Standardized Work and continuous improvement. The parties agree to utilize the jointly developed AAM Manufacturing System to achieve continuous measurable improvements in the areas of safety, quality, cost and delivery.

In striving to achieve improved operational and business process effectiveness, it is recognized that a great deal of initiative and imagination will be required by the local parties. While not intended to limit such innovation, the following are appropriate areas the local parties will address:

- 1) identification of investments in the facility or equipment necessary to improve product quality or operational effectiveness;
- 2) the establishment of a team concept and/or pay-for-knowledge wage structure;
- 3) the identification of non-labor cost savings and efficiencies; identify opportunities for in-sourcing and new business;
- 4) the examination of new forms of work organization, such as job assignments relating to Just-in-Time, commodity management or other quality enhancement systems;
- 5) procedures to review supervisory staffing;
- 6) a realignment in skilled classifications to a number of appropriate basic trades to support the needs of the operation or location;
- 7) the implementation of skilled trades team concepts;

- 8) initiatives to reduce chronic absenteeism;
- 9) procedures for improved access by the Leadership Team to product plans and other information affecting employment security and operational effectiveness, assuring confidential treatment of such information;
- 10) the establishment of takt-time based work standards on operations that fully utilize associates;
- 11) the use of alternative work schedules which provide greater employment opportunities and improve equipment utilization.
- 12) Ancillary work assignments such as: clean-up, set-up, adjustments, statistical record keeping, and participating in meetings, workshops and training.

Efforts of the local parties to improve Operational and Business Process Effectiveness may require change or waiver of certain agreements or practices. It is understood that any such waivers, modifications or changes would not be effective unless agreed to by the local parties. Notwithstanding any provisions to the contrary contained in this Agreement, any such changes will be approved in writing by the Corporate Leadership Council and would be effective only at the location(s) specifically designated.

#### **d) Flexibility and Reliability**

To successfully compete in the global marketplace, AAM must continue to improve its current operational and business processes. To accomplish this, AAM must maximize the efficiency and flexibility of both its workforce and manufacturing processes.

The parties acknowledge that Quality Operators and flexible operating schedules can improve operational effectiveness. It is with this in mind, the parties agree to support initiatives at the local level to address and resolve these objectives. Prior to implementation, jointly developed flexible operating schedules will be forwarded to the Corporate Leadership Council for approval.

## 1) Quality Operator

The local leadership team will determine how to most effectively implement the Quality Operator concept within their operation.

## 2) Flexible Operating Schedules

The parties understand that flexible operating schedules can be of benefit in the following situations:

- To achieve maximum benefit from investments to launch new products, increase capacity, insource work or conquest new business, or
- To alleviate bottlenecks within existing lines / operations, or
- To support redeployment plans developed locally.

The parties want to avoid the use of excessive overtime to address undercapacitized and bottleneck areas. In these situations, the parties agreed to the following progressive 7-step process to address areas where customer demand exceeds current production capabilities:

- Step 1: Conduct PFP workshop utilizing Takt-based, line balance analysis of the process and make appropriate changes
- Step 2: Utilize limited overtime
- Step 3: Modify relief practices (e.g., mass vs. tag relief)
- Step 4: Adjust manpower requirements (e.g., adding shifts, balancing lines)
- Step 5: Implement flexible operating schedules
- Step 6: Utilize critical plant status (as provided for in the M.O.U. on Overtime)
- Step 7: Expend capital to purchase equipment to incrementally expand capacity

In utilizing this seven-step process, actions must be business case justified and approved by the Corporate Leadership Council.

### **3) Planned Maintenance**

The "Planned Maintenance Action Strategy" is to be utilized at all AAM Plants as the one process for implementing planned maintenance. The Corporate Leadership Council will jointly identify health and safety requirements to be integrated into this strategy. These requirements will include both those that are regulated by government agencies and those established in UAW-AAM programs. The Local Joint Health & Safety Committee will also review the "Planned Maintenance Action Strategy".

The parties recognize significant investments have been made in machinery, training, facilities and associated process equipment to improve AAM's operations. The effective use of maintenance systems and our skilled workforce are further recognized as critical resources to protect and optimize utilization of this investment. With this in mind, the parties agree that the following initiatives will be undertaken to convert AAM from a primarily reactive to a preventive/predictive maintenance operation:

#### **a) Maximo Maintenance Systems:**

The scheduling, dispatch and work order tracking capabilities of Maximo will be used to improve the overall efficiency of maintenance operations. In this regard, the parties agree that all AAM sites will implement and utilize Maximo as the primary maintenance system for execution of planned and predictive maintenance by January 1, 2001.

#### **b) Zone / Re-aligned Maintenance**

It is recognized that globally competitive manufacturing operations utilize decentralized maintenance organizations. The parties agree that certain current local operating practices and agreements complicate achievement of this objective.

Accordingly, to further improve operational effectiveness in this area, the local parties will explore and consider modifying local work practices which impede our ability to effectively function under a decentralized maintenance work group structure. The CLC will review the local parties' progress in this area by September 1, 2004.

### **c) Owner Operator**

The Owner Operator concept recognizes that operators have valuable knowledge to contribute about the machinery and equipment they use. The parties recognize the technical capabilities of the skilled trades and the importance of focusing their time and skills on performing more planned maintenance fixes (versus inspections). Production and maintenance, communicating and working as a team, in such a manner as described, can make a significant contribution towards improving safety, quality, machine uptime and cost. These responsibilities are generally referred to as "Owner Operator." How Owner Operator is implemented (specific tasks performed by maintenance and production) will vary between plants. Checklists will be developed and utilized locally, however, the following minimum responsibilities are required of Owner Operators at each location:

- Ensure all safety devices and guards are in place and functioning,
- Conduct visual inspection of equipment, to include part touching details and chip removal systems, for leaks, loose fittings, excessive chip build-up, record on P.M. checklists and take corrective actions as needed within trained skill level,
- Monitor, check and record fluid levels and air/hydraulic pressures,
- Record Overall Equipment Effectiveness (O.E.E.) on specifically designated equipment data and enter Maximo work orders whenever necessary

- Perform ancillary work to the efficient operation of their equipment, such as: set-up, adjustments, and training.

## **B. New Technology Integration**

The Corporation is mindful of the Union's concern regarding the scope and work content of job classifications of associates in the UAW bargaining unit and how such may be affected by advancing technology. Accordingly, the UAW-AAM Skilled Trades and Apprentice Committee will meet periodically to discuss matters concerning new or advanced technology that cannot be resolved locally and are referred to it by the local union or local management as well as claims of erosion of the bargaining unit.

Advancing technology has created, and will continue to create, new and more complex problems bearing upon the work content of job classifications of associates represented by the Union.

It is not the Corporation's policy to assign to non-represented associates work which comes within the scope and content of that normally assigned to represented associates at a particular plant location. The Corporation recognizes that mere novelty or the sophistication of new technology alone is not grounds for withdrawing work from represented associates. Similarly, the Corporation does not believe that the scope of the bargaining unit at a particular plant location should be expanded simply by the introduction of new technology.

It is recognized that advances in technology may alter, modify or otherwise change the job responsibilities of represented associates at plant locations and that a change in the means, method or process of performing a work function including the introduction of computers, energy management systems, modems, art to part, tool cutting paths and fiber optics, CAM, CMM, CAE, 3D Visualization or other new or advanced technology will not serve to shift the work function from represented to non-represented associates. Therefore,

- Where a work function at a plant location preceded the certification of the Union, the work function will be assigned as it was assigned at the time of certification, unless there has

been a written agreement otherwise.

- Where a work function was introduced at a plant location following the certification of the Union, the work function will be assigned as it was originally assigned, unless there has been a written agreement otherwise.

The Corporation and the International Union are in agreement that the assignment of represented or non-represented associates depends upon the work function involved and not necessarily upon the work tasks required to accomplish such work function.

### **1. Notice and Discussion**

The Corporation agrees to advanced written notification to local unions at locations planning the introduction of new or advanced technology so as to permit meaningful discussion of its impact, if any, upon skilled or non-skilled associates.

The Local Management will describe for the Shop Committee the extent to which such technological changes may affect the work performed by represented associates at the plant location involved. The Chairperson of the Shop Committee and the International Union will be provided a written description of the technology involved, the equipment being introduced, its intended use and the anticipated installation date(s). During the discussions the Chairperson of the Shop Committee may include other Local Union representatives such as the Health and Safety Representative, a Training Representative, a member of the Local Apprentice Committee, or other associates, as necessary, in order to review the various matters of concern relative to the introduction of the new technology involved. Accordingly, the parties agreed upon the following examples of situations where notification should be given:

- a) The first introduction of a technology as compared to previously existing plant technology.
- b) Introduction of a new, more advanced generation of existing technology having a significantly different impact on the bargaining unit.

- c) Introduction of a new application of existing technology which has a significantly different impact on the bargaining unit.

The parties also highlighted that the National Agreement provides for notification to take place as far in advance of implementation of the technological change as is practicable. This is not only to enable the Shop Committee to discuss the impact such introduction of technology has on the bargaining unit, but also to discuss timely implementation of associate training to prepare them to perform their appropriate functions.

## 2. Training

The Union has also voiced concern about the possibility that new, technologically impacted bargaining unit work will not be awarded to represented associates because they are insufficiently trained to perform it. In view of the parties' interest in affording maximum opportunity for associates to progress with advancing technology, as part of the advanced discussion, the parties shall seek to identify appropriate specialized training programs, to be made available as far in advance of the technology's introduction to the plant as practicable, so that associates will be capable of performing new or changed work normally performed by represented personnel.

## 3. Dispute Resolution

The following paragraphs set forth a means of resolving disputes concerning particular problems created by advancing technology.

Where the initial introduction of new or advanced technology at a plant location creates a question of whether:

- a) certain new work should be assigned to represented associates;
- b) affects the job responsibilities of represented associates;

c) otherwise impacts the scope of the bargaining unit.

Local Management and the Shop Committee will attempt to resolve the matter without resorting to the grievance procedure. Local Management will cooperate in the Shop Committee's investigation and evaluation of impact issues raised due to the introduction of new or advanced technology. Comments by the Shop Committee will be carefully evaluated by the Local Management in accordance with the Corporation's policy relative to the assignment of work which falls within the scope and content of that normally assigned to represented associates at the plant location. If the issue remains unresolved, it may be introduced at the second step of the grievance procedure as provided in Paragraph (31) of the National Agreement.

Settlements made by the local parties concerning the assignment of work functions as between represented and non-represented associates in relation to the new or advanced technology discussed will be forwarded to the International Union and the Corporation and will be reviewed by the UAW-AAM Skilled Trades & Apprentice Committee within thirty (30) days of receipt of the settlement. In the event either the Corporation or the International Union does not approve the settlement following the review by the National Committee, the subject matter in dispute will be referred to the Management-Shop Committee Step of the grievance procedure and processed in accordance with the applicable provisions of the grievance procedure.

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

Cal Rapson  
Richard Ruppert  
Norwood Jewell

**American Axle &  
Manufacturing, Inc.**

Patrick J. Paige  
John E. Jerge



**NEW**

**APPENDIX J**

**ATTACHMENT A**



## **AMERICAN AXLE & MANUFACTURING SAFETY SYSTEM**

**Objective:** Maintain a Safe work environment through Associate responsibility, Forward thinking, Education and empowerment.

**S.A.F.E.**

Policy, procedures, systems and direction are to be originated at the Corporate level. There will be sufficient latitude so that plants can apply the details to achieve the corporate directives. The system will be based on identified "best practices" of industries with successful health and safety programs

### **JUSTIFICATION**

The case for effective management of occupational health and safety is overwhelming. Not only is it a regulatory and ethical issue: studies have shown there are also sound economic reasons for reducing work-related accidents, ill health and improving the quality of the work environment.

The human consequences of a death or injury are greater than the immediate event. In that brief, piercing moment, lives are permanently uprooted and forever changed. The future is turned upside down. Hopes and dreams are shattered. A loved one or friend is now buried or handicapped. These life changing events can bring with them intense human suffering, depression, loss of self-esteem, grief, loneliness, along with the entire range of personal problems at both work and home.

Similarly, no business or organization can ever tolerate these harmful events as part of business operations. These health and safety losses, both human and financial, touch every associate in the company.

## **POLICY**

We will provide a safe and healthful work environment. This policy requires compliance with engineering and maintenance of equipment, all associates working in a safe manner, proper training of associates, including communication of policies and safe operating procedures in order to achieve a safe workplace.

## **PRINCIPLES**

S.A.F.E. is based on a logical approach to health and the major principles are as follows:

1. There are four possible consequences of system failures in the area of health and safety:
  - Fatality
  - Injury
  - Illness
  - Near Miss
2. The most accurate description of these consequences are "incidents" rather than "accidents."  
Webster defines an accident as "an unforeseen or unplanned event or circumstance."
3. The cause of incidents are either unsafe conditions, unsafe acts, or a combination of the two.
4. Unsafe conditions are a factor of poor job design, poor maintenance, poor housekeeping, poor environmental conditions, or a combination of two or more of these factors.
5. Unsafe acts may be intentional or unintentional.
6. The knowledge that, identifiable causes of incidents can be controlled through the effective use of a combination of preventive strategies:
  - Hazard recognition
  - Hazard elimination
  - Hazard control procedures
  - Safe work practices
  - Training
  - Leadership commitment
  - Associate commitment
  - Responsive supervision
  - Engineering design

Each of these preventive strategies constitutes an integral part of the AAM-S.A.F.E process. When known hazards exist, a damaging consequence can be expected unless appropriate controls are provided.

## **PROCEDURES**

- Corporate safety manual consisting of procedures and general policies
- Each facility will have a Safety Manual written in detail with specific policies
- Compliance with Company, Federal, State and Local rules and regulations

## **PART I: ROLES AND RESPONSIBILITIES**

### **Corporate Leadership Council (CLC)**

The CLC is to annually establish, publish and review measurable corporate-wide goals and objectives for Health and Safety, Education and Empowerment and Operational effectiveness. Provide appropriate training, resources and support as required to meet the needs of Plant Leadership Teams to meet Federal, State or Local regulations.

### **Corporate Roles and Responsibilities**

The ultimate responsibility for occupational health and safety rests with top management.

AAM is responsible for ensuring that all grounds, buildings, equipment, and processes comply with company, federal, state and local, health and safety standards. The organizations charged with establishing health and safety system practices within the Company are the Corporate Safety and Medical Departments. The department staffs work closely with other professionals to:

- Monitor health and safety in the workplace
- Develop policies and programs to prevent work-related injuries and illnesses
- Monitor the success of the programs
- Recognize that health and safety is an integral part of the business
- Review the policies, management system and audit of compliance to the policy

- Ensure its understanding, implementation and maintenance at all levels in the organization
- Review design of new equipment and processes

The Corporate Safety Department, in conjunction with other corporate and plant offices, sets the health and safety standards for the company. These standards are published in various manuals and bulletins. They are made available to supervisors and other associates. Safety professionals are resources for more detailed information about workplace health and safety.

Within the Technical Center, Managers have the overall responsibility for complying with health and safety system standards, just as they are responsible for complying with quality and productivity standards. The implementation of this responsibility is, in turn, delegated to appropriate managers, supervisors and other associates.

### **Leadership Team**

Plant Managers have overall responsibility for the health and safety of all associates at the plant. They are responsible for:

- Supporting established plant health and safety policy in accordance with Corporate policy
- Creating and maintaining an attitude of health and safety through their actions and
- Providing adequate and appropriate resources to implement the system

The Leadership team has a responsibility:

- To monitor and evaluate the performance of all joint activities on a quarterly basis and provide positive recognition and/or corrective direction as required.
- Provide the appropriate structure to effectively integrate and implement program activities.
- Communicate Corporate-wide goals for Health and Safety along with establishing plant goals required to meet the Corporate goals and objectives.

### **Manufacturing and Area Managers**

Manufacturing and Area Managers are responsible for the health and

safety of all associates in their assigned areas. This overall responsibility includes specific duties in a number of areas. Area Managers must translate company health and safety policy into daily practice through several key actions. Area Managers must:

- Communicate plant goals
- Establish department goals
- Make the safety and health policy a reality by incorporating safety and health practices in both the physical workplace and in all tasks and processes on a planned, ongoing, basis.
- Consider safety and health in the planning and decision making process and not “after the fact.”
- Serve as role model through personal compliance with company health and safety system standards.
- Be prompt and consistent in identifying and correcting unsafe working conditions and unsafe working behavior.
- Be willing to make decisions and provide resources needed to empower supervisors in fulfilling their health and safety responsibilities.
- Consistently provide supervisors with the necessary authority and responsibility for the implementation of health and safety policy in his/her areas, and hold him/her accountable for that implementation.
- Ensure that associates at all levels receive appropriate training and are competent to carry out their duties and responsibilities.
- Set, pursue, and track health and safety system goals in order to achieve continuous improvement
- Review of the policy, the management system and audit of compliance to policy.
- Review incident and near miss reports, follow-up and ensure modifications if needed are implemented.
- Conduct health and safety audits on a regular basis and,
- Be continuously aware of the safety resources available to the plant as well as the procedures needed to access those resources to meet ongoing needs.

## **Supervisors**

At AAM, the supervisor has first-line responsibility for the health and safety of the associates in his/her department. The job of preventing

damaging events and controlling workplace hazards is the responsibility of each supervisor. The supervisor must:

- Have direct responsibility for implementing the safety and health system.
- Be responsible for the health and safety of those they manage, themselves and others with whom they work.
- Be aware of their responsibility for the health and safety of people who may be affected by the activities they control.
- Be aware of the influence that their action or inaction can have on the effectiveness of the health and safety system.
- Be prompt and consistent in identifying and correcting unsafe working conditions and unsafe behavior in the work place.
- Instruct associates on correct and safe ways of doing their jobs.
- Assure that safety training is completed and documented so that associates know and understand the rules and procedures that pertain to the job.
- Ensure housekeeping and equipment maintenance targets are met.
- Conduct and document daily health and safety audits.
- Responsible for completing incident and near miss reports.
- Takes action on identified Safety and Health concerns
- Sets, enforces and follows Safety and Health rules
- Enforce health and safety regulations for all associates, guests, visitors, contract and agency employees and,
- Be a responsible role model and set an example in the area of health and safety practices.

### **Safety Professional (Management)**

The primary role of the safety professional is that of a “*technical advisor*” who provides advisory support to those who have direct responsibility for the health and safety of associates. Some of these roles are:

- Provides system direction, interpretation and technical assistance.
- Maintain an effective working relationship with the Plant Manager, Manufacturing and Area Managers, Supervisors, and Union Representatives to provide a unified approach to health and safety.

- Make health and safety inspections once each week and report findings and recommendations to the Leadership team
- To be knowledgeable of current health and safety issues and for providing information and recommendations to maintain the health and safety compliance with company, federal, state, and local standards and,
- Empowered to shut down any unsafe operation.

The safety professional will act as an advisor and should not become directly involved in the resolution of routine health and safety issues or decisions. These decisions can and should be made by the Supervisor in coordination with the appropriate Manager of the area.

### **Safety Professional (UAW)**

The primary role of the UAW Representative is that of a technical advisor who provides advisory support to those who have direct responsibility for health and safety of associates and to the local union.

- Assist in the selection, development and implementation of safety and health training programs
- Maintain system performance oversight and assist in the coordination of the safety and health effort
- Make health and safety inspections each week and report findings and recommendations in writing
- Participates as trainer, inspectors, problem solvers
- Review, recommend and implement/conduct local safety education and information programs and associate job related health and safety training
- Investigate incidents and near misses.
- Make health and safety inspections once each week and reports findings and recommendations to the Leadership team.
- Review plant safety reports on incidents and near misses and make any necessary or desirable recommendations
- Be knowledgeable about current health and safety issues, providing information and recommendations to maintain the plant's compliance with company, federal, state and local standards.
- Conform to certification guidelines as established by CLC

## Associates

It is recognized that effective management of health and safety requires the support and commitment of the associates, and that the knowledge and experience of the workforce is a valuable resource in the development and operation of the S.A.F.E. system. Whether hourly or salary, each associate must be aware of his/her health and safety responsibilities. Associates must:

- Help set performance goals, develop measurers to gauge performance and have a vested interest in the systems success
- Follow safe work practices, be responsible for following the safe work practices they have learned during job and safety training.
- Associates participate as trainer, inspectors, problem solvers
- Monitor workplace conditions and report hazards. Associates must report shortcomings in the health and safety system and be involved in the correction of the situations.
- Provide feedback, where appropriate, in the development of the health and safety systems and procedures to ensure that workplace health and safety standards are met.

The S.A.F.E. process provides numerous opportunities to provide positive reinforcement of safe behavior such as:

- Following the S.A.F.E. training, supervisors should be quick to support and encourage associates efforts to follow the safety guidelines, as explained and summarized in this reference manual
- Involving associates in safety processes as an opportunity to acknowledge safe behavior, to recognize people as individuals, and to involve them as members of a team approach to health and safety.
- Modifying the role of the supervisor from that of a critical "parent" to that of a supportive "teacher." Supervisors have a unique opportunity to present themselves as people who really care about their associates

## PART II; THE CAUSES OF HARMFUL EVENTS

Incidents usually resulting from identifiable causes can be attributed to: *unsafe conditions and/or unsafe acts.*

The control or elimination of *unsafe conditions and unsafe acts* can be accomplished through the use of two of the preventive strategies of the S.A.F.E. process – *hazard recognition and hazard control*. A preliminary step in using these strategies is understanding exactly what we mean by *unsafe conditions and unsafe acts*.

### **Unsafe acts and unsafe conditions**

In the past, much attention has been given to *unsafe* acts or behavior as causing workplace accidents. Supervisors and Associates too often focus on “carelessness” and “not paying attention” as well as on the things people did or did not do which resulted in incidents.

Concentrating only on the person who was injured as the one who did the unsafe act, is too narrow. People develop and control conditions. An unsafe act that precipitated the damaging event may or may not have been done by the person who was injured. The unsafe act may be a learned behavior through improper training and acceptance of an unsafe condition.

### **Unsafe conditions**

“*Unsafe conditions*” refers to those circumstances of the workplace which we know in advance can cause a damaging event. These conditions are also called hazards. Hazards may be the result of someone’s actions or may be an undesired by-product of the manufacturing, research, testing or laboratory process. Whatever their origin, they can be identified and eliminated or controlled.

*Unsafe conditions* are generally created by system failures in the areas of maintenance, housekeeping, environmental control, or design.

### **Maintenance**

Preventive and predictive maintenance schedules are based on the manufacturer’s specifications or on company guidelines. Over the years we have identified the mechanical and structural limitations of machines, materials, and energy sources. Preventive and predictive maintenance is intended to give the supervisor and the operator the safety advantage of correcting, replacing, or repairing before a breakdown occurs.

When preventive schedules are not followed, or when corrective maintenance is delayed or poorly performed, the resulting condition puts everyone in that area at risk.

Effective and timely maintenance depends on the supervisor having the ability to provide trained people with the right tools and equipment to perform whatever work is necessary to keep equipment in an effective and safe operating condition. This requires a good working relationship with associates, supervisor, department manager and the maintenance department. This relationship is usually founded on good communication, judgment, and follow-up.

### **Housekeeping**

Various manufacturing, and engineering processes involve a continuous flow of material handling, production, storing, and shipping. The process is based on interactions between associates, materials, and vehicles. When housekeeping is not performed, the accumulated dirt on tools, machines, work surfaces, clutter in workstations and aisles will create unsafe conditions that will predictably result in damaging events.

### **Environmental Control**

The workplace environment includes all of those conditions, which affect our bodies – our breathing, vision, hearing, and body temperature. Our ability to work efficiently requires meeting or exceeding recommended standards for air quality, lighting, noise, and temperature. Poor environmental conditions create unsafe conditions that can result in injury or illness.

### **Design**

Many unsafe conditions in the workplace can be traced to poor design of processes, jobs, tasks, tools, and machinery. Particularly in older locations, efforts to eliminate or control hazards have been after-the-fact solutions to design problems. Today, with the advances of health and safety research and technology, we have the ability to design health and safety into the methods, processes, and construction of every aspect of the workplace. The S.A.F.E. process, with its attention to hazard recognition and control will encourage all associates to think of processes, engineering, and manufacturing design solutions when dealing with unsafe conditions.

Unsafe conditions are observable, preventable, and controllable. We know what they are, where they can be found, and what we should do about them. When they are not controlled or eliminated, they are clean signs of a more serious problem. The health and safety system in that area or department has broken down. The system has failed.

Poor maintenance, housekeeping, and environmental conditions in turn, encourage unsafe behavior. If associates are allowed to work in unsafe conditions, they simply will not take the area of health and safety seriously.

### **Unsafe Acts**

The major causes of damaging events in the workplace are unsafe conditions, unsafe acts, or a combination of the two. Unsafe conditions are those objective, measurable, and observable circumstances that are known to cause damaging events. Compared to unsafe acts, they are generally easier to identify, and, as a result, are easier to eliminate or control.

Unsafe acts, on the other hand, are often as complicated as human nature. While we can easily predict the outcomes of unsafe actions, we are often at a loss to explain why people act as they do – especially when it comes to health and safety. How do you explain why anyone would do something that could hurt them?

In order to understand the possible reasons for unsafe acts, it is important to distinguish between those actions that are unintentional and those that are intentional.

### **Unintentional Unsafe Acts**

When an area manager or supervisor observes unsafe behavior, the odds are that the behavior is unintentional. However, it is important to remember that whether an unsafe behavior is intentional or not, it will, if continued, result in a damaging event.

To control this type of unsafe act, supervisors should understand the following possible explanations for unintentional unsafe behavior:

- **Boredom** - The monotony of repetitive tasks can result in boredom. A lack of stimulation can lead to diminished

- concentration and attention. In such a state of mind, the associate can be completely unaware of the unsafe behavior
- **Fatigue** - An associate who is physically tired may also experience mental fatigue which similarly reduced attention and concentration levels. Environmental factors are major influences of fatigue.
  - **Lack of Knowledge** - In this situation; the associate simply does not know how to correctly perform the job. This highlights the importance of providing and communicating complete information about the job, the required skills, and the workstation.
  - **Over-familiarity** - Over a period of time, any associate can become so accustomed to the job, the workstation, or the surroundings that obvious dangers are taken for granted. Eventually the known hazards are secondary to other demands.
  - **Lack of safety training** - In this situation, the associate simply does not know the recommended safety procedures for the job or workplace. The clear communication of safety guidelines, departmental rules, and the careful scheduling of training programs and talks should eliminate this as a possible explanation. However, supervisors will need to make sure that no one in their department or unit is overlooked, otherwise there may be associates who will not know that their actions are unsafe. This training is also important for contract and agency people, consultants, and temporary workers.
  - **Personal Problems** - Unsuccessful efforts to resolve personal problems can result in guilt, anger, and hostility that may be expressed in an unintentional disregard for health and safety guidelines.

In summary, an associate, may perform unsafe acts for a variety of reasons. It is important for supervisors to understand these reasons in order to address unsafe behavior constructively. Even though they are unintentional, unsafe acts must not be overlooked.

The S.A.F.E. process provides direct support to supervisors in dealing with these unintentional unsafe acts. The S.A.F.E. training process clarifies roles and responsibilities, and focuses on workplace hazard recognition. As a result of the S.A.F.E. process, every hourly and salaried associate throughout the American Axle Safety System should know and understand the importance of, and the reasons for, safe behavior.

However, the transfer of this information into action will require the ongoing support and encouragement of every manager and associate. The principles and techniques of safe behavior reinforcement, another S.A.F.E. preventive strategy, is an effective approach for supervisors to encourage safe behavior.

### **Intentional Unsafe Acts**

The other category of unsafe acts is more complicated and difficult to explain and control. Intentional unsafe acts include those situations in which the person does know, and should understand the dangers involved, but decides to accept the risk and does something in an unsafe manner, anyway.

Preventing intentional unsafe acts calls for an understanding of the possible reasons why people will knowingly and deliberately risk their life and personal well-being. The specific reasons will be as unique and as many as the associates who take these chances. However, the following general explanations summarize the more basic reasons:

- **Overconfidence** - The most common reason for intentional unsafe acts is overconfidence. Experienced associates continue to knowingly perform unsafe acts because they have been doing the job that way for years, have never been hurt, and may even have been allowed or encouraged, off the record, to continue doing it that way. While they may admit they know their actions are unsafe, they are prepared to take the risk.
- **Personal Satisfaction** - At some point, the associate may discover some satisfaction in doing something that is unsafe. It might be a kind of grandstanding or showing off to get the attention of coworkers, a way of getting back at the boss or the thrill of taking a chance and getting away with it.

- **Seeking a Job-Related Advantage** - This is an extension of the previous point. The reason is more directly related to the job itself. It usually has to do with finishing the job sooner. It could be to get more parts done, or to get more break time or a longer lunch, to get off earlier, or to avoid extra work.
- **Misplaced Sense of Dedication** - In this situation, the associate is doing something unsafe “for the good of the company or the department.” The motivation here is a misguided, but sincere, desire to lend a hand to meet a production schedule or make up for reduced manpower. This kind of “loyalty” is dangerous because the unsafe act places the associate and possibly others at risk of death or injury.
- **Personal Problems** - Unsuccessful efforts to resolve personal problems can result in guilt, anger, and hostility that may be expressed in an intentional disregard for health and safety guidelines.

Unsafe acts, whether unintentional or intentional, have the same potential to cause or result in damaging events. Most people who read these words will have seen the entire range of unsafe acts in their department or plant. We have all seen associates who refuse to wear eye protection, or even remove the lenses from their safety glasses. Most of us have witnessed associates taking dangerous short cuts – failing to lock out power, climbing without ladders or fall protection or operating machines without guards in place. The fact that we all continue to see unsafe acts is proof of health and safety system failures in many areas, and again the pressing need for the S.A.F.E. process. None of us, either as managers, associates, or simply as concerned human beings, consistently address these unsafe acts, day in and day out, and year in and year out.

### **PART III: HAZARD RECOGNITION AND CONTROL**

#### **Hazards and Damaging Events**

A hazard can be defined as any workplace condition, activity, or feature that, by itself or combined with other variables, can result in an incident that can cause injury, illness or property damage. A hazard may be considered an unsafe condition or an unsafe act. Some examples of unsafe conditions are:

- File or desk drawers left open

- An unguarded moving machine part
- Dirty, wet or oily floors
- Exposed electrical wiring
- Wastebaskets in aisle ways

Examples of unsafe acts are:

- Using chairs, desks, or cabinets instead of ladders for climbing
- Driving without fastening a seat belt
- Working under a vehicle or visiting a shop area without wearing the proper eye protection
- Using a screwdriver as a chisel
- Not replacing a machine guard
- Spilling water on the floor
- Leaving materials in an aisle

Incidents, fatalities, illnesses, injuries, and near misses – can result when people are exposed to hazards.

### **The Need for Hazard Recognition**

It is important to realize that we are vulnerable to accidents and injuries--- on the job and at home. We must realize that the stage for an accident can be set in milliseconds. Every action, every decision, is an opportunity to increase or reduce risk

To prevent harmful events, we must be able to recognize their causes – that is, the unsafe conditions and acts that are called hazards. Recognizing hazards involves knowing which conditions and acts are unsafe and then actively looking for hazards on a regular basis.

Hazard recognition is a key health and safety responsibility of all AAM associates. Everyone has a part to play in this activity. After hazards are identified, they must be evaluated to determine their causes and their impact on workplace safety and health. Failure to identify the causes will result in failure to correct the hazard.

### **Hazard Control**

There is no simple way to control hazards. Hazard control is the result of a continuous process that involves identification, evaluation, planning, implementation and reevaluation. There are two ways to prevent damaging events. One, we can eliminate hazards and, two, we can prevent exposure to them.

Examples of eliminating hazards are:

- Keeping aisles free of obstructions
- Keeping floors clean and dry
- Locking out all energy to a machine before working on it
- Substituting a non-toxic substance for a toxic one

Examples of preventing exposure to hazards are:

- Keeping pointed objects boxed separately in drawers
- Placing a guard over a moving machine part
- Wearing safety goggles when operating a grinder
- Using a local exhaust system to control airborne contaminants

Eliminating hazards or preventing exposure to hazards are both types of *hazard control*.

<p><b>Most Effective</b></p>  <p><b>Least Effective</b></p>	<ol style="list-style-type: none"><li>1. Elimination or Substitution</li><li>2. Engineering Controls</li><li>3. Warnings</li><li>4. Training and Procedures (Administrative Controls)</li><li>5. Personal Protective equipment</li></ol>
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There are many possible strategies for controlling hazards, including:

- *Engineering Controls*-Designing machines, tools parts or processes using the Hierarchy of Controls for Health and Safety to control or eliminate the hazards or risks.
- *Job Instructions and Training*- Training associates on safe procedures for their jobs or advising them about using these procedures prior to job assignments
- *Administrative Controls*- Adjusting work assignments in ways that reduce an associates exposure to hazards
- *Preventive Maintenance*- is usually thought of as a way to ensure that facilities, production equipment and processes continue to run efficiently. PM also can help to assure that hazards do not develop

Effective hazard recognition, evaluation and control are central to a successful safety and health system. Recognizing and evaluating hazards are ongoing tasks. Our emphasis must be on *elimination*. Proactive hazard recognition, evaluation and control work well with the business management shift toward quality and continuous improvement. Effective management will produce work conditions and practices that result in job safety and health. A management system that focuses on total quality management through continuous improvement will address safety and health.

### **Responsibilities in Hazard Recognition and Control**

All leadership must adopt a proactive approach to health and safety. Senior leadership and UAW leadership commitment and involvement are crucial factors in the success of hazard identification, evaluation and control. Leadership has a key role in communicating a safe and health-oriented vision, establishing policies and allocating resources. Some examples are as follows:

- Using authority to expedite the correction of hazards reported within your area,
- Arranging for necessary, prescribed training and education of all those in the facility or area of responsibility,
- Conducting safety walks and audits,
- Managing safe work methods,
- Maintaining good housekeeping and routine maintenance and ensuring that all equipment and machinery are safe,
- Leadership must set the example for proper safe behavior,
- UAW in conjunction with leadership will perform audits,
- Follow safe practices and procedures prescribed for jobs, and reporting any obstacles or barriers to safe practices and,
- Holding others accountable for their action and issuing discipline as a corrective action not a punitive action.

## **PART IV: RISK**

### **Risks and Risk Assessment**

The process of identifying hazards, assessing risks and implementing and reviewing risk controls should be the basis of the whole Health and Safety management system. A hazard is a source of potential harm or damage or a situation with potential for harm or damage. A risk can be defined as the combination of the likelihood and consequence(s) of a

specified hazardous event occurring. *Risk assessment* would be defined as the overall process of estimating the magnitude of risk and deciding whether or not the risk is tolerable.

AAM has a legal duty to assess the risks in our work activities. The risk assessment procedure described here is intended to be used in the following situations:

- For situations where hazards appear to pose a significant threat and it is uncertain whether existing or planned controls are adequate in principle or in practice, or,
- By AAM in seeking continuous improvement in our Health and Safety management system, in excess of minimum legal requirements.

The full procedure is NOT necessary or cost-effective when it is quite clear from preliminary study that risks are slight, or a previous assessment has shown that existing or planned controls:

- Conform to well-established legal requirements or standards
- Are appropriate for the task(s), or,
- Understood and used by everyone concerned

Here no further action is required other than to ensure, that controls continue to be used.

### **Basic Steps of Risk Assessment**

Risk assessment involves three basic steps:

- Identify hazards
- Estimate the risk from each hazard (the likelihood and severity of harm)
- Decide if the risk is tolerable (the likelihood that harm will occur, tolerable means that the risk has been reduced to the lowest level that is reasonably practicable)

### **Reasons for Risk Assessment**

We are legally obliged to carry out Health and Safety risk assessments. Their main purpose is to determine whether planned or existing controls are adequate. The intention is that risks should be eliminated or controlled before harm occurs. Risk assessments are a key foundation for pro-active Health and Safety management, systematic procedures are necessary to ensure their success.

A risk assessment based on a participative approach provides an opportunity for AAM and Associates to agree that our procedures:

- Are based on shared perceptions of hazards and risks,
- Are necessary and workable, and,
- Will succeed in preventing incidents.

### **Process**

The hazard identification, risk assessment and risk control process should include the following elements:

- Identification of hazards.
- Evaluation of risks with existing (or proposed) control measures in place (taking into account exposure to specific hazards, the likelihood of failure of the control measures, and the potential severity of consequences of injury or damage).
- Evaluation of the tolerability of residual risk.
- Identification of any additional risk control measures needed.
- Evaluation of whether the risk control measures are sufficient to reduce the risk to a tolerable level.
- Re-evaluation upon implementation of controls.

Additionally the process should include the following items:

- The nature, timing, scope, and methodology for any form of hazard identification, risk assessment and risk control that is to be used.
- Applicable policy, procedures, or standards.
- The training needs for associates who are performing the process.
- Any information from associate interviews, complaints, etc.
- Hazards posed by materials, plant or equipment that degrade over time.

### **Deciding if the Risk is Tolerable**

Risks are classified according their estimated likelihood and potential severity of harm. This chart can be useful in identifying severity:

	Slightly Harmful	Harmful	Extremely Harmful
Highly Unlikely	MINIMAL RISK	TOLERABLE RISK	MODERATE RISK
Unlikely	TOLERABLE RISK	MODERATE RISK	SUBSTANTIAL RISK
Likely	MODERATE RISK	SUBSTANTIAL RISK	INTOLERABLE RISK

**For risks which have highly repetitive exposures the next risk level should be used in the assessment.**

### **Risk Control Plan**

A means to establish a ranking order for the risks in the workplace. The aim is to produce an inventory of actions, in priority order. Following is a starting point for deciding the action that should be taken after the risk assessment:

<b>Risk level</b>	<b>Action and Time Scale</b>
<b>Minimal</b>	No action is required and no documentary records need to be kept
<b>Tolerable</b>	No additional controls are required. Consideration may be given to a more cost-effective solution or improvement that imposes no additional cost burden. Monitoring is required to ensure that the controls are maintained
<b>Moderate</b>	Efforts should be made to reduce the risk, but the costs of prevention should be carefully measured and limited. Risk reduction measures should be implemented within a defined time period.  Where the moderate risk is associated with extremely harmful consequences, further assessment may be necessary to establish more precisely the likelihood of harm as a basis for determining the need for improved control measures
<b>Substantial</b>	Work should not be started until the risk has been reduced. Considerable resources may have to be allocated to reduce the risk. Where the risk involves work in progress, urgent action should be taken
<b>Intolerable</b>	Work should not be started or continued until the risk has been reduced. If it is not possible to reduce risk even with unlimited resources, work has to remain prohibited

## **PART V: SAFETY TRAINING**

Training and education are among the most important functions in an organization today. Information has become the commodity of the future, learning is how it is acquired.

As a company we strive to attain superior performance through a continuous improvement model, a quality program, corporate re-engineering or any other strategy. AAM's associates must be provided with appropriate learning opportunities. Like quality and productivity, learning must be built into the total business process. It must become a systemic effort, not just an add on. Safety training and education are just one aspect toward the continuous improvement and knowledge base of our associates.

Safety training classes that are offered and recommended are not optional.

### **Training Standards and Controls**

AAM provides training for our associates to improve or maintain a competitive position in the marketplace. To accomplish this, two objectives must be achieved:

- Trainees must acquire useful knowledge and skills in classes or on the job.
- Trainees must apply the new knowledge and skills to their jobs and improve performance with practice and feedback.

On the job performance improvement translates into a safer work environment for all AAM associates. In training, there are six important considerations that will help us achieve more effective results. They are as follows:

- Determine the nature of the training problem- training solutions will not solve non-training related problems.
- Note the paradigm shift in training- changes in learning theory and practice are causing changes in the way we teach. We are trying to make the sessions more active, rather than the passive nature that has been used.
- Apply the characteristics of effective training.
- Evaluate your training program.
- Use best practices in the training area.

- Manage the training process- policy, budget, training matrix's, scheduling and documentation.

## **PART VI WORKSHOPS**

### **S.A.F.E. Workshops**

A S.A.F.E. workshop is where a cross-functional group of associates address a problem area that is an obstacle to AAM achieving its corporate safety goals. In the workshop, participants analyze data on the safety concern, define the problem, identify root causes, develop countermeasures, and implement them.

One major benefit of S.A.F.E. workshops is they allow us to tap into our most valuable resource: our associates. They are best equipped to help analyze and resolve our problems because they are closest to them. The countermeasures developed in S.A.F.E/ workshop can be shared throughout AAM, thereby leveraging our associates' experience and expertise.

### **Purpose of S.A.F.E. Workshops**

- Involve workshop teams in assessing risk through standardized processes for risk assessment and job safety analysis.
- Train workshop participants on the Basic Risk Assessment and Job Safety Analysis.
- Ensure that every manager plans S.A.F.E. workshops where hazard controls and ergonomic improvements are required.

### **Process**

**Pre-Workshop Activities-** The pre-workshop activities are those that start approximately 2 to 4 weeks prior to the workshop and are the most important part of the workshop process. A Project Charter is developed and data is developed and data is collected on the target area for use in the workshop. This greatly assists in defining the problem, identifying root causes and developing solutions

**Workshop Activities-**The workshop activities are designed to come up with robust, effective solutions. Defining the problem, based on the

collected data, typically will bring you 90% of the way to a solution. After doing this, root causes are identified and countermeasures developed and implemented.

**Post-Workshop Activities**-The post-workshop activities are primarily designed to ensure documentation, follow-up, and improvement of the workshop process

## **PART VII: COMMUNICATION**

“The act or process of communicating; transmission. The exchange of ideas, messages or information, as by speech, signals or writing.” To be effective, communication must include feedback; it must be two-way. Effective communication is critical to a successful safety and health program.

### **Various Levels & Methods of Communication**

- Important issues communicated from the top down
- Establish a method to receive feedback and communication from the bottom up
- Team Meetings
- Special Advisory Bulletins
- Closed Circuit Television scrolled Messages
- Safety Talks-Regular Monthly and Special Newsletters
- Communication to Families-Home Safety Advice (safety off the job), Status of AAM, etc.
- Progress Broads/Status Boards-Individual department, Area, Plant, Corporation
- Safety Measureables/Cost-Utilizing any or several of the above listed methods
- Posters
- Formal reports
- Informal talk

## **PART VIII: S.A.F.E. REVIEW BOARD MEETINGS**

### **One-hour Weekly Review Meetings**

Purpose of the meeting:

- Review all recordable incidents and near-misses from the previous week
- Review safety statistics

- Review training Matrix and percent completion
- Identify resources and establish action plans to address urgent short and long-term needs
- Follow-up on open issues from previous meetings

**Participants:**

- Co-chairs Plant Manager and Chairman
- Local Joint Health and Safety Committee
- Medical
- Supervisor, committee person from incident area
- Affected associate, when appropriate
- Key staff from the Plant Management and Union as required
- Others as designated by the Co-chairs

**Monthly Safety Review Board Meeting**

**Purpose of Meeting:**

- Review the progress of Health and Safety at a strategic level for the previous month
- Identify resources and establish action plans to address short and long-term needs

**Participants:**

- Plant Manager and Chairman
- Plant Staff
- Union Shop Committee
- Local Joint Health and Safety Personnel
- Support agencies (vendors, contractors, etc.) as appropriate

**PART IX: Weekly Safety Observation Tours**

**Purpose of the Tours:**

- Involve joint personnel in the active review of safety conditions and practices
- Identify and document conditions and practices needing attention
- Identify resources and actions needed
- Develop a report of noteworthy safe practices for purpose of recognition

**Participants:**

- **Co-chair Plant Manager and Chairman**
- **Key staff from Plant Management and Union, as required**
- **Area Supervisor and District Shop Committee for the area**
- **Local Joint Health and Safety personnel**
- **Area Associates**
- **Area Manager of Manufacturing and Maintenance**

**Goal:**

- **Identification of potentially hazardous conditions**
- **Rapid response and corrective actions with appropriate personnel to resolve conditions**
- **Identification of resources needed to resolve problems**

## **Job Security Program**

Notwithstanding any of the provisions contained in the 2004 National Agreement to the contrary, the Parties agree that the following provisions will govern the process for enhanced buyouts and job security.

### **I. Enhanced Buyouts:**

AAM will offer enhanced buyout incentives at each of the five plants covered by this Agreement up to a total of 1,500 workers over the life of the agreement as market conditions demand.

#### **Rules:**

- Limited to volunteers only, up to 1,500 total associates.
- The total number of excess associates will be determined by plant, based on business needs and market conditions. This is expected to be in line with current and projected layoff and protected status levels within the five original plants.
- An enhanced buyout or retirement incentive of \$50,000 shall be offered to seniority associates on a voluntary basis.
  - In the event that the number of applications received exceeds the 1,500 associates, Management and the International UAW may jointly decide to allow acceptance of additional applications in seniority order as business conditions warrant.

#### **Timeframe:**

- Management will communicate its manpower projections to the International UAW for each year between the fourth quarter of the previous year and the end of the first quarter of the current year.
- Offers will be made and accepted during the life of the Agreement.

## **Additional Items:**

- Three Rivers IOA, Three Rivers 11.5" Axle and Cheektowaga associates are not eligible to participate in this voluntary incentive buyout program. Furthermore, any associate hired after the effective date of the National Agreement is excluded from participation in the voluntary buyout incentive. In addition, Three Rivers associates who voluntarily participate in this buyout incentive program are not eligible to rehire in the 11.5" Axle Operation.
- Non-retirement eligible associates who accept the buyout will have hire rights at their former plant only at the new hire wage and benefit rates. Associates must make application within 30 days of accepting a buyout. Openings will be filled in seniority order from the then current list.
- Associates on leave will be eligible for voluntary incentives based on seniority regardless of their leave status.

The Parties recognize that the above provisions must be addressed in accordance with State and Federal law, and therefore, details of the above provisions will be discussed and amended as necessary.

## **II. New SUB Provisions**

### **A. Protection from Indefinite Layoff for the following reasons:**

1. Jobs lost due to workshops
2. Jobs lost due to suggestion program implementation
3. Jobs lost due to outsourcing

### **B. Indefinite Layoff:**

1. Associates who are indefinitely laid off are eligible for the following benefits:

**Plant Seniority Date**

March 2, 2004 and after

March 1, 2004 and earlier

**Weeks of SUB**

26

For the duration of the layoff

2. Associates on layoff will have a 5% reduction in SUB pay following each subsequent twenty-six (26) weeks of layoff. The total SUB reduction will not exceed 20% of net pay (i.e., 95% of net pay for SUB reduces to 90% of net pay for SUB, and continues each subsequent 26 weeks to 80% of net pay for SUB).
3. For purposes of Item II,B.2. above, indefinite layoff periods during the term of this agreement are cumulative. This excludes periods of temporary layoffs as defined in the local seniority agreements at each location covered by the AAM-UAW National Agreement.
4. Associates placed on indefinite layoff in accordance with this Item, II, B., above, shall have health care coverage, including dental continued during the entire period of SUB eligibility, provided that they are otherwise eligible.
5. These above provisions supercede any provisions to the contrary in the Supplementary Agreements, Exhibit C and Exhibit D, of the AAM-UAW National Agreement.

**C. Recall / Rehire Rights:**

1. It is not the intention of the parties that associates will be separated from AAM for the purpose of immediately reemploying them at new hire wage and benefit levels. Therefore, the following provision shall apply:
2. The following definitions of recall and rehire are based on the provisions of Paragraph 64(e) of the National Agreement.
  - a. Associates who have recall rights shall continue SUB eligibility during the recall period, if otherwise eligible.
  - b. Associates recalled shall return at original bargaining unit wage rates and benefit levels.

- c. Associates rehired shall be reemployed at the new hire wage and benefit levels.
3. Notwithstanding the above, it is understood that for the term of the 2004 National Agreement, no associate on roll (including associates on leave, or layoff) as of the effective date of this Agreement will break seniority on a time-for-time basis. Therefore, such associates are eligible for SUB benefits, if otherwise eligible, during the term of the 2004 AAM-UAW National Agreement.

**NEW**

February 27, 2004

Cal Rapson  
Vice President and Director  
American Axle Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

This confirms our understanding that the attached "Job Security Program" waives the provisions of Appendix K, and the referenced portions of Exhibits C and D during the term of the 2004 National Agreement.

Very truly yours,

Patrick J. Paige  
Vice President Human Resources  
American Axle & Manufacturing, Inc.

## **APPENDIX K**

### **MEMORANDUM OF UNDERSTANDING EMPLOYMENT SECURITY PROGRAM (ESP)**

The Corporation and the Union are committed to enhancing the job security of American Axle & Manufacturing, Inc. associates. The Parties also recognize that such job security can only be realized within a work environment which promotes operational effectiveness, continuous improvement and competitiveness.

Accordingly, the parties have agreed to this ESP Program, and have pledged to work together, consistent with this program and other provisions of the National Agreement to enhance the Corporation's competitive position.

The cornerstone of the ESP Program is a commitment to pre-determined Secured Employment Levels (SEL's), a series of SEL Benchmark Minimums, and protection against indefinite layoff for eligible associates as expressly provided herein.

**I. SCOPE OF THE PROGRAM** - The Corporation and the Union agree that:

- (A) The secured employment levels (SEL's) (i.e. numbers of eligible associates or positions covered by this program as defined herein) initially shall be established as of the effective date of the Agreement at each bargaining unit for skilled and non-skilled associates. The transfer of an associate between a skilled and non-skilled group will cause the SEL for the group receiving the associate to increase and the other group from which the movement occurred to decrease unless the movement occurred to satisfy the SEL, in which case the SEL will remain the same in each group.

SEL groups are set forth in Attachment B. The SELs for each Group will equal the sum of their respective Unit SELs.

- (B) The initial Secured Employment Levels for each Unit shall be equal to the sum of: (1) the number of active associates with one or more years seniority at work and on roll in the Unit on

the Effective Date; (2) the number of active associates with less than one year of seniority occupying SEL slots in the Unit on the Effective Date; and (3) the number of unfilled new hire obligations in the Unit as of the Effective Date due to the application of the outsourcing/new hire provisions of the 1997 Agreement, Appendix K (Article II (O)(2)b.3). Such active associates will be SEL eligible and shall include associates not at work who are:

- (1) on vacation,
  - (2) receiving bereavement pay,
  - (3) on jury duty,
  - (4) on any leave of absence of 90 days duration or less,
  - (5) on temporary layoff, and
  - (6) any other associate having a direct attachment to the active workforce.
- (C) A series of SEL Benchmark Minimums will be established for each Unit on the Effective Date, representing projected SEL-eligible employment minimums as of the close of each calendar quarter beginning with the quarter ending 6-30-00, through the quarter ending 12-31-03. Each quarterly Benchmark shall be determined by subtracting from the immediately preceding SEL Benchmark an amount equal to .333% of the Unit's Initial SEL, so that the 12-31-03, Benchmark shall equal 95% of the initial SEL. (If this calculation results in something other than a whole number, sequential rounding adjustments may be made to even out the calculations over the term of the Agreement.)
- (D) No associate will be laid off for any reason, other than described in I(E), if such layoff would cause the number of active associates in the Unit to fall below the then current SEL or otherwise result in the layoff of one or more SEL eligible associates.

(E) Paragraph I(D) notwithstanding, an associate protected from layoff by the SEL may be laid off for any of the following reasons:

- (1) volume related declines attributable to market related conditions as described in Document No. 10, ESP Program - Volume Related Layoffs - SEL not to exceed 42 weeks (inclusive of vacation shutdown weeks) over the life of the Agreement;
- (2) acts of God or other such reasons beyond the control of the Corporation;
- (3) the sale of a part of the Corporation's operations as an ongoing business;
- (4) the layoff of an associate recalled or reassigned to fill an opening known in advance to be temporary; or
- (5) model change or plant rearrangement until the associate otherwise would have been recalled.

An associate impacted by any of the above reasons is, if otherwise eligible, covered by the appropriate Supplemental Agreements which are attached to the National Agreement as Exhibits.

(F) The number of associates protected by this ESP Program will be the equivalent of the associates within the SEL who would otherwise have been laid off as a result of any event other than those described in Paragraph I(E).

## **II. ADJUSTMENTS TO THE SEL AND SEL ELIGIBILITY –**

Following the initial determination of the SEL, it will be adjusted as follows:

(A) An associate shall become SEL-eligible for any of the following reasons at which point the SEL will be increased by one position for each such associate: (1) an associate in the active workforce, as defined by Paragraph I(B) who had less than one year seniority on the effective date of the Agreement

who subsequently attains one year of seniority; (2) an associate with one or more years seniority is recalled, except if recalled to satisfy the SEL, and is actively at work, on vacation or received pay in at least 26 weeks during any consecutive 52-week period ending after the effective date of the Agreement; (3) an associate with less than one year's seniority is recalled, except if recalled to satisfy the SEL, who subsequently attains one year's seniority and is actively at work, on vacation or receives pay in at least 26 weeks during any consecutive 52-week period ending after the effective date of the Agreement; (4) an associate rehired pursuant to Paragraph (64)(e), except if rehired to satisfy a SEL, who subsequently attains one year's seniority and is actively at work on vacation or receives pay in at least 26 weeks during any consecutive 52-week period ending after the effective date of the Agreement; (5) an associate newly hired after the effective date of the Agreement who attains three years of seniority; (6) an associate deemed to be eligible, recalled or newly hired in order to satisfy a SEL Benchmark Minimum. Notwithstanding the above, the Corporate Leadership Council is authorized to establish special mechanisms, including SEL eligibility provisions, for the purpose of attracting new work.

- (B) The SEL will be reduced for the attrition of eligible associates who quit, retire, or die.
- (C) The Group SELs established pursuant to Section I(A) will continue to equal the sum of their respective Unit SELs and will be adjusted in accordance with the addition or deletion of Units to the extent such transactions affect the sum of the respective Unit SELs.
- (D) Unit SELs will be adjusted in the event of transfers of operations or consolidations between Units. The Unit SEL will be decreased by one at the transferring location and increased by one at the receiving location by the corresponding number of jobs involved in the transaction, unless otherwise agreed to by the National Parties. Similarly, corresponding adjustments will also be made to the SEL Benchmark Minimums of each affected Unit.

- (E) Each associate who leaves the bargaining unit for a permanent salaried position will be replaced immediately with no effect on the SEL by recalling an associate from layoff or from the Area Hire List, or by hiring a new associate if no such laid off associate is available. For each regular salaried associate returning to the bargaining unit, the SEL will be increased by one.
- (F) SEL eligible associates off roll will maintain their eligibility upon reinstatement.
- (G) (1) Following the last day of each month and within fifteen days of the following month (SEL Benchmark Review), the number of SEL-eligible associates in each Unit shall be compared to the Unit's corresponding SEL Benchmark Minimum. Adjustments will be made consistent with the provisions of this Memorandum, and attrition replacement obligations will be fulfilled as set forth below.
- (2) When the number of SEL-eligible associates exceeds the Benchmark Minimum, attrition will be replaced on a one-for two basis by recalling associates on layoff in accordance with the procedure described in Section (3)(b) below.
- (3) When the number of SEL-eligible associates would otherwise fall below the Benchmark Minimum, attrition will be replaced on a one-for-one basis by the following actions in order to maintain eligible employment at the Benchmark Minimum.
- (a) First, by allowing an ineligible active seniority associate at the affected facility to become eligible.
- (b) Second, by recalling a seniority associate from layoff from the facility, or rehiring an associate with a Paragraph (64)(e) rehire right, or from the Area Hire list.
- (c) Or third, by hiring new associates up to the net number of jobs outsourced minus those in sourced (as

defined in Appendix J of the Agreement and determined by the Corporate Leadership Council subsequent to the Effective Date. Such positions will be filled on a SEL Group basis (or Unit if applicable) no later than ninety (90) days following the SEL Benchmark Review, except when the affected Unit is encountering market-driven, volume-related layoffs.

- (4) Notwithstanding the above, the net outsourcing/new hire obligation provided in Section (3)(c) above shall be activated earlier than required therein if and when the number of SEL-eligible associates is less than the greater of: (1) the SEL Benchmark Minimum for the quarter; or (2) 95% of the Unit's Baseline SEL under the 1997 Agreement.
- (5) If, after fulfilling the above requirements, subsequent attritions would cause the number of SEL-eligible associates to fall below the Unit's Benchmark Minimum, attrition will be replaced on the following basis:
  - (a) When the number of SEL-eligible associates is greater than 90% but less than 100% of the Benchmark Minimum, one (1) new associate will be hired for each three (3) attritions.
  - (b) When the number of SEL-eligible associates is greater than 80% but less than 90% of the Benchmark Minimum, one (1) new associate will be hired for each two (2) attritions.
  - (c) When the number of SEL eligible associates is below 80% of the Benchmark Minimum, one (1) new associate will be hired for each one (1) attrition.
  - (d) Such positions will be filled on a SEL Group basis (or Unit if applicable) no later than ninety (90) days following the SEL Benchmark Review, except when the affected unit is encountering market-driven, volume-related layoffs.

- (6) Associates recalled, hired, or rehired to fulfill the above obligations may be assigned within their Unit at Management's discretion, subject to applicable seniority provisions of the Agreement.
- (7) In the event new hire obligations required in Subsection (3)(c) above are fulfilled through the placement of new associates at a Unit within the Group other than the one at which the obligations were created, the SEL for the respective Units will be adjusted on a one-for-one basis, but reducing the SEL at the Unit where the openings occurred by the number of new hire fulfillments and correspondingly increasing the SEL(s) at the Unit(s) where the new hires were placed. Similarly, offsetting adjustments will also be made to the SEL Benchmark Minimums of each affected Unit.
- (H) If on the evaluation date the SEL number results in less than a whole number, the Engineering Method of Rounding will be used to determine the SEL.
- (I) Notwithstanding the above, SEL Benchmark Minimums will not be established for a facility determined to be closing.

### **III. JOB SECURITY AND OPERATIONAL EFFECTIVENESS -**

In recognition of the fact that job security can only result from joint efforts to improve operational effectiveness, the Corporation and the Union agree that:

- (A) For a period commencing with the Effective Date of this Memorandum of Understanding and for the life of the current Agreement, no associate within the SEL will be laid off as a result of any event other than those described in Paragraph I(E).
- (B) An associate whose regular job is eliminated will be placed pursuant to the applicable provisions of the National Agreement and Local Seniority Agreement.
- (C) The number of associates protected from layoff due to the ESP Program will be that determined in Paragraph I(F). Each

Protected associate will be identified by application of the Local Seniority Agreement provisions as if such job security were not provided.

- (D) If an event, other than those described in I(E), would otherwise cause the number of active associates in a unit to fall below the then current SEL, the associates so protected, as provided for in I(D), will be placed on Protected associate status. The Parties recognize that events, other than those described in I (E), may occur during the course of this Agreement that will cause the number of SEL eligible associates to exceed the Corporation's production requirements. The parties further recognize that the scope of this program requires flexibility with regard to the assignment of such Protected associates and the selection of associates for training. In this regard, the Leadership Team (described in Section IV, below) will ensure that assignments are made on a basis consistent with the seniority provisions of the Collective Bargaining Agreement and Local Seniority Agreement while meeting plant needs, minimizing work force disruption and enhancing the personal growth and development of associates. After a decision by the Leadership Team a Protected associate may be (1) placed in a training program, (2) used as a replacement to facilitate the training of another associate, (3) placed in a job opening at another AAM plant provided there is no associate on layoff from that plant with a seniority recall or Paragraph (64)(e) rehire right or an Area Hire applicant who has not been offered a job at that plant, (4) given a job assignment within or outside the bargaining unit which may be non-traditional, (5) placed in an existing opening or (6) given other assignments consistent with the purposes of this Memorandum of Understanding.
- (E) (1) Notwithstanding the above, an available Protected associate may be placed on the Area Hire list by Management for selection to an available opening at another location within the area. The number of such Protected associates made available for placement cannot exceed the number of Protected associates who have been laid off for the duration of the 42-week volume-related layoff limit (inclusive of vacation shutdown weeks).

Protected associates will be made available for Area Hire placement in inverse seniority order.

- (2) A location that has no one on layoff with a seniority recall or Paragraph (64)(e) rehire right may fill a job opening with an available Protected associate from another location within the Area Hire Area pursuant to Paragraphs M (1) and (2), or an Area Hire applicant who has not been offered a job in the Area Hire Area.

The SEL will be reduced by one at the plant from which the associate is transferred and increased by one at the plant to which the associate is transferred, unless the transfer satisfied the SEL, in which case the SEL will remain the same at both plants.

An available Protected associate transferred permanently to another location may remain at the secondary location until at the associate's home location (1) there is an available opening in the regular active workforce to which the associate is entitled, or (2) the associate is recalled to Protected associate status, or (3) the associate is laid off from the secondary plant, at which time the associate will return, seniority permitting, to the active workforce.

- (F) Efforts of the local parties to improve operational effectiveness will be encouraged and supported by the National Parties including, as may be appropriate, approval of requests to waive, modify or change the National Agreement.
- (G) A Protected associate will continue to receive their regular straight time hourly rate of pay. In the event a Protected associate is assigned to another classification, the associate will receive the rate of pay as provided by the Local Wage Agreement.
- (H) Protected associates' assignments will be considered temporary and not subject to provisions governing permanent filling of vacancies or the application of shift preference, except for assignments to fill openings resulting from volume increases. Experience gained from these temporary

assignments will not be used to advantage such Protected associate over other associates for selection to fill permanent vacancies, nor will the Protected associate gain seniority under Paragraph (62) of the National Agreement from such assignments.

- (I) An associate replaced by a Protected associate will receive their regular straight time hourly rate of pay, and will be returned to the same classification and job assignment upon completion of the replaced associate's assignment. In the event the associate has insufficient seniority to return to the formerly held classification, the associate will be placed pursuant to the applicable provisions of the Local Seniority Agreement.
- (J) If an associate would have been transferred pursuant to Paragraphs (63)(a)(1), (63)(a)(2), (63)(b) or Appendix M of the National Agreement or placed in an Apprentice program were it not for participation in a training assignment provided by this program, the associate will be transferred to this classification upon completion of the training assignment. In the event the associate would have been selected for an A.I.T. or Apprentice assignment the associate's date of entry will be adjusted as if the associate's assignment had not been delayed.
- (K) A replaced associate returned to a job assignment under this Program will be credited with all overtime hours the associate worked while out of the equalization group, but not with the overtime hours the associate would otherwise have worked in the group had the associate not have been replaced by the Protected associate.
- (L) A training assignment will be voluntary on the part of an associate being replaced by a Protected associate, unless such training is to develop or improve technical skills relevant to the associate's current job assignment or anticipated future job needs.
- (M) No Protected associate will be temporarily assigned to a job outside of the bargaining unit except on a voluntary basis,

subject to the direction of the Corporate Leadership Council. Permanent transfers of Protected associates outside the bargaining unit to other AAM-UAW represented plants within the Area Hire Area will be handled as follows:

- (1) Management may place a Protected associate's name on the Area Hire list. The number of names so placed may not exceed the number of associates who have been laid off for the duration of the 42-week volume-related layoff limit (inclusive of vacation shutdown). Protected associates will be made available for Area Hire placement in inverse seniority order. Thereafter, such associates may be selected in seniority order to available jobs at other locations. The seniority used by a skilled trades associate in administering these provisions will be the associate's date of entry or Journeyman/woman date.
  - (2) A Protected associate who is transferred permanently out of the Area Hire Area in accordance with this paragraph, or if so transferred later accepts a recall or rehire at a former location, will be eligible to receive a relocation allowance and other relocation services as provided in Paragraphs (96a) (1), (2), (3), (4), and (5) of the National Agreement. A Protected associate temporarily transferred out of the Area Hire Area who does not change permanent residence as a result of the transfer will receive reasonable transportation and living expenses for the duration of the assignment. Any problems connected with the above may be raised with the Corporate Leadership Council.
- (N) In the event there is an opening due to a volume increase, the available Protected associate with the highest seniority will be placed in this opening, unless the Leadership Team determines the associate should first complete the associate's current assignment. If seniority associates are on layoff from that plant, a number of such associates, equivalent to the number of Protected associates placed in openings due to volume increases will be recalled from layoff. A Protected associate transferred to another AAM plant due to a volume increase who is subsequently laid off from the secondary plant due to a

volume decrease will be returned to available openings at the associate's home plant, seniority permitting.

- (O) A layoff caused by an event described in Paragraph I (E) will have no impact on the number of Protected associates except for an associate who is protected from a layoff attributable to a market related volume decline in excess of 42 weeks (inclusive of vacation shutdown weeks). In those instances, Protected associates, having the least seniority, will be laid-off and replaced by an equivalent number of greater seniority associates who would otherwise have insufficient seniority to remain in the plant.
- (P) In the event the Leadership Team or National Parties determines that the number of Protected associates exceeds the number of expected openings at the plant or in the Area within the next succeeding 12 months, special programs as set forth in Attachment A may be triggered upon prior approval of the Corporate Leadership Council. Thereafter, to the extent the number of Protected associates is still in excess of expected openings, such associates, under the direction of the Corporate Leadership Council, may be transferred out of the area pursuant to Paragraph (M). The Corporate Leadership Council may also explore the extension of Attachment A to other locations to create job opportunities for excess Protected associates within the Area Hire Area.
- (Q) Earnings, including wages and wage related payments, received by associates while on Protected associate assignments, will be charged against the maximum liability amount. The cost of benefits and other payments made or incurred on behalf of Protected associates, specifically, health care (including dental and vision), group insurance, pensions, legal services, training fund contributions, and FICA will be charged against the maximum liability amount. Moving allowance payments and the cost of benefits provided under Attachment A of this Memorandum of Understanding will not be charged against this liability. Earnings received and the cost of benefits and other payments made on behalf of Protected associates while assigned to fill permanent job

openings resulting from volume increases or assigned to other regular and productive work (e.g., absentee replacements) will not be charged against this liability.

- (R) Charges against the Corporation's liability will commence with the first payments made to Protected associates and will continue until the maximum liability is reached or the expiration of the Program as provided in this Memorandum of Understanding, whichever occurs first. The records of such charges will be maintained by the Corporation and will be available to the Union at appropriate times.

**IV. ADMINISTRATION OF THE ESP PROGRAM** - The Corporation and Union agree that:

- (A) At each bargaining unit covered by the current AAM-UAW National Agreement, the Leadership Team will be responsible to administer the Program.
- (B) The membership of the Committee will consist of the local Plant Manager, and other representatives selected by management; the local Union President, if an American Axle & Manufacturing associate, and the Shop Committee.
- (C) The duties of the Leadership Team will be:
- (1) Review local accessions and separations relative to the Unit Secured Employment Level (SEL) and the number of Protected associates.
  - (2) Review the number and status of the available Protected associates on a monthly basis, specifically noting the impact on this group of attrition, volume and future manpower requirements.
  - (3) Monitor the initial placement of an associate who is within the SEL and who returns to work following an event covered in Paragraphs I(B) and I(E).
  - (4) Monitor the placement of Protected associates. In this regard consideration should be given to both the nature

and duration of the assignment following the guidelines contained in Section III of this Memorandum of Understanding. Coordinate with the Corporate Leadership Council the placement of an associate outside the Area Hire as defined in Appendix A Memorandum of Understanding Associate Placement.

- (5) Monitor permanent layoffs caused by the events described in I(E).
- (6) Participate in discussions regarding sourcing decisions as outlined in Appendix J - Sourcing Initiatives of the current AAM-UAW National Agreement on the subject of Sourcing.
- (7) Participate in discussions regarding the introduction of new or advanced technology as provided in the New Technology Integration Statement on Technological Progress contained in the current AAM-UAW National Agreement.
- (8) Review attrition and changes in the workplace. As required, develop plans to replace attrition, including the use of hires or rehires, to meet operational needs when other appropriate placement sources have been exhausted. Consistent with guidelines regarding SEL Program Administration, the local parties are required to report monthly that appropriate communications have taken place; upon the request of the Corporate Leadership Council, the local parties may be required to provide detailed information to support their monthly joint reports.
- (9) Review the manpower requirements of forward product, facility and business plans, maintaining the confidentiality of the material being evaluated.
- (10) Plan and coordinate the assignment of Protected associates in their home plant, the relocation of Protected associates to other plants in the area and the application of

special programs to Protected associates and active work force associates as described in Attachment A to this Memorandum of Understanding.

- (11) Authorize non-traditional work assignments for Protected associates where practicable both within or outside the bargaining unit.
- (12) Review any complaint regarding the administration of the ESP Program. Refer unresolved complaints to the Corporate Leadership Council. The National Parties will limit the review of complaints to those raised, in writing, within sixty (60) days of the SEL Benchmark Review or other event giving rise to the complaint unless the time limit is waived by the Corporate Leadership Council. Only those matters governing the size of the SEL-eligible population, the number of Protected associates, the SEL; or the treatment of a Protected associate as set forth in Section III of this Memorandum of Understanding will be subject to the Grievance Procedure. Such grievances will be filed at the Second Step of the grievance procedure. All other unresolved complaints will be settled expeditiously between the parties at the National level.

Disputes arising from the following matters may be submitted within fifteen (15) days of a SEL Benchmark Review to the Vice President and Director of the UAW General Motors Department and the Vice President, Human Resources, AAM: (1) market-driven, volume-related layoffs; and (2) new hire obligations required pursuant to Section II(G). If unresolved, the dispute must be appealed to the Umpire within thirty (30) days of receipt of the appeal. The Umpire's decision shall be final and binding on the parties, and the Umpire shall have the authority to enforce such decision, including the authority to order the Corporation to hire new associates required under Section II(G).

- (13) Jointly coordinate appropriate local training activities, working closely with the Plant Council and the UAW-

AAM Corporate Joint Programs Office to ensure that quality, cost efficient training is provided and appropriate funds are secured from both within AAM and from external sources.

- (14) Jointly develop and initiate proposals to improve operational effectiveness to secure existing jobs, and to attract customers and additional business thus providing additional job opportunities. When required, secure necessary approvals from the bargaining unit membership and the National Parties.
  - (15) Make recommendations to the Corporate Leadership Council, as appropriate, regarding any aspect of the ESP Program. This may include any aspect of the contractual relationship between the Corporation and the Union that is relevant to the duties of the Leadership Team; e.g., Appendix A, Appendix J - Sourcing Initiatives, and Paragraphs (59), (69), (95) and (96) of the current AAM-UAW National Agreement.
  - (16) Ensure that SEL funds are used solely for the purposes for which the Program provides protections, as specified in Section I(C) of this Memorandum of Understanding.
- (D) A Corporate Leadership Council Committee will be established at the Corporation-International Union level consisting of three (3) representatives selected from the Corporation and three (3) representatives selected by the Vice President and Director of the GM Department, UAW.
- (E) This National Committee will be responsible to the Executive Board-Joint Activities and will meet periodically as required to:
- (1) Monitor the efforts of the Leadership Teams.
  - (2) Maintain liaison with the Leadership Teams to coordinate:
    - (a) placement efforts for protected associates, (b) assessment and training programs and (c) funding through the Corporate Leadership Council.

- (3) Approve Leadership Team efforts to improve operational effectiveness and coordinate these actions when appropriate.
- (4) Coordinate, where applicable, the execution of Special Programs described in Attachment A as well as the placement of Protected associates. For example, where a permanent loss of jobs has occurred or is scheduled for a location, the parties may discuss transfer of associates to another location; such a transfer could be in advance of the scheduled job loss, if it could be accomplished without adversely affecting quality and operating efficiency.
- (5) Act on requests from Leadership Teams to waive, modify or change National Agreement provisions when such action would result in the preservation or increase of job opportunities. Such requests will be presented to the Executive Board-Joint Programs for approval and will be countersigned by the Vice President and Director of the GM Department of the International Union and the Vice President Human Resources, American Axle & Manufacturing Incorporated.
- (6) Make quarterly reports to the Executive Board-Joint Programs and periodically to Union and Corporate leadership regarding the operation of the Program.(F) The Corporate Leadership Council is specifically empowered to periodically review and evaluate the operation of this Memorandum of Understanding and make mutually satisfactory adjustments to its provisions during the term of this Memorandum.

**V. FUNDING** - The Corporation and International Union agree that:

Notwithstanding the commitments set forth in this Memorandum of Understanding, the Corporation's total financial liability for the cost of the ESP Program, to be calculated as agreed between the parties, shall not exceed \$94.2 million during the term of this

Memorandum of Understanding, adjusted by any amounts shifted between the ESP and SUB funds. In the event this liability is reached, Protected associates will be subject to layoff. Thereafter, to the extent that layoffs of such associates are required, the provisions of the Local Seniority Agreements will apply and eligible associates will receive benefit treatment in accordance with the Supplemental Agreements attached to the AAM-UAW National Agreement then in effect.

## **VI. EFFECTIVE DATE - TERMINATION DATE**

The Corporation and International Union agree that:

- (A) This Memorandum of Understanding will become effective at each bargaining unit covered by the current AAM-UAW National Agreement, on the Effective Date of this Agreement.
- (B) This Memorandum of Understanding shall expire with the expiration of the current National Agreement.

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

**American Axle &  
Manufacturing, Inc.**

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Richard Shoemaker

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Allan R. Monich

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Jim Beardsley

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Richard F. Dauch

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Mike Grimes

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Patrick J. Paige

[See Par. (33), (65), (66)(a)]

[See Doc. 10]

[See App J, New Technology Integration]

## **Appendix K**

### **ATTACHMENT A**

#### **MEMORANDUM OF UNDERSTANDING**

The Corporate Leadership Council may, from time to time and for specified periods, authorize the following Special Programs for designated eligible associates or may approve requests from Leadership Teams for implementation of such Programs. Associates must apply within the application period determined by the local parties and approved by the Corporate Leadership Council.

#### **SPECIAL PROGRAM #1**

#### **ESP VOLUNTARY TERMINATION OF EMPLOYMENT PROGRAM**

The ESP Voluntary Termination of Employment Program (VTEP) provides a guaranteed lump-sum benefit payment subject to the conditions and limitations contained herein. This Program is applicable to an associate with at least one year of seniority who is at work or is a Protected associate on or after the effective date of the Agreement.

#### **Description of Program Benefits**

<b>Years of Seniority As of Application Date</b>	<b>\$ Amount</b>	<b>Allocation Period (Months)</b>
1 but less than 2	15,000	6
2 but less than 5	21,000	9
5 but less than 10	37,000	15
10 but less than 15	47,000	19
15 but less than 20	62,000	25
20 but less than 25	67,000	27
25	72,000	29

The maximum gross amount of the benefit payable under this Program is \$72,000 for associates with 25 or more years of seniority.

In no event, however, shall the amount of a VTEP payment provided under this Program exceed such amount permissible under the Employee Retirement Income Security Act of 1974 (ERISA).

An associate who accepts a VTEP payment shall be provided with basic health care coverage for a period of 6 months dating from the end of the month following the month in which the associate last worked.

An associate eligible for an immediate pension benefit under the Hourly Rate Associate Pension Plan, at the time of their break in service (due to participation in a VTEP), shall upon completion of the Allocation Period and application for a pension benefit under the Hourly Rate Associate Pension 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 Hourly Rate Associate Pension Plan, such associates shall not be treated as deferred vested by reason of their participation in a VTEP.

### **VTEP Payment Offsets**

Any VTEP payment to an eligible associate will be reduced by the associate's outstanding debts to the Corporation or to the Trustees of any Corporation benefit plan or program, including any unrepaid overpayments to the associate under the SUB Plan, or Exhibit D, respectively, to the Collective Bargaining Agreement.

### **Effect of Receiving VTEP Payment**

An associate who accepts a VTEP payment, shall cease to be an associate and shall have their seniority broken at any and all of the Corporation's Plants or other locations as of the last day worked subsequent to the date their application for a VTEP payment is received (termination date), (ii) shall have canceled any eligibility the associate would otherwise have had for a Separation Payment and/or Redemption Payment under Exhibit D-1 to the Collective Bargaining Agreement, (iii) shall not be eligible to receive a mutual satisfactory retirement benefit under the Hourly Rate Associate Pension Plan, and (iv) shall not be permitted to retire under the Hourly Rate Associate

Pension Plan for the number of months of the allocation period following the termination date.

An associate who receives a VTEP payment, and who is subsequently reemployed by AAM, will not be eligible for any future VTEP payments until the associate has 5 or more years seniority following such reemployment. No seniority used to determine the amount of a previous VTEP payment shall be used in determining a subsequent VTEP payment.

## **SPECIAL PROGRAM #2**

### **ESP PENSION PROGRAM**

#### **General**

The ESP Pension Program provides pension benefits unreduced for age, payable under the Hourly-Rate Associate Pension Plan (Exhibit A to the Collective Bargaining Agreement) subject to the eligibility terms and conditions contained in such Pension Plan, and further subject to such terms and conditions contained herein. This Program is applicable to associates who are at work or is a Protected associate, on or after the effective date of the Agreement.

#### **Description of Program Benefit**

An offer of Mutually Satisfactory retirement may be extended under this ESP Pension Program to an eligible associate between the ages of 55 and 61 who has 10 or more years of credited service under the Hourly-Rate Associates Pension Plan. Such retirement would provide unreduced basic benefits for the life of the retiree, temporary benefits payable until age 62 and one month (or if earlier, receipt of Social Security disability benefits), and any supplements they may be entitled to based on the provisions of the Hourly-Rate Associates Pension Plan and the associates' age and credited service. The annual earnings limitation provisions of the supplements shall not be applicable to any mutually satisfactory retirement.

[See Doc. 10, 117]

**Appendix K****ATTACHMENT B**

<b>GROUP</b>	<b>CISCO</b>	<b>PLANT</b>
1	25200 25211	Detroit Gear Detroit Forge
2	25210 25212	Tonawanda Buffalo
3	25213	Three Rivers

## **APPENDIX L**

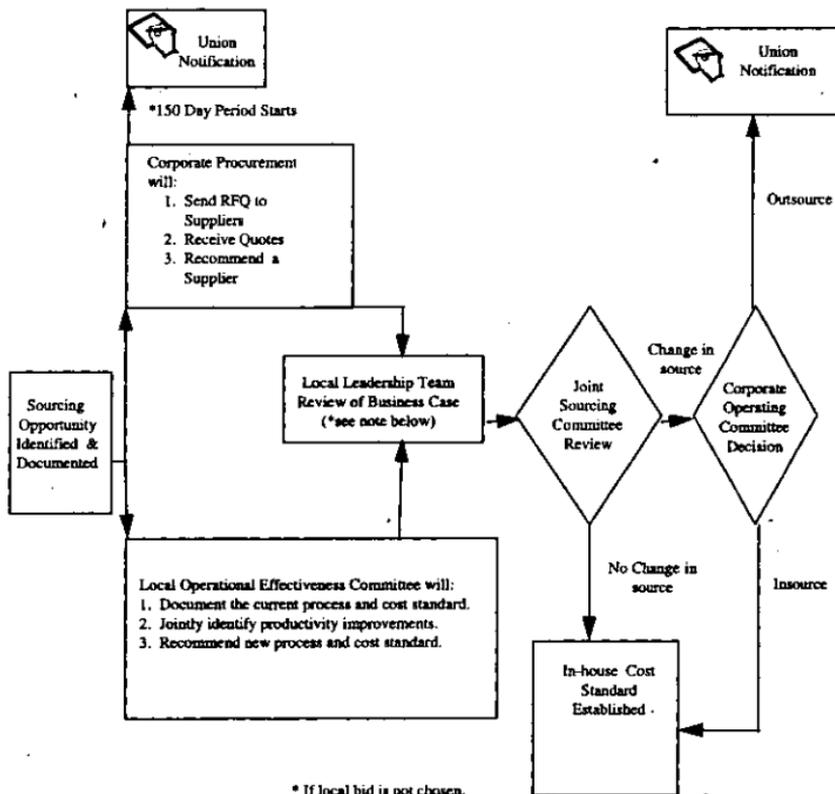
### **MEMORANDUM OF UNDERSTANDING SOURCING**

The Corporation will work jointly with the Union at both the Local and International levels to preserve jobs, replace jobs which may be lost by outsourcing action and to create jobs for protected associates and laid off associates. It is an objective of the Corporation to grow the business and to continue to rely upon its associates and facilities as the source of its products. During the life of the current Agreement, the Corporation will inform the Corporate Leadership Council of sourcing activities initiated at any of the Corporation's facilities. Additionally, data regarding incoming and outgoing work will be given in writing to the International Union on a quarterly basis.

Additionally, an International Union representative may participate as a member of the Corporate Sourcing Process Committee to allow direct discussion and to permit the parties to better assess the impact of sourcing on the long-term job stability of associates and the financial viability of the affected Corporate location. The parties agree to follow the sourcing analysis process as set out in the attached Exhibit 3.

## Exhibit 3

### Sourcing Process Flow Diagram



\* If local bid is not chosen, the OB Committee has 30 days to resubmit a modified proposal.

The rationale for sourcing actions will consider the criteria of quality, technology, cost, timing, statutory requirements, occupational and related environmental health and safety issues, the impact on long-term job stability, the degree to which the Corporation's resources can be allocated to further capital expenditures, appropriate return on investment and burden, the overall financial stability of affected facilities, and the impact on related facilities. Other factors considered by the Corporation before a final sourcing decision is made will include the effect on employment, and job and income security costs, on both a short and long-term basis. Such criteria shall give equal weight to the full impact of a sourcing action on UAW-AAM represented employment levels and the job and income security of UAW-AAM represented associates. The National Parties will jointly further develop the above criteria to be used to address sourcing issues.

Pertinent criteria will be applied consistently in comparisons of internal and external supply capability. The International Union and where appropriate, the local union, will be provided full and timely access to all appropriate data, including financial information, that is pertinent to evaluate product competitiveness and contemplated sourcing action.

The Union agrees to keep all such information confidential until the Corporation consents to its release. Further, in this regard, the Union will designate in writing those Union representatives who will have access to related information.

If the local parties cannot resolve a sourcing issue, a grievance may be filed at the second step of the grievance procedure.

In addition, the following specific commitments have been made to address sourcing-related job security concerns of UAW members:

### **1. Insourcing**

The Leadership Team will identify and discuss the practicality of insourcing, in whole or in part, work previously outsourced or new work which might be performed competitively within the location based on the criteria outlined above.

If through the joint sourcing analysis process it is established that certain work can be performed competitively judged by the above criteria, such findings will be presented to management and barring unique or unforeseen circumstances, the work will be sourced in-house. If approval or ratification of contract changes is required, the Union shall obtain any such necessary approval or ratification within 30 days of the decision to bring the work in-house.

## 2. Outsourcing

Outsourcing as used herein means the Corporation's sourcing of work from UAW-AAM locations, including work connected with current, new or redesigned products.

When the quoting process begins, which could potentially result in the removal of work from a UAW-AAM location, the local Union at the affected location(s) will review and have access to the entire request for quotation package for this work. If it is anticipated that less than 150 days will be required to complete the sourcing process, the Chairperson and the Personnel Director will be so advised.

In such instances where the Union believes that more time is needed for input into the pending sourcing decision, the matter may be referred to the Corporate Leadership Council for further discussion.

Upon receipt of this package at the plant, the Chairperson and the Personnel Director will indicate on the accompanying notice (Notice of Potential Outsourcing) that the information has been received. This notice will include a description of the work involved and will be mailed to the Vice President and Director of the UAW-AAM Department and the AAM Vice President of Human Resources.

Following receipt of the request for quotation package (or in the infrequent instances where a quote package is not utilized), the Leadership Team will have the opportunity to jointly develop a plan to perform the work competitively, judged by the criteria listed earlier. The Leadership Team will be provided full and

timely access to all appropriate data, including financial information that is pertinent to evaluate product competitiveness and the potential sourcing action. Prior to submission of the initial quote response, the information contained therein will be reviewed by the local parties.

At the close of the quoting process, the Leadership Team will be advised in writing of the most favorable quote response which best meets customer requirements and the terms and conditions contained therein. If this quote response is other than the one submitted by the affected location(s), a written notice will be issued to the Chairperson which includes the reason for the potential outsourcing, the quote price from the affected location, if applicable, the terms and conditions of the most favorable quote response, the potential jobs impact, and the anticipated impact date. Thereafter, the local parties will be given an additional thirty days, or longer when possible, to meet the terms and conditions of the quote response referenced above. A copy of this notice will be sent to the AAM Vice President of Human Resources, and the Vice President and Director of the UAW-AAM Department.

If through the joint sourcing analysis process it is established that certain work can be performed competitively, judged by the above criteria, such findings will be presented to management and barring unique or unforeseen circumstances, the work will be sourced in-house. If approval or ratification of contract changes is required, the Union shall obtain any such necessary approval or ratification within 30 days of the decision to bring the work in-house.

The sourcing authority will not enter into a contractual relationship with a supplier until such time as the designated management representative of the impacted location provides written verification that the above notification procedure and discussion by the local Committee has taken place.

The Corporation agrees to a full disclosure to the International Union of these procedures utilized in sourcing activities.

### **3. Temporary Outsourcing**

The National Parties agree that temporary outsourcing is not intended to provide a means for circumvention and abuse of the normal outsourcing notification procedures outlined in this Agreement. Outsourcing notices issued for temporary situations such as: breakdown of machinery or equipment, plant rearrangement and/or modernization, spot buys, model changeovers, and factory assists, etc., will be incorporated in the Quarterly Sourcing Report. By incorporating these occurrences in the Quarterly Sourcing Report, it is mutually understood that legitimate temporary outsourcing will not be considered in determining the Corporation's hiring requirements, pursuant to Appendix K, due to the scheduled return of the outsourced work.

The National Parties will monitor all temporary outsourcing to assure the return of such work in a timely fashion and in keeping with the intent of this Appendix and Appendix K.

Beginning with the effective date of this Agreement, Temporary Outsourcing Notices which remain open 30 days beyond the date the work was projected to be returned will be converted to permanent notices and the manpower associated with the work will be counted in the Net Sourcing calculation under Appendix K. Upon return of the work after a notice has been converted to permanent status, a notice of insourcing will be issued to the impacted location.

The Parties understand that circumstances do arise wherein the projected return date of temporarily sourced work legitimately requires an extension and the above provisions are not intended to create Appendix K liabilities in those circumstances.

Any questions or problems that may arise relative to the meaning and intent of this understanding will be reviewed and resolved by the National Parties on a case-by-case basis.

### **4. Future Product Sourcing**

International Union input to early sourcing decisions will be sought by the Corporation. In that regard, the International Union,

through the Corporate Leadership Council, will be notified that a new, subsystem or component part is being initiated as a concept.

The implementation of this process should provide the parties with the mechanism to take advantage of every opportunity to use internal resources and to create jobs for Protected associates.

To communicate this new sourcing procedure, the parties agree to conduct joint training seminars as necessary with designated local, corporate and International Union participants.

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

**American Axle &  
Manufacturing, Inc.**

Cal Rapson  
Richard Ruppert  
Norwood Jewell

Patrick J. Paige  
John E. Jerge

## **APPENDIX M**

### **MEMORANDUM OF UNDERSTANDING OTHER SKILLED TRADES VACANCIES ASSOCIATE-IN-TRAINING PROGRAM**

The parties have acknowledged and management has affirmed its policy of placing primary reliance on the Apprentice Program as a source for future skilled trades staffing. The parties recognize that there may very well be situations where hiring Journeypersons and/or placing Apprentices will not meet the immediate needs of the business. In those situations, where management has identified Skilled Trades vacancies and the local management has determined that the primary sources for staffing those vacancies will not meet the immediate needs of the operation, the local parties may request authorization from the AAM-UAW Skilled Trades and Apprentice Committee to utilize the Associate-in-Training Program to train those associates who fill such vacancies.

Where the AAM-UAW Skilled Trades and Apprentice Committee approves the parties to utilize the Associate-in-Training Program, the local parties will employ the Program in accordance with the Memorandum of Understanding agreed to by the parties titled Other Skilled Trades Vacancies - Associate-in-Training Program dated February 25, 2004. Any issues regarding local implementation of the Associate-in-Training Program will be referred to the AAM-UAW Skilled Trades and Apprentice Committee.

Associates who fill such vacancies shall be selected on the basis of their qualifications and when their qualifications are equal, associates with the longest seniority will be given preference.

The recruitment, selection, employment, and training of associates-in-training (A.I.T.) shall be without discrimination because of race, color, religion, national origin, sex, or sexual orientation. Affirmative action will be taken to provide equal opportunity in the Associate-In-Training program. Where no applications of seniority associates with qualifications have been filed for such selection, non-seniority associate applicants may be selected or new non-journeyperson applicants with qualifications may be hired for the work.

# **MEMORANDUM OF UNDERSTANDING ON OVERTIME**

## **Introduction**

The parties recognize that the manufacturing operations of the Corporation and its customers are highly and completely integrated. An interruption at one stage of the production process, whether during the regular work day, work week, or overtime or other premium hours, can, and probably will, cause costly interruptions of the process at earlier and/or later stages. This Memorandum represents an accommodation between the needs of the Corporation and the rights of individual associates to decline overtime work on occasion for a variety of individual and personal reasons.

The parties have earnestly sought feasible steps that the Corporation might take in scheduling overtime work to provide associates an opportunity to accept or decline work opportunities during such periods. Therefore, the parties have reached the following understanding in order to accommodate the scheduling of overtime to meet customer requirements, while attempting to avoid excessive associate overtime. Local Plant Management will make an election once each model year to schedule overtime operations in accordance with Plan A or Plan B below.

## **PLAN A**

### **1. Daily Overtime**

Hours in excess of nine (9) hours worked per shift shall be voluntary, except as otherwise provided in this Memorandum of Understanding, for an associate who shall have notified Management in accordance with Paragraph 8.

### **2. Saturday Overtime**

Associates may be required to work Saturdays; however, except as otherwise provided in this Memorandum of Understanding, an associate who has worked two or more consecutive Saturdays may decline to work the following (third) Saturday provided (a) the associate shall have notified Management in accordance with

Paragraph 8, and (b) the associate has not been absent for any reason (excluding absences for which pay is received under Paragraphs (194), (203), (218), and (218)(b) on any day during the week preceding the Saturday. For purposes of this Paragraph, Saturday work shall not include hours worked on Saturday by associates regularly scheduled to work Saturday or any portion thereof as the normal fifth day worked such as (i) an associate whose shift starts Friday and continues into Saturday, or (ii) an associate who is assigned to work on No. 1 Shift (Midnight) operations regularly scheduled to start with the No. 1 Shift (Midnight) Tuesday.

### **3. Sunday Overtime**

Except as otherwise provided in this Memorandum of Understanding, overtime work on Sundays shall be voluntary; provided, however, that (a) the associate shall have notified Management in accordance with Paragraph 8, and (b) the associate has not been absent for any reason (excluding absences for which pay is received under Paragraphs (194), (203), (218), and (218)(b) on any day during the week preceding such Sunday, except for a Saturday which the associate declined to work pursuant to Paragraph 2 above. For purposes of this Paragraph, Sunday work shall not include those hours worked on Sunday which are part of an associate's normal five-day work week (Sunday P.M. through Friday A.M.)

## **PLAN B**

### **4. Daily Overtime**

Daily hours in excess of ten (10) hours worked per shift and Saturday hours in excess of eight (8) hours per shift shall be voluntary, except as otherwise provided in this Memorandum of Understanding.

### **5. Saturday Overtime**

Management shall have the right to designate, during a model year period, beginning at the completion of the model launch exemption period stated in Paragraph 10 below, and ending two weeks preceding the announced model build-out, six Saturdays as non-voluntary overtime work days. All other Saturdays are voluntary, except as otherwise provided in this Memorandum of Understanding, and

associates may decline to work any other Saturday during such model year, provided (a) they shall have notified Management in accordance with Paragraph 8, and (b) they have not been absent for any reason on any day during the week preceding any Saturday which they elect not to work (excluding absences for which pay is received under Paragraphs (194), (203), (218), and (218)(b).

## **6. Sunday Overtime**

The provisions of Paragraph 3 shall apply.

## **7. Seven (7) Day Operations**

This Memorandum of Understanding shall not apply to associates working on what are normally classified as seven (7) day operations. The International Union may bring to the attention of the Corporation any overtime problems connected with associates on such operations.

## **8. Notice**

With respect to all voluntary hours provided for in this Memorandum of Understanding in a given week, the associate may decline to work such hours if the associate notifies the associate's supervisor/advisor on a form to be provided by Management before the end of the shift on the preceding Wednesday provided the associate has been notified of the overtime schedules for such week not later than the preceding day. If the associate is not so notified, the associate shall give such notice to the associate's supervisor/advisor before the end of the shift following the day of such notice, provided that if the associate is not so notified until the week in which the overtime is scheduled, the associate shall give such notice by the end of the shift in which the associate receives such notice from Management.

## **9. Critical Plants**

**A.** Critical plants or parts of plants are those that are crucial to the integrated supply system of the Corporation or its customers and whose output is essential to meeting the scheduled production of one or more other plants or of customers, and as a result, must operate, in whole or in part, seven (7) days a week.

**B.** The Corporation may, from time to time, designate plants or parts of plants as critical, provided, however, that fifteen (15) days prior to making such designations, it will inform the AAM Department of the International Union, which will indicate its objections, if any, to a plant or plants being so designated.

**C.** Any plant or part thereof that the Corporation designates as critical, shall, for a period of ninety (90) days after it is so designated, be exempt from the provisions of this Memorandum of Understanding that limit or restrict the right of the Corporation to require associates to work daily overtime or on Saturdays or Sundays or entitle associates to decline to work at such times. After a plant or part of a plant has been initially designated as critical, it may thereafter be redesignated as such by mutual agreement.

## **10. Annual Automatic Exemptions**

**A.** The provisions of this Memorandum of Understanding that limit or restrict the right of the Corporation to require associates to work daily overtime or Saturdays or Sundays shall be ineffective in each plant (a) beginning on a date two (2) weeks preceding the announced build-out date of an AAM customer plant and (b) for the week in which it launches the first unit after build out and (c) for three (3) weeks thereafter or until the customer plant line reaches scheduled production, whichever is later.

**B.** Said provisions shall likewise be ineffective during model change time for periods to be designated by Plant Management that shall not exceed, in the aggregate, four (4) weeks. Local Unions will be advised in advance of such designated periods in order to provide a full opportunity for advance discussion.

## **11. Concerted Activity**

**A.** Any right to decline daily overtime or Saturday or Sunday work that this Memorandum of Understanding confers on any associate may be exercised only by each associate acting separately and individually, without collusion, conspiracy or agreement with, or the influence of, any other associate or associates or the Union or pursuant to any other concerted action or decision. No associate shall seek by any means to cause or influence any other associate to decline

to work overtime. Violation by any associate of the terms, purpose or intent of this Paragraph shall, in addition to subjecting the associate to discipline, nullify for one (1) month (not including the periods mentioned in Paragraph 10 above) the associate's rights to decline overtime.

**B.** The Corporation shall have the right to suspend for a period of two (2) weeks (not including the periods mentioned in Paragraph 10 above) as to an affected plant or part of a plant the provisions of this Memorandum of Understanding that limit or restrict its right to require associates to work daily overtime or Saturdays or Sundays, or that entitle associates to elect not to work daily overtime or on Saturdays and Sundays, in the event associates collusively, concertedly or in response to the influence of any associate, or group of associates, or the Union (i) fail or refuse to report for daily overtime work or work on Saturday or Sunday that they have not declined as herein provided, or (ii) decline, as so provided, daily overtime work or work on Saturday or Sunday. If associates who are scheduled to work daily overtime in a plant or department or on Saturday or Sunday fail or refuse to work as scheduled in significantly greater numbers than the Corporation's experience under this Memorandum can reasonably lead it to expect, such evidence should be carefully considered by the Umpire in any decision involving the question of whether their failing or refusing to work the scheduled hours was collusive, concerted or influenced by other persons. The Union shall have the right to present directly to the Umpire any claim that the Corporation has acted wrongly in suspending the provisions of this Memorandum as to associates or a plant or part thereof. If the Umpire sustains the Union's claim, the Corporation shall, within sixty (60) days of the date of the Umpire's award, give each affected associate the right to decline work on as many daily overtime days or Saturdays or Sundays as such right was suspended.

## **12. Emergencies**

The provisions of this Memorandum of Understanding that limit or restrict the right of Management to require associates to work daily overtime or Saturdays or Sundays shall be suspended in any plant whose operations are interrupted by emergency situations, such as single breakdowns of four hours or more, government mandated work,

power shortages, strike, fire, tornado, flood or acts of God, for a period of time necessary to overcome such emergencies.

Any breakdown is to be considered justification for suspending the limitations on Management's right to require overtime work for purposes of correcting the breakdown itself; Management's right to suspend such limitations for the purpose of making up lost production is, however, in the case of breakdowns, limited to production lost as the result of single breakdowns of four or more hours.

### **13. Exempt Operation**

Associates on over the road trucking operations shall be exempt from the provisions of this Memorandum of Understanding.

### **14. New Plants**

The provisions of this Memorandum of Understanding that limit or restrict the right of the Corporation to require daily overtime work or work on Saturdays and Sundays shall be ineffective at any plant the Corporation builds or buys and remodels for a period of one year after regular production in such plant starts.

### **15. SUB**

Daily overtime hours or Saturday or Sunday work that an associate declines under the terms of this Memorandum of Understanding shall be deemed "Compensated or Available Hours" within the meaning of the Supplemental Unemployment Benefit Plan.

### **16. General**

A. In order to implement this Memorandum, the Corporation shall have the right to hire temporary associates for straight-time, overtime or weekend work in any plant. Such temporary associates shall not be entitled to Saturday or Sunday overtime premium pay, except as required by law, until they are qualified to perform the work to which they are assigned or for fifteen (15) working days, whichever is sooner.

As to skilled trades work such temporary associates will be qualified to perform the work. The term "qualified" will conform with the

skilled trades provisions of the National Agreement.

B. Nothing herein shall preclude a plant from expanding its work force beyond the normal requirements of its operations by hiring new or temporary associates and adopting a program pursuant to which associates of said plant may have one (1) or two (2) days off per week (which days need not be Saturdays or Sundays); provided, however, that work performed on Saturday or Sunday shall be at premium rates. Plans for such a program shall be discussed in advance with the AAM Department of the International Union, and any system of rotating days off among some or all of the associates shall be by mutual agreement between the Local Union and the Plant Management.

C. Nothing in this Memorandum of Understanding shall make ineffective any local past practice or agreement concerning voluntary overtime that is mutually satisfactory to the Local Union and the Plant Management.

D. It is understood that each bargaining unit shall have the option of applying this Memorandum of Understanding to skilled trades associates as a group, and not to non-skilled trades associates as a group, and vice versa. For the purpose only of exercising this option, non-skilled trades associates (e.g., Crane Operator in Die Room) whose work is supportive of skilled trades associates work will vote with the skilled trades associates as a group and skilled trades associates whose work is supportive of non-skilled trades associates work will vote with the non-skilled trades associates as a group. The local Union will notify the local Management in writing of its election not later than June 1, 2004. In plants where the election is to continue the application of this Memorandum, it shall continue without interruption. In plants where the bargaining unit elects for the first time to apply this Memorandum the effective date at such location will be June 1, 2004.

Further, if a bargaining unit elects to apply this Memorandum as provided herein, thereafter the local parties may mutually agree in writing from time to time to suspend the terms of this Memorandum for specified periods during which periods previous mutually satisfactory local practices and agreements in regard to voluntary overtime, overtime equalization and augmentation will apply. A copy

of all such agreements will be forwarded to the International Union and the Corporation.

During the life of this Agreement, in the event the Local Plant Management changes its designation to schedule overtime operations from Plan A to Plan B or from Plan B to Plan A as provided herein, the bargaining unit associates may conduct another vote as provided in this Paragraph (16D) and notify the local Management in writing of its election within thirty (30) days following the notice of change by the Local Plant Management.

E. Nothing in this Memorandum of Understanding shall make ineffective any local agreement pertaining to overtime equalization.

F. Problems which may not be foreseen in the administration of this Memorandum of Understanding which may affect the ability of the Corporation to operate efficiently may arise during the course of the current National Agreement. In such event, the matter will be raised at the Corporation-International Union level for resolution.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives on this 27th day of February.

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

**American Axle &  
Manufacturing, Inc.**

Cal Rapson  
Norwood Jewell

Patrick J. Paige  
John E. Jerge

[See Par. (71), (85)(a)-(c), (86), (87)]  
[See Doc. 83, 111]

## **MEMORANDUM OF AGREEMENT**

### **Voluntary Political Contributions**

It is agreed between American Axle & Manufacturing, Inc. (Corporation) and the International Union, UAW (Union) that the following understandings have been reached in connection with the Union's request to have deductions taken for voluntary political contributions from the monthly pension checks of the Corporation's hourly retirees and eligible surviving spouses.

American Axle & Manufacturing, Inc. also will continue to take deductions from the paychecks of active hourly associates in the same manner as it has in the past.

1. A designated official of the Union will furnish to the Corporation for each hourly associate, retiree, or surviving spouse for whom a deduction is to be taken, an Authorization Card, satisfactory to the Corporation, signed by the associate, retiree or surviving spouse.
2. Cards that cannot be processed will be returned to the designated official of the Union for correction.
3. The Union will retain exclusive responsibility for soliciting associates, retirees and surviving spouses participation, including expenses and compliance with the Federal Election Campaign Act.
4. With respect to retirees and surviving spouses, the Corporation will take such authorized deductions from regular pension checks monthly, and continuing monthly while such authorization is in effect, absent any conflicting legal requirements. In any case, deductions will be taken from any pension checks transmitted to the retiree or surviving spouse through regular processing but will not be made from checks prepared through special processing. Current processes for deducting from the pay of active associates will, in all respects, be unchanged.
5. A deduction not taken in one month will not be carried forward to subsequent month. The amount that can be deducted from pension checks is limited by law. Deductions for V-CAP will be subordinate to all other deductions permitted or authorized by law if total deductions exceed legal limitations.

6. The Corporation will assume the actual costs of general administration, as part of the economic settlement of these negotiations.
7. Retirees, surviving spouses, and associates who wish to cancel their authorizations for deductions will sign a card supplied by the Union for that purpose. Refunds will be the responsibility of the Union.
8. Designated officials of the Union will collect and forward to the Corporation, as one transmittal, all signed Authorization Cards and Cancellation Cards for the initial processing and once each month for subsequent additions, deletions, and changes.
9. The Union will indemnify and hold harmless the Corporation from any and all liability or claims arising from any claims or administrative errors resulting from the deductions provided for in this Agreement.
10. With respect to this Memorandum, the parties acted in reliance upon FECA Advisory Opinion 1981-39. This Memorandum is being entered into as part of the economic settlement with the Union. In entering this Memorandum, the Corporation reserved its right to unilaterally, following discussion with the Union, terminate its Agreement to bear the ongoing administrative costs of processing V-CAP deductions and contributions upon discovery or the issuance of any decision, opinion, regulation or statute by an agency, court or legislature that would call into question the lawfulness of the Corporation's assumption of these costs.
11. Further, the Corporation will deduct the V-CAP contribution on the third pay period of the month.

**International Union**

Cal Rapson  
Richard Ruppert  
Norwood Jewell

**American Axle &  
Manufacturing, Inc.**

Patrick Paige  
John Jerge

## **MEMORANDUM OF AGREEMENT**

On this 27th day of February, 2004 it is agreed between American Axle & Manufacturing, Inc., and the International Union, UAW, in accordance with the Memorandum of Agreement on deductions for Voluntary Political Contributions, dated February 27, 2004 and specifically Subsection 6 of the Agreement, the Union will pay the Corporation each six (6) months, on July 31 and January 31, for the term of the AAM-UAW National Agreement the following:

- (a) A fee of \$0.075 per participant each six (6) months calculated on the number of participants as of June for the July billing and December for the January billing.

**International Union**

**American Axle &  
Manufacturing, Inc.**

Cal Rapson  
Norwood Jewell

Patrick Paige  
John Jerge

[See Memo-Voluntary Political Contribution]

**Interpretation of the Time and  
One-Half Provisions of the National Agreement  
Paragraph (85)(a)  
(Special Case Caused by Short Shift)**

In the event an associate works more than eight consecutive straight time hours on a shift (exclusive of an unpaid lunch period) under circumstances where the present daily overtime provisions and interpretations would make the time worked in excess of eight hours on that shift payable at straight time, such time worked in excess of eight hours on that shift will be paid for at time and one-half. Any such time worked and paid at time and one-half instead of straight time, will be considered as having been paid at straight time for purposes of computing daily overtime within the 24-hour cycle in which such time worked occurs.

## WORKING HOURS

Example: Special Case  
Caused By Short Shift

D - Calendar Day  
HW - Hours Worked  
ST - Straight Time  
T 1/2 - Time and One-Half  
DT - Double Time  
PH - Pay Hours

D	FROM	D	TO	HW	ST	T 1/2	DT	PH	REMARKS
S	7:00 A		3:30 P	8			8	16	
M	6:00 A		3:30 P	9	8	6:00 A- 7:00 A		9.5	
T	6:00 A		11:30 A	5.5	4.5	6:00 A- 7:00 A		6	(1)
W	6:00 A		3:30 P	9	8	2:30 P- 3:30 P		9.5	(2)
Th	6:00 A		3:30 P	9	8	6:00 A- 7:00 A		9.5	
F	6:00A		3:30 P	9	8	6:00 A- 7:00 A		9.5	

- (1) Sent home or excused by Management.
- (2) Under G-153 and G-208, all 9 hours would be at ST. Under the 1967 interpretation, the hour from 2:30 to 3:30 p.m. would be at T 1/2 but would be counted as a straight time hour for purposes of computing daily overtime for the 24-hour cycle from 7:00 a.m. Wednesday to 7:00 a.m. Thursday.

**Interpretation of Working Hours Section  
(Delayed Starting Time on Sunday Night)**

In negotiations, the Union has cited the following examples:

An associate is scheduled to start work at 12:01 a.m. on Monday and at 10:30 p.m. for the rest of the week. The first eight hours beginning at 12:01 a.m. Monday were paid at straight time.

An associate starts a week at 10:30 p.m. Monday. This shift is also worked Tuesday night, Wednesday night, Thursday night and Friday night. The shift beginning 10:30 p.m. Saturday may or may not be worked. The associate is brought in Sunday night but instead of starting at the usual time of 10:30 p.m., the starting time is delayed until 12:01 a.m. Monday. The next week is then started at the usual time of 10:30 p.m. Monday. The first 8 hours beginning at 12:01 a.m. Monday were paid at straight time.

The Corporation advised the Union that in these and similar cases, the shift that starts at 12:01 a.m. on Monday will be considered a Sunday shift and paid at double time. The associate's 24-hour cycle shall be considered to have started at 10:30 p.m. Sunday night.

[See Par. (82), (86)]

## **Interpretation of Working Hours Section**

### **(Special Double Time Case)**

During negotiations the Union has cited a situation in which a third shift associate worked seven shifts in the week and received no double time under the following circumstances.

#### **Example #1**

The associate worked the first five days of the week beginning each day at the regular shift starting time. The associate's sixth shift was advanced from 12:01 a.m. Saturday to 11:00 p.m. Friday and the associate then worked eight hours. The seventh shift was advanced from 12:01 a.m. Sunday to 11:00 p.m. Saturday.

#### **Example #2**

The associate worked the first five days of the week beginning each day at the regular shift starting time. Then the associate's sixth shift was advanced from 12:01 a.m. Saturday to 11:00 p.m. Friday and eight hours were then worked. The seventh shift was advanced from 12:01 a.m. Sunday to 3:30 p.m. Saturday.

The Corporation advised the Union that if this or other such cases occur where the starting time of the associate's seventh shift is advanced from Sunday to Saturday, the associate involved will be paid at double time for the hours worked by the associate on the seventh shift worked even though the shift starting time falls on Saturday.

[See Par. (86)]

**Interpretation of Working Hours Section  
(Special Protracted Work Period Case)**

During negotiations, the Union cited a situation in which an associate worked for a continuous period of more than twenty-four (24) consecutive hours where the hours worked in excess of twenty-four (24) were paid for at straight time.

The Corporation advised the Union that in such a case, those continuous hours worked in excess of twenty-four (24) will be paid for at the rate of time and one-half unless such hours would otherwise be paid for at a higher premium pursuant to the provisions of the Working Hours Section of the National Agreement. Any such time worked and paid at time and one-half instead of straight time, will be considered as having been paid at straight time for purposes of computing daily overtime within the 24-hour cycle in which such time worked occurs.

[See Par. (85)(a)-(c), (86)]

## **RELIEVING ASSOCIATE FOR COMMITTEEPERSON DISCUSSION**

Consistent with the purpose of the Grievance Procedure, a rule of reason should be applied in determining whether an associate should be excused from the job in order to confer with the Committeeperson handling the associate's grievance. A rule of reason should likewise be applied when, due to production difficulties, excessive absenteeism, or other emergencies, it will not be possible to immediately relieve the associate from the job. On many jobs discussion between the associate and the Committeeperson is entirely practical without the necessity for the associate being relieved. On the other hand, an associate working on a moving conveyor, in an excessively noisy area, should be permitted a reasonable period of time off the job and a suitable place in which to discuss the grievance with the Committeeperson. This shall not interfere with any local practice which is mutually satisfactory.

[See Par (5), (19), (29)]

## **UNION RACKS -- OFFICIAL PUBLICATIONS**

Management will provide suitable racks at the appropriate plant exits for use in distributing literature to associates who are leaving the plant. Their use will be limited to the display of official publications of the Local Union and International Union as certified to Management by the President of the Local Union, the Chairman of the Shop Committee or International Representative prior to the placement of such material in the racks by the Union.

These racks will be placed convenient to the exits during the time major groups of associates are exiting the plant premises at shift quitting times.

It is understood the Union will discourage any littering growing out of the use of these racks.

[See Par. (92), (93)]

[See CSA #5]

## MEMORANDUM OF UNDERSTANDING

### ATTENDANCE

During these negotiations, the Parties discussed the local efforts to improve attendance at the plants covered by this National Agreement since the founding of AAM in 1994. Despite numerous revisions to local attendance programs, the results continue to fall far short of world class absenteeism levels of 2%. Based on this, the Parties have agreed to a two-pronged approach which is intended to result in bona-fide improvements in attendance within our facilities.

Accordingly, the Parties agreed that the local union and management teams will continue to make changes to local attendance programs with the goal of achieving 2% net controllable absenteeism on average, on an annual basis, as measured against 2003 year-end absenteeism rates. Local procedures, including changes made subsequent to the effective date of this agreement, shall continue in effect if the following conditions are met:

- a). Net Controllable absenteeism must progress towards a two percent (2%) level within a maximum of six (6) months of the effective date of this Agreement, and,
- b). By the end of 2004, reach and maintain a maximum level of two percent (2%) net controllable absenteeism, on average,

Should a local attendance program not conform to the terms of a) or b) above, the following National Agreement Attendance Procedure will be instituted one month following that determination. Notwithstanding the above, it is understood that the Local Parties may agree to implement this procedure before the end of 2004.

Upon implementation of the National Agreement Attendance Procedure, associate disciplinary records will be converted to the equivalent step of disciplinary action as shown in the following attendance corrective action steps.

## **NATIONAL AGREEMENT ATTENDANCE PROCEDURE**

1. This procedure will be separate and distinct from the standard corrective disciplinary procedures and applies to all full-time seniority associates.
2. Action taken by Management is subject to the Disciplinary Layoffs and Discharge Section of the National Agreement and, therefore, the Grievance Procedure Section of the National Agreement.
3. Instances of unexcused associate absence, as defined below, will be addressed through this procedure as follows:
  - A. Prior to receiving a Written Warning and/or the counseling discussion under the "Absence with Doctor's Excuse" section, a single day or consecutive days (within the same pay period) of absence equals one occurrence.
  - B. After receiving a Written Warning and/or counseling discussion under "Absence with Doctor's Excuse", each single day of absence will equal one occurrence. An associate will not progress to the discharge step solely due to consecutive absences.
  - C. Unexcused tardiness of four (4) or more hours is equal to one occurrence.

### **ATTENDANCE CORRECTIVE ACTION STEPS**

<u>Step</u>	<u>Occurrence</u>	<u>Action</u>	<u>Removal Period</u>
1	<u>First</u>	<u>Written Warning, referral to Work Family, counseling on attendance procedure</u>	<u>12 months</u>
2	<u>Second</u>	<u>Balance of Shift Plus 3 Days, no lost time</u>	<u>18 months</u>
3	<u>Third</u>	<u>Balance of Shift Plus 2 Weeks, no lost time</u>	<u>18 months</u>
4	<u>Fourth</u>	<u>Balance of Shift Plus 30 Days, serve time</u>	<u>18 months</u>
5	<u>Fifth</u>	<u>Discharge</u>	

In any event, Management will not take into account any infractions which occurred more than twenty-four (24) months previously.

Only "at work time" will be considered towards the period of time to remove a corrective action step discipline. "At work time" is defined as time less all leaves, absences, disciplines and layoffs excluding leaves of absence pursuant to paragraph (108) of the UAW-AAM National Agreement.

## **ACCEPTANCE OF EXCUSES**

### **A) Medical excuses**

Absences will be excused upon receipt of a fully completed "AAM Medical Excuse Form" attached as Exhibit A to this document, which must be submitted the first day the associate returns to work from the absence period. Management will take into consideration extenuating circumstances which may prevent the submission of such documentation on the return to work day. In those instances, a date for delivery of necessary documentation will be determined. Such medical excuses are limited to two (2) doctor's notes in a twelve (12) month period. Future doctor's notes may not be accepted from the associate for a one (1) year period commencing with the date of the last absence considered excused as a result of this provision.

### **DOCTOR'S NOTE**

### **ACTION**

First doctor's note

Associate Excused; Notification to associate with written counseling

Second doctor's note

Associate Excused; Notification to associate with written counseling

## **VACATION RESTRICTED DAYS**

Once an associate is no longer automatically excused with a "doctor's note" as described in "Acceptance of Medical Excuses" above, a doctor's note may not be accepted for use of a "vacation restricted" day.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives on this 27th day of February, 2004.

**International Union, UAW**

**American Axle &  
Manufacturing, Inc.**

Norwood Jewell

John Jerge



AMERICAN  
AXLE &  
MANUFACTURING

EXHIBIT A

### AAM MEDICAL EXCUSE FORM

#### AUTHORIZATION TO RELEASE MEDICAL INFORMATION

I authorize the Medical Practitioner named below to furnish American Axle & Manufacturing, Inc. and their subsidiaries with any and all information requested in this form and allow them or any person appointed to them to examine and/or photocopy all related records, x-rays, etc. in my file(s). I release from liability the Medical Practitioner named below and his/her agents and employees for giving such information to American Axle & Manufacturing, Inc. and their subsidiaries.

\_\_\_\_\_  
SIGNATURE OF ASSOCIATE

\_\_\_\_\_  
DATE

#### MEDICAL INFORMATION DISCLOSURE AUTHORIZATION

1. ASSOCIATE'S NAME: _____		2. DATE: _____	
3. DIAGNOSIS: _____		APPOINTMENT TIME: IN _____ OUT _____	
4. DATE CONDITION COMMENCED: _____			
4a. DATES OF ALL TREATMENTS DURING ABSENCE PERIOD: _____			
5. WILL PATIENT REQUIRE ADDITIONAL TREATMENTS OR REFERRALS TO OTHER HEALTH CARE PROVIDERS? <input type="checkbox"/> YES <input type="checkbox"/> NO IF YES, PLEASE STATE THE NATURE OF DURATION OF TREATMENTS: _____			
6. PROBABLE DURATION OF CONDITION: _____			
7. IS INPATIENT HOSPITALIZATION REQUIRED? <input type="checkbox"/> YES <input type="checkbox"/> NO			
8. IS/WAS ASSOCIATE CAPABLE OF WORKING? <input type="checkbox"/> YES <input type="checkbox"/> NO (IF NO, PLEASE PROVIDE DATES WHICH THE EMPLOYEE WAS/WILL BE UNABLE TO WORK AND THE DATE THAT THE EMPLOYEE WILL BE ABLE TO RETURN TO WORK: _____)			
9. IS THE EMPLOYEE SUBJECT TO ANY WORK RESTRICTIONS? <input type="checkbox"/> YES <input type="checkbox"/> NO IF YES, PLEASE PROVIDE DETAILS INCLUDING DURATION, WEIGHT LIMITS, ETC.: _____			
PRINT NAME OF MEDICAL PRACTITIONER: _____			
ADDRESS: _____			
TELEPHONE NUMBER ( ) _____			
SIGNATURE OF MEDICAL PRACTITIONER: _____		TYPE OF PRACTICE OR SPECIALTY: _____	
MEDICAL PRACTITIONER LICENSE # _____		DATE COMPLETED: _____	

THIS DOCUMENT/Form IS REQUIRED UPON RETURN TO WORK FROM A MEDICAL RELATED ABSENCE. FAILURE TO PROVIDE THIS DOCUMENTATION WILL SUBJECT THE ASSOCIATE TO AN UNEXCUSED ABSENCE.

**ESP - SEL PROGRAM - VOLUME RELATED LAYOFFS - SEL  
AMERICAN AXLE & MANUFACTURING, INC.**

February 25, 2000

Mr. Richard Shoemaker  
Vice President and Director  
General Motors Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Shoemaker:

Subject: ESP Program - Volume Related Layoffs - SEL

During the course of these negotiations, the Corporation and Union have provided AAM associates with substantially increased job security through the new SEL feature of the ESP Program, which protects eligible associates against layoff for virtually any reason except volume related market conditions. The parties recognize that employment levels may continue to fluctuate as a result of the cyclical nature of demand in our industry. The Corporation acknowledges, however, the importance of minimizing layoffs even in instances where volume related declines are unavoidable. In particular, the Union stressed the importance of reducing overtime and shifting dual sourced production requirements to UAW-American Axle plants in the event of overall market declines. The Corporation agrees to take these and other actions whenever practical.

In any event, however, associates affected by volume related declines would exercise their seniority in line with local seniority agreements and, if otherwise eligible, receive benefit treatment in accordance with the Supplemental Agreements attached to the current AAM/UAW Collective Bargaining Agreement.

## **ESP - SEL PROGRAM - VOLUME RELATED LAYOFFS - SEL**

Identifying the complex inter-relationships of all the factors involved with volume fluctuations is a difficult task. The parties agreed, however, that for purposes of determining SEL related protections they must identify just those volume declines that are attributable to market related conditions, and in turn just those declines that are not affected by Corporation sourcing choices of components that compete with or act as replacements for components produced by AAM associates covered by this Collective Bargaining Agreement. In other words, volume declines that are attributable to the Corporation's production and purchase arrangements with any related or unrelated party would be considered an exception to the overall volume related exclusion in Section I(E) of the ESP Program.

The parties also agreed that the complexity of these issues requires that the Corporation provide Local ESP Committees adequate notice of any impending volume-related layoff, as well as all information necessary to fully evaluate its underlying causes, the extent to which such decline is associated with a Corporate sourcing action and the appropriate number of SEL eligible associates that should be affected by the layoff.

The Corporation recognizes, moreover, that it has the responsibility to justify implementation of a layoff in the context of the protections spelled out in the ESP Program and the guidelines outlined in this letter. Similarly, the Corporation also accepts the responsibility of proving that the proper number of associates are recalled to SEL positions when a volume related decline is reversed, again within the context of the ESP Program-protections and the guidelines outlined in this letter.

The following are to be considered as illustrations to assist the parties in determining when volume related declines support reductions in employment. Although these examples focus on General Motors, they are intended to apply equally in the case of any customer of AAM. These illustrations should not be considered all inclusive.

## **ESP - SEL PROGRAM - VOLUME RELATED LAYOFFS - SEL**

- **Market Related Conditions** - Included in this category is customer preference of one vehicle over another that might result in a decline in sales of a U.S.-built vehicle that requires the layoff of employees, provided such sales declines are not the result, for example, of increased sales or increased market share of competitive captive imports or joint venture vehicles or any other vehicle sold in the U.S. by General Motors but not produced in a UAW-General Motors plant.

- **Example of Market Related Conditions**

- (1) There is a decline in economic activity which depresses retail sales of UAW-General Motors vehicles. Lower production levels require the layoff of employees. Assembly Plant A, employing 4,100 SEL-eligible employees, is the sole source of Vehicle Z for the U.S. market; it is required to layoff one shift, or 2,000 employees. The number of SEL-eligible associates at the plant remains at 4,100, including 2,000 open positions for laid-off employees.

While the plant is down to one shift, the Corporation decides to outsource the cushion room, which reduces employment requirements by 250 employees per shift. Two hundred, fifty (250) employees are placed on Protected employee status. There is no impact on the SEL numbers.

U.S. car demand picks up to pre-layoff levels and the second shift is called back. Active employment at the plant goes back to 4,100.

As the second shift is called back and the plant is back to pre-downturn production levels, an additional 250 employees are placed on Protected employee status which now leaves a total of 500 employees. The SEL plant number remains at 4,100.

## **ESP - SEL PROGRAM - VOLUME RELATED LAYOFFS - SEL**

- (2) Assembly Plant B (5,000 SEL-eligible employees) is not the sole source of Vehicle Y, which is also produced in Canada for the U.S. market, in Plant BC. Plant BC supplies one-fourth of the U.S. demand for Vehicle Y. An economic downturn in the U.S. reduces demand for Vehicle Y by 160,000. In accordance with SEL guidelines, volume related employment reductions cannot exceed Plant B's share of pre-downturn volume levels (three-fourths) applied to the reduced level of overall sales. Production in Plant B is therefore reduced by no more than 120,000 units, causing layoffs of 2,000 workers. Plant B's SEL remains at 5,000, including 2,000 open Bank positions.

Vehicle Y demand in the U.S. market picks up by 60,000. The Corporation decides to produce 30,000 of those units in Plant B and the rest in Canadian Plant BC. The increase in production is not accomplished in proportion to pre-layoff production shares; to comply with SEL, the Corporation must recall 250 employees which it assigns to Protected employee status in addition to the 500 employees required for the pick up in production.

- **Product Discontinuance** - Because of the introduction of a new U.S.-built General Motors vehicle or a non-allied company vehicle not sold by General Motors, sales of another General Motors-manufactured vehicle may decline, and production of the latter vehicle must be curtailed necessitating reductions in employment. Such reductions would be considered volume related declines under Paragraph I(D) of the Program.
  - **Examples of Product Discontinuance or Phase Out and Changes in Retail Preference**
    - (1) A new U.S.-built General Motors vehicle (or any other new non-allied company vehicle which is not marketed by the Corporation) is introduced. Sales of Vehicle X decline by 50%, and assembly must be curtailed. The necessary reductions in employment are made through layoffs,

## **ESP - SEL PROGRAM - VOLUME RELATED LAYOFFS - SEL**

keeping the number of SEL-eligible associates at the assembly plant at the same level.

- (2) Engine Plant C, employing 1,400 SEL-eligible people, produced half of the engines for Vehicle X; the other half are produced at a Corporate plant in Mexico. The volume reduction is made totally at Plant C rather than split proportionately between Plant C and the plant in Mexico. Therefore, in accordance with the JOBS guidelines half of the 700 employees who are not required any longer in Plant C due to this event are assigned to Protected employee status, and the other 350 employees would be laid off. The number of SEL-eligible associates at Plant C remains at 1,400, including 350 open volume related positions.
- **Faulty Product - Vehicle line volume may decline because of faulty parts in a vehicle that cause customers to place the product in disfavor. Such reductions would be considered volume related declines under Paragraph I(E) of the Program.**
  - **Changes in Retail Preference - General Motors volume may decline because of customer preference shifts -- in turn affecting mix and therefore demand, e.g., small car preference shifts to large car; option preference swings; high product content to low product content. Such reductions would be considered volume related declines under Paragraph I(E) of the Program.**
  - **Non-General Motors Commercial Customer Preference - Manufacturing, Inc. manufactured parts that are sold to unrelated firms may cause volume changes. Such volume reductions would be considered volume related declines under Paragraph I(E) of the Program.**
    - **Examples of Non-General Motors Commercial Customer Preference**

## **ESP - SEL PROGRAM - VOLUME RELATED LAYOFFS - SEL**

Plant A produces heavy duty cranking motors for off the road construction equipment. Volume is reduced as a result of a decline in the construction industry. One hundred fifty (150) employees are laid off; 150 open volume related positions are established.

At the time production is back to pre-layoff levels the Corporation introduces two robots which replace 25 employees. According to SEL guidelines all of the 150 employees are recalled from layoff, 25 of them are assigned to Protected employee status, and the number of SEL-eligible associates remains equal to its pre-layoff level.

- **Non-General Motors Produced Vehicles** - If sales of a new or replacement vehicle manufactured by an allied company for General Motors, that competes with a vehicle manufactured by the Corporation, results in reduced sales of the Corporation-manufactured vehicle, the action would not be volume related and layoffs under Paragraph I(E) of the Program would not be permitted.

- **Example of Non-General Motors Produced Vehicles**

The Corporation outsources a vehicle that it markets in competition with Vehicle W manufactured by UAW-General Motors employees. This results in reduced sales of Vehicle W. Employment requirements are reduced, but this event is not covered under Paragraph I(E) of the JOBS Program and

layoffs are not permitted. This protection also extends to employees producing UAW-General Motors components which are manufactured for Vehicle W.

- **Engines, Transmissions, Stampings, and other Components or Materials**

## **ESP - SEL PROGRAM - VOLUME RELATED LAYOFFS - SEL**

It is recognized that reductions in customer vehicle production will often be accompanied by reductions in AAM component production. When reductions in vehicle production are volume related, pro-rata reductions in component production will normally be considered volume related as well. However, to the extent a reduction in component production results from a shift in sales to vehicles sold by General Motors but not produced in UAW-General Motors plants, the reduction will not be considered volume related. Furthermore, when a like or similar component is dual-sourced from a UAW-General Motors and a non-UAW-General Motors plant, production declines at the UAW-General Motors plant will only be considered volume-related to the extent the dual-sourced component produced at that plant continues to be produced in its pre-production decline proportion.

### **Examples:**

- (1) Plant A receives regular automotive batteries from a UAW-General Motors plant and heavy duty batteries from a non-UAW-General Motors plant. A volume decline occurs in regular automotive batteries because of customer preference for heavy duty batteries. Such reductions would be considered volume related declines under the Program but would not have to be taken proportionately because the batteries would not be considered like or similar components.
- (2) Plant B receives regular batteries that have plastic fastening brackets from a UAW-General Motors plant and regular batteries that have steel fastening brackets from a non-UAW-General Motors plant. The batteries are used interchangeably and would be considered like or similar components. Therefore, any volume declines in battery production would have to be taken proportionately to be considered volume related.

**ESP - SEL PROGRAM - VOLUME RELATED LAYOFFS - SEL**

As implied by these examples, there are many variations to be considered when determining volume actions. This letter is intended to provide a framework within which Local and National ESP Committees may review the applicability of Paragraph I(E) to volume reductions.

If a Local Leadership Team Committee cannot agree on a situation being defined as volume related, the matter may be appealed to the Corporate Leadership Council for resolution.

Very truly yours,

Allan R. Monich  
Vice President, Human Resources

[See Par. (65), (66)]

[See App. K(I)(D)]

**FULL UTILIZATION OF PROTECTED ASSOCIATES**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 25, 2000

Mr. Richard Shoemaker  
Vice President and Director  
General Motors Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Shoemaker:

During the current negotiations regarding the ESP Program -- SEL, the parties discussed utilization of Protected associates at some length. The Corporation and the UAW have agreed that productive utilization of Protected associates is critical to the viability of our operations, and to the continued success of our ESP Program.

It was agreed that local Leadership Teams must make every effort to ensure that Protected associates are fully utilized on meaningful assignments. The parties have recognized that both underutilized associates and unproductive assignments are contrary to the spirit of the Agreement. It is the intent of the Parties to utilize Protected associates in accordance with previously agreed practices.

For purposes of the ESP Agreement, "non-traditional" work could encompass any assignment(s) within the facility (except regular productive work, including the direct production, assembly or fabrication of vehicles or components) which can efficiently and safely be performed by the individuals involved.

Very truly yours,

Allan R. Monich  
Vice President, Human Resources

**EXCHANGE OF VIEWS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson

Vice President and Director

AAM-UAW Department

International Union, UAW

8000 East Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. Rapson:

The relationship between the parties has been enhanced through regular, frequent and timely communication. It is recognized that such communication must be maintained if American Axle & Manufacturing, Inc. is to reach its objective of being the premier global Tier One supplier. The Corporation assures the Union that it values the open and candid exchange of views between the parties and intends to maintain such communication at all levels of the organization.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

**FINANCIAL SECRETARIES--DUES CHECK-OFF**

Inter-Organization

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Subject: Financial Secretaries--Dues  
Check-Off

To: All Personnel Directors  
Plants Covered by the AAM-UAW  
National Agreement

During 2004 negotiations, AAM and the International Union discussed at length the problems encountered by Financial Secretaries of local unions in maintaining timely and accurate record systems of the dues payments of local union members. Certain contract provisions in the new Agreement should facilitate the maintenance of these systems.

Several of the matters raised during these negotiations involve the operation of local procedures, and accordingly, should be dealt with locally within the framework of the following general understandings.

Local procedures should be such that signed Authorization for Check-Off of Dues forms are made available to the Financial Secretary on a prompt and orderly basis.

In the case where it is appropriately certified that an associate owes a substantial amount in past

dues, mutually satisfactory arrangements may be made to deduct portions of such dues from two or more pay checks.

Provisions should be made to furnish the Financial Secretary with the respective overall totals of the types of deductions identified in the information furnished pursuant to Paragraph (4)(o).

## **FINANCIAL SECRETARIES--DUES CHECK-OFF**

Requests by the Financial Secretary for the employment status of, or compensated hours data for a specific associate, for a specific month for which no dues were deducted, should be responded to without undue delay.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See Par. (4)(h), (4)(k), (4)(o), (4)(s)]

[See Doc. 19]

**FINANCIAL SECRETARIES - TEMPORARY DELAY OF DUES  
CHECK-OFF**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the current negotiations, the parties discussed situations where the Local Union was required to refund union dues to a large number of associates. This occurred when associates were laid off after a dues deduction had been made but before they had worked sufficient hours to be liable for dues under the UAW Constitution for that month.

The Corporation advised the Union that in those situations where it is known in advance that a large number of associates (100 or more) are scheduled to be permanently laid off and are not anticipated to work the necessary hours to owe dues under the UAW Constitution, the Financial Secretary may request that the plant delay for one week the deduction of monthly dues. In similar situations where the number of associates being laid off is less than 100, the Financial Secretary may request that the regular deduction of monthly dues for these associates be suspended. These requests must be submitted to the plant Personnel Director one week prior to the payroll period that monthly dues deductions are made.

**FINANCIAL SECRETARIES - TEMPORARY DELAY OF DUES  
CHECK-OFF**

Upon request of the Personnel Director, the payroll department will initiate the required steps to accomplish this procedure.

Very truly yours,

Patrick Paige  
Vice President, Human Resources

[See Par. (4)(k), (4)(o)]  
[See Doc. 18]

**APPRENTICE PLACEMENT - DISCONTINUED PROGRAMS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004 .

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During these negotiations the parties discussed the problems created when apprentices are permanently laid off or reduced from their apprentice classification due to the closing of their plant or the permanent discontinuance of their apprentice classification and as a result not able to complete their apprentice training.

As a result of those discussions, the Corporation agreed to establish an informal procedure whereby such apprentices may, within seven calendar days of their last day worked as an apprentice, apply for consideration for openings in the same apprentice classification at other plants in the same area hire community as described in Document 21 of the National Agreement. Application forms will be made available upon request, and a copy of completed forms will be forwarded to other plants in the area which have an apprentice program in the appropriate skilled classification.

In addition, such apprentices may apply for similar openings in other plants outside the same area hire community. In the event such apprentices cannot be placed in the same area hire community they will be offered available openings in the same apprentice classification in other plants outside their same area hire community. When such

## **APPRENTICE PLACEMENT - DISCONTINUED PROGRAMS**

apprentices, including those who do not apply, are not placed they may be offered other available openings upon the approval of the AAM-UAW Skilled Trades and Apprentice Committee.

Applicants who are employed in accordance with the above procedure may be eligible for a Relocation Allowance under the applicable provisions of the Master Agreement covering similar circumstances.

Eligible apprentices will be given preference for openings in their same apprentice classifications over new applicants from either apprentice application list provided they are capable of performing the work. Selections will be made from among those seniority apprentice applicants with the greater number of completed shop training hours, taking into consideration other factors such as proximity to the employing plant. Acceptance of placement and acquiring seniority at the secondary plant by such apprentices will result in the termination of recall rights to the apprentice training program at such apprentices' former plant(s). These provisions will not be the basis for any claims for back wages or any form of retroactive adjustment.

Disputes regarding the provisions of this letter may be referred to the AAM-UAW Skilled Trades and Apprentice Committee.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See Par. (63), (64)(e), (96)(a), (127)(d)(1)]

[See App. A]

**MEMORANDUM OF JOINT COMMITMENT:  
ASSOCIATE PLACEMENT FOR CLOSED AND  
DISCONTINUED OPERATIONS**

Both parties recognize the importance of fully utilizing AAM-UAW associates in regular, productive work. In this regard, the parties will continue to build on past joint efforts aimed at providing opportunities and incentives designed to encourage laid-off, Protected and active associates to relocate to available job opportunities at UAW-AAM facilities outside of their current location, with particular emphasis on placing associates from closed or discontinued operations.

The parties, in committing to continued cooperation in this associate placement effort, recognize that necessary productivity and quality improvements, together with the effects of normal and accelerated attrition activities, have had and will continue to have a significant impact on staffing requirements at AAM locations.

The parties agree that an associate placement, relocation and stabilization program will be jointly developed for closed and discontinued operations which will encourage accelerated retirements, relocation and placement of affected associates. Such program will be tailored on a mutually agreeable basis to the individual needs and circumstances of affected locations. A detailed plan, including a range of specific alternatives from which the associate will choose, will be offered to affected associates at the earliest practical time but in no event later than sixty (60) days after the closing or discontinuation of an affected operation.

**REPRESENTATION DURING MANAGEMENT MEETINGS  
AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During current negotiations, the Union expressed concern that the increased requirements on the Committeepersons' time for attendance at management meetings was, on occasion, preventing associates from receiving representation in a timely manner.

In this regard, the Corporation and the Union agreed that when such a situation exists, the local parties will allow the Alternate District Committeeperson to handle current grievances until such time as the District Committeeperson becomes available.

In the case of District Committeepersons who are also members of the Shop Committee pursuant to Paragraph (11) of the National Agreement, the local parties will allow their Alternate District Committeepersons to handle current grievances during the period that such District Committeeperson is legitimately involved in meeting with Management at Step Two and Step Three of the Grievance Procedure or during other mutually agreed upon local contract negotiations meetings.

Any problems in this area should be raised with the AAM Department of the UAW or with the Corporation Labor Relations Staff.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

[See Par. (19), (25)]

**AAM EQUAL OPPORTUNITY EMPLOYMENT POLICY**  
**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

The following is the text of the written and published policy of American Axle & Manufacturing, Inc. in employment:

"The policy of the Corporation is to extend these employment and career opportunities to qualified applicants and associates on an equal basis regardless of an individual's age, race, color, sex, religion, disability, sexual orientation or national origin.

Hiring and employment practices and procedures implementing this policy are the responsibility of the employing facility. However, these practices, procedures and decisions are to be, at all times, in conformity with the Corporation's Equal Employment Opportunity Policy."

American Axle & Manufacturing, Inc. hereby affirms full support of its policy on equal opportunity employment and further assures necessary efforts have and will continue to be extended to assure that employment opportunities comply with the principles of this policy.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

[See Preface, Par. (6)(a), (63)]

[See Doc. 31, 32, 33, 99]

**EMPLOYMENT POLICIES**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

The Corporation and the UAW have been leaders in adopting and effectuating policies against discrimination because of race, color, religion, age, sex, national origin, disability, sexual orientation and sexual harassment and to this end the parties have expressly incorporated Paragraph (6)(a) in their National Agreement that both insures adherence to that principle in all aspects of employment at American Axle & Manufacturing, Inc. and provides the contractual grievance and arbitration procedure for the resolution of alleged violations of that principle.

The parties recognize the desirability of increased communication and cooperative effort on this subject (1) to encourage associates and grievance representatives to use the grievance and arbitration procedure as the exclusive method for prompt resolution of all claims of violations of Paragraph (6)(a), (2) to determine the cause of such claims in order to reduce the probability of these claims arising or recurring, and (3) 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 grievance and arbitration procedure in order to avoid multiplicity of litigation in many forums simultaneously which is frequently time consuming, contradictory and hence, nonproductive to relieving associate

## **EMPLOYMENT POLICIES**

problems, (c) to seek solutions to mutual problems, (d) to relieve tensions in this area, and (e) to exchange information, expertise and advice, (4) to provide and monitor jointly approved diversity training modules.

The parties agree that it is appropriate to support the principles and activities mentioned above through the Corporate Leadership Council.

Further, at each plant or facility that the National Agreement covers, a Local Plant Civil Rights Committee may be established consisting of three (3) representatives of the Local Union and two (2) representatives of Management. The three (3) representatives of the Local Union shall consist of the Chairperson of the Shop Committee, the Chairperson of the Civil Rights Committee of the Local Union and the Local President. The two (2) representatives of Management shall be the Plant Manager, or a designated representative, and a member of Management at the plant active in the Corporation's equal employment opportunity program. Local Plant Civil Rights Committees will meet on a scheduled basis, and shall have the following duties:

- a. Promote use of the grievance procedure as the exclusive method for resolving claims of violations of Paragraph (6)(a).
- b. Suggest guidelines for Union and company representatives active in the grievance procedure in the proper and prompt handling of grievances alleging such claims.

Where the Chairperson of the Civil Rights Committee of the Local Union is an associate of the plant wages will be paid for time spent attending the scheduled meetings.

Copies of the minutes from these meetings will be made available to the Union.

In addition, the Chairperson will be permitted to leave work up to four (4) hours per week during straight time hours to conduct in-plant

## **EMPLOYMENT POLICIES**

investigations of written grievances alleging a violation of Paragraph (6a) of the National Agreement.

The parties continue to recognize their legal and moral responsibility for assuring that all American Axle & Manufacturing, Inc. associates have equal employment opportunities and freedom from discrimination as set forth in Paragraph (6)(a) of the National Agreement. The Union agrees that it will encourage its members to utilize the grievance and arbitration procedure as the means of resolving claims or complaints against the Corporation which allege a violation of Paragraph (6)(a).

The Corporation and the International Union UAW are committed to create and maintain an environment that naturally enables the parties to contribute to the overall success of AAM and to the job security of UAW represented associates. Working with others of different backgrounds and perspectives can be a competitive advantage which incorporates the contributions of a multi-cultural workforce. AAM and the UAW must work together to create a work environment of equal opportunity free from discrimination and cultural and other insensitivities which will allow AAM and all associates to succeed in the global marketplace.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See App. H]  
[See Doc. 30, 32, 33, 99]

**AAM POLICY REGARDING EMPLOYMENT OF  
INDIVIDUALS WITH DISABILITIES**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

The following is the text of the written and published policy of American Axle & Manufacturing, Inc. regarding employment of individuals with disabilities:

"The policy of American Axle & Manufacturing, Inc. (the "Corporation") is to make reasonable accommodations to the limitations of qualified individuals with disabilities and to extend employment opportunities to such persons taking into account the needs of the business, financial cost and expense.

Hiring and employment practices and procedures implementing this policy are the responsibility of the employing facility. However, their practices, procedures and decisions are to be, at all times, in conformity with the corporation's policy regarding the employment of individuals with disabilities."

American Axle and Manufacturing, Inc. hereby affirms full support of its policy on employment of individuals with disabilities and further assures necessary efforts have and will continue to be extended to assure that employment opportunities comply with the principles of this policy.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

[See Par. (6)(a)]  
[See Doc. 30, 31, 33, 99]

**AAM POLICY REGARDING EMPLOYMENT OF DISABLED  
VETERANS AND VETERANS OF THE VIETNAM ERA**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson

Vice President and Director

AAM-UAW Department

International Union, UAW

8000 East Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. Rapson:

The following is the text of the written and published policy of American Axle & Manufacturing, Inc. regarding employment of Disabled Veterans and Veterans of the Vietnam era:

“The policy of American Axle & Manufacturing, Inc. (the “Corporation”) is to make reasonable accommodation to the limitation of qualified Disabled Veterans and to extend employment opportunities to Disabled Veterans and Veterans of the Vietnam era taking into account the needs of the business, financial cost and expense.

Hiring and employment practices and procedures implementing this policy are the responsibility of the employing facility. However, these practices, procedures and decisions are to be, at all times, in conformity with the Corporation’s policy regarding the employment of Disabled Veterans and Veterans of the Vietnam Era.”

American Axle & Manufacturing, Inc. hereby affirms full support of its policy on employment of Disabled Veterans and Veterans of the Vietnam era and further necessary efforts have and will continue to be extended to assure that employment opportunities comply with the principles of this policy.”

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See Par. (6)(a)]

[See Doc. 30, 31, 32, 99]

**REVIEW PERSONNEL RECORDS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the current negotiations, the Union expressed concern regarding the rights of associates working outside the State of Michigan to review their personnel records. The right of associates to inspect their own personnel files was afforded associates in Michigan in accordance with the 1978 Michigan Employee Right to Know Act.

This will confirm that the right to review individual personnel records, established by the above-mentioned Michigan law, will be extended as a matter of policy to American Axle & Manufacturing, Inc. associates throughout the United States.

Very Truly Yours,

Patrick J. Paige  
Vice President, Human Resources

[See Par. (76)(b)]

**PARAGRAPH 76 - TEMPORARY ASSOCIATES**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During current negotiations, the parties reaffirmed their intent to continue the current interpretation regarding Paragraph (76) expressed as follows:

As a result of a series of discussions between the International Union, UAW, and the Corporation, it has been agreed that the provisions of Paragraph (76) of the 2004 UAW-AAM National Agreement will be applicable to temporary associates with more than thirty (30) days of employment who are released or discharged. This provision, of course, is not applicable to any associate laid off, due to fluctuations in manpower requirements.

The parties also agreed that this interpretation is not retroactive. Accordingly, cases currently in the procedure involving temporary associates should be processed on their merits without regard to the procedural requirements of Paragraph (76).

The provisions of Paragraph (76) will apply to associates hired pursuant to Appendix A as of the date of hire.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**MANAGEMENT REPRESENTATIVES IN  
DISCIPLINARY INTERVIEW**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the current negotiations, the parties discussed the Union's contention that, at some plant locations, an excessive number of Management representatives are present during some disciplinary interviews. The Union recognized that there are times when more than the customary number of Management representatives may be required because of their knowledge of the matter under discussion. The Union stated, however, that their concern was directed at other Management representatives who attended interviews solely as witnesses to the interview itself.

As a result of these discussions, the Corporation advised the Union that, as a matter of policy, Management personnel beyond those referred to above would not attend such interviews solely for the purpose of serving as potential witnesses to the interview itself. Additionally, should Management representatives in excess of the customary number be present in the interview, the district committeeperson may request, during that period of time, the presence of the zone committeeperson for that zone, or in the event that the zone committeeperson is absent or no at-large committeeperson is assigned to that zone, another member of the shop committee present in the plant, provided the request would not result in undue delay of the disciplinary interview

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

[See Par. (76)(a)]

**HOLIDAY PAY AND DISCIPLINARY LAYOFFS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the current 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 exist 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 Corporation advised the Union that, as a matter of policy as of the effective date of the 2004 National Agreement, loss of holiday pay will not be included as part of the disciplinary penalty assessed.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

[See Par. (76), (203)]

**DISCIPLINE FOR GARNISHMENTS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During current negotiations, the parties discussed the subject of assessing corrective discipline for the shop rule regarding garnishments. Additionally, there was discussion concerning the variations in state laws relating to garnishments and the resulting inconsistencies between plant locations in the application of corrective discipline to garnishments.

In order to assure uniformity between plants in the handling of this matter and to insure compliance with applicable State and Federal laws on this subject, the Corporation informed the Union that, as a matter of policy as of the effective date of the 2004 National Agreement, formal disciplinary action will no longer be taken for future violations of the Shop Rule regarding garnishments.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

[See Par. (76)]

**REINSTATEMENT OF GRIEVANCES**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson

Vice President and Director

AAM-UAW Department

International Union, UAW

8000 East Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. Rapson:

During the current National negotiations, the parties acknowledged the desirability of ensuring prompt, fair and final resolution of associate 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 AAM Department of the International Union, may inform the Corporation's Labor Relations Staff in writing that such grievance is reinstated in the Grievance Procedure at the step at which the original disposition of the grievance occurred.

## **REINSTATEMENT OF GRIEVANCES**

It is agreed, however, that the Corporation 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 National Agreement 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 associate or associates involved that none of them will thereafter pursue such claims for damages against the Corporation in the Grievance Procedure, or in any court or before any Federal, State, or municipal agency.

Notwithstanding the foregoing, a decision of the Impartial Umpire or any other arbitrator on any grievance shall continue to be final and binding on the Union and its members, the associate or associates involved and the Corporation 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 National Agreement, 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 Impartial Umpire 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 filed prior to March 1, 1994.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

[See Par. (38), (53), (79)(i)]

**FURNISHING WORK ELEMENTS - STANDARDS CASES**

**Inter-Organization**

**AMERICAN AXLE & MANUFACTURING, INC.**

DATE: February 27, 2004

SUBJECT: Furnishing Work Elements -  
Standards Cases

TO: All General Managers  
All Personnel Directors

During current negotiations, AAM informed the International Union, UAW that it was its intention to republish the Corporation's letter concerning Furnishing Work Elements - Standards Cases. The text of that letter is as follows:

"During past negotiations the parties discussed at length the Union's charges that there were occasions when the work elements of a job requested by the Committeeman pursuant to Paragraph (79) were not furnished in a timely manner."

"The Corporation and the Union have reaffirmed their mutual determination to adhere to the spirit and intent of Paragraph (79). In addition, there is agreement that in nearly all cases a more expeditious settlement of grievances can be reached when there is prompt and full exchange of pertinent information. In this regard the text of Paragraph (79) of the AAM-UAW National Agreement provides that the work elements of a job in dispute will be furnished 'without undue delay.' It is recognized by the Union that there will be occasions when due to production acceleration, volume of production standards grievances filed, etc., the information requested by the Committeeman cannot be furnished as promptly as under normal circumstances."

"We have advised the Union that the words 'without undue delay' mean as soon as reasonably possible under circumstances existing at the time the request is made for the work elements of the job."

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

## **ASSOCIATE TRANSFER OR RE-ASSIGNMENT**

### **Inter-Organization**

## **AMERICAN AXLE & MANUFACTURING, INC.**

Date: February 27, 2004

Subject: Transfer or Re-Assignment of  
Associates

To: All Personnel Directors

During the negotiations resulting in the 2004 UAW-AAM National Agreement, the parties discussed the claim raised by the Union prior to March 1, 1994, regarding associates being transferred or re-assigned to 'less desirable' jobs because they initiated complaints regarding production standards or discipline. In addition, in the case of probationary associates, the Union stated that some were separated because they initiated production standards complaints.

It is important for AAM to retain its right to transfer associates in order to maintain and improve efficiency in our operations. It is also important to respect the right of associates to file legitimate grievances regarding production standards or disciplinary action.

The International Union has been advised that we do not consider it proper to transfer, re-assign or separate associates because they file such grievances.

It is expected that this position will be given your full support and that of your Management organization.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

[See Par. (76), (79)(h)]

**IMPLEMENTATION OF PRODUCTION STANDARDS  
SETTLEMENTS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

In the course of current negotiations the Union has alleged that in some cases the solution agreed upon in settlement of production standards grievances was not implemented in a timely fashion. The Union has also alleged that in certain cases settlements agreed upon were violated.

In the course of these negotiations we have reaffirmed our mutual determination to avoid misunderstandings in this area in the future. In that connection, we have adopted the following informal procedure for use in cases in which it is alleged that a settlement of a work standards grievance has not been implemented in a timely manner, or that after implementation the settlement has been violated:

1. The complaint may be reviewed by the Chairperson of the Shop Committee and Plant Personnel Director.
2. If not resolved, the Chairperson may submit his statement of the case in writing to the Plant Personnel Director spelling out the details of the complaint.

## **IMPLEMENTATION OF PRODUCTION STANDARDS SETTLEMENTS**

3. The Plant Personnel Director shall submit a written reply within one (1) working day of receipt of the written statement.

4. If the matter is not resolved within three (3) working days after the Personnel Director's written reply, the Chairperson of the Shop Committee may submit a written report of the disputed case to the AAM Department of the UAW in which case the Plant Personnel Director, after notice by the Chairperson of the Shop Committee of such submission, will submit a written report to Corporate Labor Relations.

5. If these parties are unable to resolve the dispute, it may then be reviewed by the AAM Department of the UAW with the AAM Labor Relations Staff where it will be resolved.

This letter and this procedure are not intended to prejudice any contractual position either AAM or the UAW may take in any case arising under the National Agreement.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

[See Par. (79), (79)(i)]

**SUBCONTRACTING--IMPLEMENTATION  
PARAGRAPH (183)(d)**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson

Vice President and Director

AAM-UAW Department

International Union, UAW

8000 East Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. Rapson:

During the current negotiations the UAW complained that procedures set forth in Paragraph (183)(d) are not being satisfactorily implemented by Management in many instances.

This letter is intended to clarify the intent and purpose of this provision:

1. The "advance discussion" except where time and circumstances prevent it, will take place "prior to letting the contract for the performance of maintenance and construction work," before any decision has been made as to whether the work should be contracted out. The "advance discussion" will include information as to "why Management is contemplating contracting out the work." It is evident that except as noted above, since Management is only "contemplating contracting out the work" when the "advance discussion" takes place, Management should not have made any decisions concerning whether or not to contract out the work before such "advance discussion" is held.
2. Management should advise the local Union of the "nature, scope and approximate dates of the work to be performed and the reason or reasons (equipment, manpower etc.), why Management is contemplating contracting out the work." The Corporation has referenced "manpower, skills, equipment and facilities" and also

**SUBCONTRACTING--IMPLEMENTATION**  
**PARAGRAPH (183)(d)**

whether the Corporation "can do the work competitively in quality, cost and performance and within the projected time limit." Since any or all of these conditions may be entailed in the determination as to whether a particular contract should be let out or not, it is necessary that Management advise the local Union in the "advance discussion" concerning the item or items which are relevant to the decision-making.

3. If in the "advance discussion" it is clear that Management is only "contemplating contracting out the work" and if in addition all the pertinent information as noted above is supplied to the local Union, then local Union representatives will be given a better opportunity "to comment on Management's plans" and will also give an opportunity to Management "to give appropriate weight to those comments in the light of all attendant circumstances."

In addition the Union complained that in certain instances plant Management requested and contracted for maintenance service on leased equipment, and extended warranty arrangements or service contracts were being purchased which impacted the job security of seniority associates in skilled trades classifications. Management stated that, while Paragraph (183)(b) covers the "fulfillment of normal warranty obligations by the vendor", warranty arrangements that extend beyond those customarily provided or the obtaining of service contracts are not covered by these provisions. Rather, such arrangements or service contracts covering work normally and historically performed by represented skilled trades associates are to be considered in the same manner as contracts for the performance of maintenance work and such decisions are covered by the provisions of Paragraph (183)(c) of the National Agreement. The local plant Managements will be advised accordingly.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See Par. (42)(a)]  
[See App. F-F-2]

**PRE-APPRENTICE TRAINING**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson

Vice President and Director

AAM-UAW Department

International Union, UAW

8000 East Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. Rapson:

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 AAM-UAW Skilled Trades and Apprentice Committee, upon determining that a plant's skilled trades workforce is under-represented by minority groups and females, will consider matters pertaining to pre-apprentice training as it relates to achieving the above objective as well as approve any such training program for which points can be awarded under the AAM-UAW Apprentice Selection Procedure.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See Par. (122)(f), (127)(g)]

**APPRENTICE TESTING AND THE LOCAL APPRENTICE COMMITTEE**

**Inter-Organization**

**AMERICAN AXLE & MANUFACTURING, INC.**

DATE: February 27, 2004

SUBJECT: Apprentice Testing and  
The Local Apprentice Committee

TO: All Personnel Directors  
Plants Covered by the AAM-UAW  
National Agreement

During the current negotiations, the Corporation agreed that the Union members of the Local Apprentice Committee would be informed of Local Management's Apprentice testing procedure. In this regard, the Union members of the Local Apprentice Committee are to be advised of the location, date and time that Apprentice selection tests are to be administered. Where tests are given on a regularly scheduled basis, the Union members should be advised of this schedule.

In addition, and as soon as is practicable, a meeting should be arranged with the Union members of the Local Apprentice Committee, in which the Union members are to be informed of the procedures followed in administering the Apprentice tests. In this regard, the Management representative should explain each of the tests and the instructions given when the tests are administered. Further, a Union member of the Local Apprentice Committee may sit in on testing sessions.

In areas where consolidated testing is conducted, one Union representative, who is a member of a Local Apprentice Committee, may sit in on testing sessions.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

[See Par. (127)(d)(1)]

**JOB SECURITY - APPRENTICE TRAINING AND  
JOURNEYMAN/WOMAN DEVELOPMENT**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson

Vice President and Director

AAM-UAW Department

International Union, UAW

8000 East Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. Rapson:

Subject: Job Security - Apprentice Training and Journeyman/woman  
Development

During these negotiations, the Union and the Company acknowledged that skilled trades personnel provide vital support to operations, and that there is a direct relationship between the effectiveness of skilled trades personnel and the success and viability of the operations they serve. Establishing new levels of competence and flexibility within the apprenticeable trades through training and retraining will permit the Union and the Corporation to pursue the critical objective of continuous improvement in areas of safety, quality, operational effectiveness and, in turn, enhance job security.

During these discussions and in response to current skilled trades demographics, potential future retirements, and attrition, the Corporation has agreed to continue to place primary reliance on the AAM-UAW Apprentice Program as the training source for future skilled tradesmen/women. Exceptions to this must be approved by the AAM-UAW Skilled Trades and Apprentice Committee.

## **JOB SECURITY - APPRENTICE TRAINING AND JOURNEYMAN/WOMAN DEVELOPMENT**

Integral to this job security-related commitment would be actions to enhance the flexibility of both future apprentice graduates and current journeymen/women. The parties have identified primary skilled trades functions as the apprenticeable trades. These functions will serve as the basis for filling future apprentice openings and as a template for the potential restructuring of skilled trades functions. Accordingly, the National Parties will encourage the local parties to review their existing skilled trades classification structure and develop plans consistent with the guidance contained in the Supplemental Agreement on Skilled Trades. The CLC will review such plans by September 1, 2004.

With regard to the expansion of the Apprentice Program, AAM intends to continue to indenture apprentices Corporation-wide in the basic apprenticeable trades. These additional apprentices will be added during the term of the 2004 National Agreement provided that qualified candidates can be found who meet all the selection criteria and affirmative action goals can be met. While the placement of apprentices will depend on a variety of business condition factors such as attrition, technological changes, business sector performance, future product plans and product allocation, the general economy, and sales and market trends, American Axle & Manufacturing, Inc., intends to pursue the objective to indenture 56 apprentices during the term of the 2004 National Agreement. Requests for apprentices, the rate of placement, and forecasted requirements will continue to be reviewed by the National Parties consistent with other understandings regarding skilled trades job security.

The parties acknowledge that it is not practicable to rely exclusively on the apprentice program to meet its attrition replacement requirements. At times it may be necessary to hire Journeymen/women in place of the apprentices agreed upon in this letter. In such cases, the Corporation will inform the International Union of the number of Journeymen/women hired and the reasons. Furthermore, where

## **JOB SECURITY - APPRENTICE TRAINING AND JOURNEYMAN/WOMAN DEVELOPMENT**

changes in the type of operation, volume, product life cycle, or other reasons, have caused an excess number of Journeymen/women in a particular skilled trade and placement in their trade is not possible, the parties will pursue, where feasible and practical, the retraining of Journeymen/women to qualify them in another skilled trade. Such retraining could be done within or outside the AAM-UAW Apprenticeship Program. In any event, any such retraining programs must be approved by the AAM-UAW Skilled Trades and Apprentice Committee.

Progress in these areas will be reviewed semi-annually by the Corporate Leadership and the AAM-UAW Skilled Trades and Apprentice Committee.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See Par. (127)(d)(1),(127)(d)(2),(130)]

[See Par. (131),(152)]

## **APPRENTICE WORK ASSIGNMENTS**

### **Inter-Organization**

## **AMERICAN AXLE & MANUFACTURING, INC.**

DATE: February 27, 2004

SUBJECT: Apprentice Work Assignments

TO: All Personnel Directors  
Plants Covered by the AAM-UAW  
National Agreement

During the current negotiations, the Union raised the question of apprentices being assigned to work alone. The parties agreed that good judgment and a rule of reason should be used when making these assignments.

As a result of these discussions it was concluded that, consistent with existing training methods and facilities in the plant, apprentices should not be assigned to perform work without a journeyman being present unless the apprentice has been trained to do the job; has been instructed in the proper safety procedures; and is considered competent to perform the assignment. Experienced journeymen will generally be available to assist the apprentice in many of the normal floor assignments until that level of competence has been reached. This will not change or restrict any mutually satisfactory local practices.

Specifically, during 2004 Negotiations, the Union raised concerns regarding apprentices assigned to work alone on "high risk" jobs. In this regard, it is the Corporation's intent to assign work to apprentices consistent with the policy outlined above and, therefore "high risk" jobs would not be an appropriate initial assignment to be performed alone. However, the definition of such "high risk" jobs is subject to the approval of the respective LJHSC and/or Plant Council.

Problems in this regard are a matter for review by the AAM-UAW Skilled Trades and Apprentice Committee.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

[See Par. (122)(h)]

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

This will confirm the understanding reached during the current negotiations that within a reasonable period after a laid off apprentice, Associate-In-Training or Associate-In-Training-Seniority has been recalled to work at any American Axle & Mfg., Inc. Plant, such associate will be paid an incentive bonus in recognition of satisfactory completion of any related training courses, required pursuant to Paragraph (145) and the Supplemental Agreement for Skilled Trades, in which the associate was enrolled at the time of layoff. In the event the associate is not recalled within a reasonable period of time, such associate may apply to the home plant for the related training bonus.

In addition, with prior Management approval and arrangements with the school, apprentices whom Management anticipates recalling to the apprentice classification prior to the expiration of the school term may be enrolled for one term and become eligible for an incentive bonus on the same basis.

This incentive bonus will amount to a figure to be arrived at by multiplying the number of class hours in each course times the associate's straight-time hourly rate less the amount, if any, paid to the associate for such related training prior to layoff.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

[See Par. (140)(a), (140)(b), (146)]

**LAYOFFS – APPRENTICES & ASSOCIATES-IN-TRAINING  
AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mr. Rapson:

During the current negotiations the parties discussed at length a problem encountered at some plant locations where associates-in-training and apprentices are in training to become journeypersons in the same skilled trades classification and there is either a need for a reduction or increase in the number of such associates in a skilled trades classification.

The parties recognize the desirability of providing opportunities and training for associates through both the AAM-UAW Standard Apprentice Program and the Associate-In-Training Program consistent with the needs of the business. To preserve the continuity of the Apprentice Program, which has generally been viewed as the long run source of skilled trades personnel in the apprenticeable classifications, the parties have negotiated appropriate provisions in the Master Agreement to avoid unnecessary interruptions of the program. The Associate-In-Training Program is equally necessary and has been continued by the parties to supplement the journeyperson work force at times of increased work load and during shortages of skilled trades personnel. Importantly, the Associate-In-Training Program also provides opportunities for persons to upgrade their skills and provisions have been negotiated enabling Associates-In-Training to continue their training and achieve journeyperson status.

## **LAYOFFS -- APPRENTICES & ASSOCIATES-IN-TRAINING**

Associates-In-Training may be reduced due to a reduction in force or displaced by a journeyman in accordance with Paragraph (174) or by an associate-in-training-seniority in accordance with Paragraph (175). Apprentices may be reduced due to a reduction in force or displaced by journeyman in accordance with Paragraph (140)(a). In addition, Paragraph (140)(b) provides that in the event of a drastic reduction in the level of work resulting in a heavy reduction in the skilled trades work force, additional apprentices may be reduced pursuant to a mutually acceptable layoff and recall plan agreed upon by the local parties. Likewise, temporary layoff situations are governed by locally negotiated provisions pursuant to Paragraph (177).

Except for those situations covered by Master Agreement provisions, the following procedure will apply to the reduction of Associates-In-Training and/or apprentices when neither journeymen nor associates-in-training-seniority are reduced from the classification:

- Associates-In-Training who have accumulated less than (2) years credited work experience in the classification in that plant will be reduced before any apprentice is reduced;
- Associates-In-Training who have accumulated (2) or more years of credited work experience in the classification in that plant will not be reduced before all apprentices who have not completed (4) periods of the shop training schedule have been reduced from that classification;
- All Associates-In-Training in the classification will be reduced before any apprentice who has completed (4) periods of the shop training schedule is reduced.

The completion of (4) periods of the shop training schedule for apprentices and the credited work experience in the classification in that plant for Associates-In-Training for purposes of this procedure shall be based on a calculation made as of the last Monday of the month preceding the month during which such a reduction occurs.

## **LAYOFFS -- APPRENTICES & ASSOCIATES-IN-TRAINING**

Similar consideration is to occur when there is a need to recall a number of associates to a classification where there are both associates-in-training and apprentices reduced from the classification.

Any complaints regarding the application of this procedure in any plant may be taken up with Local Management of that plant by the Local Shop Committee and if not resolved may be reviewed by the AAM-UAW Skilled Trades and Apprentice Committee.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See Par. (122), (138), (161), (175)]

**ADMINISTRATION OF PARAGRAPH (178)**

**Inter-Organization**

**AMERICAN AXLE & MANUFACTURING, INC.**

Date: February 27, 2004

Subject: Administration of Paragraph (178)

To: All Personnel Directors  
Plants Covered by the AAM-UAW  
Master Agreement

During the current negotiations the Union complained about improper administration of Paragraph (178) by local managements.

These complaints centered around the hiring of skilled trades associates as journeymen without sufficient checking by local Management of the documents presented by the applicants to assure they qualify for such status in accordance with the provisions of Paragraph (178). They also complained that in some instances Management shifted the blame to the Union when such an associate had to be released because, upon further investigation, the information upon which Management relied to hire the individual did not meet the criteria of Paragraph (178).

In response to these complaints the Corporation stated it would inform local managements that when proof of journeyman status is not clearly established, such documentation will be furnished to the Chairperson of the Shop Committee and the matter will be thoroughly investigated before an associate is hired. In this regard, it was observed that establishment of such proof of status is often expedited when the applicant is a laid off bona fide UAW journeyman.

## **ADMINISTRATION OF PARAGRAPH (178)**

Additionally, the Corporation assured the Union that any explanation concerning the reasons a newly hired journeyman associate must be terminated because of failure to meet the requirements of Paragraph (178) is to be based on those factual reasons and not on the fact that the Local Union may have questioned the matter.

The parties mutually agreed that both the local Management and the local Union must exercise fair but sound judgment when considering matters relative to Paragraph (178).

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

**TRANSFERS AND PROMOTIONS - LOCAL SUSPENSION OF PROVISIONS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During current negotiations, American Axle & Manufacturing, Inc. and the International Union, UAW discussed the problem of the movement of people through transfers and promotions during critical periods in plant operations.

Accordingly, this letter is to confirm the agreement reached that the local parties are delegated the authority to mutually agree on the suspension of the application of the National Agreement and local agreement provisions relating to transfers and promotions, all or in part, during periods of model build-out, model startup, plant rearrangement, major line speed change, product change, addition or elimination of a shift, or other mutually recognized problem period. Further, such local agreements shall be reduced to writing and signed by the local parties.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

[See Par. (59), (63)]

**PARAGRAPH (63)(a)(2)  
-- DEFINITION OF "WITHIN THE PLANT"**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During current negotiations, AAM and the International Union, UAW discussed the various interpretations the term, "within the plant," as used in Paragraph (63)(a)(2) of the National Agreement, has within the Corporation based on differing physical layouts of facilities, geography, local nomenclature, etc. Accordingly, it was agreed that discussion and mutually satisfactory agreement as to the meaning of this term are appropriate at the local level.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

[See Doc. 72]

**PARAGRAPH (63)(a)(2)  
- FILING FOR A SINGLE CLASSIFICATION**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During current negotiations, AAM and the International Union, UAW discussed the situation under Paragraph (63)(a) of the National Agreement where a particular classification to which an associate desires advancement appears in several departments. This letter will confirm the understanding that, where an associate desires advancement to a particular classification that appears in several departments, such associate may designate on either or both of the two (2) applications on file up to five (5) departments in which that classification appears and be eligible for consideration for promotion to that classification in all departments so specified.

Further, a refusal of an offer of transfer to any department specified will cancel the application to that classification in its entirety and the associate may be entitled to only one (1) valid application under Paragraph (63)(a) for a period of six (6) months thereafter.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

[See Doc. 71]

**LOCAL UNION PRESIDENTS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the current negotiations, the parties discussed the duties of the Local Union President in certain American Axle & Manufacturing, Inc. plants. The parties agreed that the president's function includes, in addition to administrative duties as the Local Union's Chief Executive Officer, certain elements of National Agreement administration.

Accordingly, the Corporation agreed that in plants employing 500 or more associates where the Local Union President is a full time associate, such President will be allowed to perform legitimate administrative functions without loss of pay up to a total of forty (40) straight time hours per week. Moreover, in those same plants such President, as a portion of the forty (40) hours will be permitted to leave the plant in accordance with Paragraph (24) of the AAM-UAW National Agreement and will be paid for up to six (6) hours per day Monday through Friday to perform legitimate administrative functions. For extra and overtime hours, Local Union Presidents will be permitted to function up to two (2) hours per day Monday through Friday, and up to eight (8) hours on Saturday, when ten (10) or more associates are working on their shift. It is understood that there shall be no entitlement to overtime on Sundays and holidays.

## **LOCAL UNION PRESIDENTS**

Such Local Union President shall notify the designated Management representative, when leaving and returning to the plant during working hours.

Moreover in those same plants when such Local Presidents are absent for at least one full working day for reasons other than those provided herein, Management will recognize a temporary replacement from among the full time associates. Notification of such replacement shall be submitted in writing at least twenty-four hours in advance to Local Management's designated representative. In the event such a replacement is made, the Local President shall not be paid and the replacement will be permitted to utilize time out of the plant with pay pursuant to the provisions herein.

In plants employing less than 500 associates but more than 250 associates where the Local Union President is a full time associate, such President will be allowed to leave the plant in accordance with Paragraph (24) of the AAM-UAW National Agreement to perform legitimate administrative functions without loss of pay for up to a total of eight (8) straight time hours per week. Any single period of absence must be for a minimum of two (2) hours.

Any problems associated with the implementation or administration of this letter will be reviewed by the Corporate Labor Relations Staff with the AAM Department of the UAW.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**ANTICIPATED TERMINATION OF SICK LEAVES**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson

Vice President and Director

AAM-UAW Department

International Union, UAW

8000 East Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. Rapson:

During the 2004 negotiations, the parties discussed the Union's concern that certain associates on sick leaves of absence were not made aware of the anticipated return to work date supplied to Management by the associate's personal physician.

As a result of those discussions the Corporation advised the International Union that as a matter of policy it would in those instances where such information was submitted directly to Management by the associate's attending physician, an associate on a sick leave of absence would be provided written notification of the most current anticipated return to work date designated by his attending physician. A copy of this notification will be provided the Chairman of the Shop Committee.

In establishing such a procedure it is mutually recognized that providing or not providing such information will be without prejudice to either party in the application of any terms of the National Agreement and will not be cited or relied upon by an associate, the Union, or Management as a basis for any claim.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See Par. (106), (111)(b)]

**CHRISTMAS HOLIDAY PERIOD**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

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

The 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.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**MAJOR PLANT REARRANGEMENT-ADVANCE DISCUSSION**  
**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the negotiations, the Corporation and the International Union discussed the potential impact that major changes or rearrangements in plant facilities might have on local agreements covering bargaining unit associates. The Corporation assured the Union that where there are such major changes or plant rearrangements, the Corporation will discuss such situations with the International Union as far in advance as possible. Also, the local plant Management will discuss such situations with the local Union as far in advance as possible.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**OVERTIME**

Inter-Organization

**AMERICAN AXLE & MANUFACTURING, INC.**

Date: February 27, 2004

Subject: Overtime

To: All Plant Managers  
All Personnel Directors

As part of the current negotiations, American Axle & Manufacturing, Inc. informed the International Union, UAW that it is the Corporation's intention to continue its previous policy regarding overtime practices. This policy will be applicable only to those associates who are not covered by the provisions of the Memorandum of Understanding on Overtime.

There was considerable discussion in these negotiations about the claims of the International Union, UAW that too many associates who are required to work overtime over extended periods are not excused from overtime work assignments even though they have legitimate reasons to be excused.

The Corporation pointed out that overtime serves a number of functions essential to the effective operation of American Axle & Manufacturing, Inc.'s tightly integrated and interdependent manufacturing system. In many instances overtime must be worked at one or more plants in order to permit other plants to meet their schedules. Emergency overtime to repair breakdowns in essential equipment is often necessary to prevent or minimize interruptions in plant operations and resultant short work weeks for many associates. Overtime is also necessary on bottleneck jobs and also during certain times of the year in order to meet model change deadlines and to satisfy fluctuations in customer demand for American Axle & Manufacturing, Inc. products.

Both the International Union and the Corporation recognized that the nature of the business requires overtime work assignments. In

## **OVERTIME**

many instances, however, less than a full complement in a supervisor's group is needed to fill the jobs which are working overtime. When less than a full complement of associates is needed it is usually practicable for the supervisor to excuse associates who do not wish to work and confine the overtime assignments to those associates who do wish to work.

In situations where there are sufficient associates available who wish to work overtime and who are capable of doing the overtime work assignments, associates who do not wish to work overtime are to be excused from doing so, insofar as practicable.

Associates who are required to work overtime should be given as much advance notice as is practicable so that they can make any personal arrangements that may be necessary.

An individual associate's personal problems in connection with working overtime should be given careful consideration and such individual needs should be recognized. The individual associate's request to be excused from an overtime work assignment, when made a reasonable period of time in advance, should receive every possible consideration. When the request is granted the associate will be notified as far in advance as possible so that the associate can make personal plans accordingly. Thereafter, any cancellation or change in the arrangements to excuse the associate will only be made by mutual consent.

Except in situations of an emergency or crisis nature, an associate who is not assigned to a necessary continuous seven-day operation and who has worked thirteen consecutive calendar days will be excused from work on the next following Sunday provided the request for the day off has been made before the end of the associate's shift on the previous Friday.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See Par. (71)]

[See Memo Overtime]

**INNOVATIVE WAGE STRUCTURE**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During these negotiations, the parties discussed at length issues that have arisen regarding the application of Wage Agreements in the Corporation that are not compatible with modern manufacturing methods and organizational structures.

In recognition that continuing improvements in the associate's quality of work life, quality of the product, and operational efficiencies are necessary and desirable, the parties have explored various methods to implement a wage structure at the Corporation's plants which will enhance the Corporation's ability to compete on a global basis.

The parties agreed that innovative wage agreements could be instrumental in attaining these objectives and, accordingly, the National parties have agreed that the implementation of such wage structures is a priority.

Although not meant to restrict the full range of ideas and concepts which could be adopted, the parties examined and supported the desirability of implementing concepts such as "Levels of Learning"

## **INNOVATIVE WAGE STRUCTURE**

along with "Quality Operator" single classification systems. It is understood that appropriate transfer, seniority, shift preference, and other modifications are desirable and necessary to support such innovative wage structures.

Each local plant Management and Union is specifically encouraged and authorized to discuss and propose such modifications. The National parties will provide any necessary assistance to the local Union and the Local Plant Management. Any final agreement shall continue to be subject to the approval of the National parties, who will review these proposals in line with the concepts outlined in this letter.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See Par. (89)(a), (97)]

[See CSA #11]

## **COLA CALCULATION AND CONVERSION**

### **AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
American Axle Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

This letter is to confirm certain agreements reached by American Axle & Manufacturing, Inc. and the International Union, UAW, regarding the calculation of the Cost of Living Allowance (COLA) pursuant to Paragraphs (101)(d) through (101)(l) of the National Agreement.

The Parties discussed at length the effects Global Pricing, Global Competition and Domestic Cost have on our business and which have created a variation in COLA amounts among groups of associates at some AAM locations. Based on these discussions, the Parties agreed that the current COLA amounts effective as of December 2003 would be continued at the same respective amount for all associates.

During these negotiations, the Parties also discussed the relationship between associate paid health care benefits and the general cost of living. As a result of these discussions, the Parties agreed to base future cost of living adjustments on the Consumer Price Index for Urban Wage Earners and Clerical Workers (current series, CPI-W, for all items less medical care, not seasonally adjusted, United States City Average), as published by the Bureau of Labor Statistics (1982-1984 = 100).

The table in Paragraph (101)(h) has been constructed to provide that 1¢ adjustments in the Cost of Living Allowance shall become payable, sequentially, for each 0.08, 0.08, 0.08, 0.08, 0.08 and 0.09 change in

## **COLA CALCULATION AND CONVERSION**

the Index, and so forth, with that sequence of changes being repeated thereafter in the table so as to produce an average adjustment over time of 1¢ for each 0.08159 change in the Index. This formula value bears the same relationship to the August, September and October 2003 average for the new Index that the previous formula value of 0.25 bears to the August, September and October 2003 average for all items CPI-W on the 1967 base.

If the Union claims that the Corporation's calculations in any particular instance were not made in accordance with the terms of this Letter of Understanding, it may pursue such claim in accordance with the provisions of Paragraph (55) of the new National Agreement.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

Attachment

[See Par. (101)(d), ~~(101)(e)~~, (101)(g), (101)(h)]

## **COLA CALCULATION**

Attachment

### **ENGINEERING METHOD OF ROUNDING**

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

1. If the left most 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.

**PERSONAL PRIVACY**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During these negotiations the Union raised a number of concerns regarding the subject of personal privacy. The discussions centered on the collection and dissemination of personal data concerning associates and/or their conduct in the workplace.

The Corporation reassured that it places as much importance on the confidentiality of such information as does the Union. In this regard, the Corporation will continue to protect and respect the confidential nature of all personal information. Both the Corporation and the Union agreed that the collection and dissemination of all such data must be related to the legitimate needs of the business or as required by any local, state or federal law, regulation, or court order.

Very truly yours, .

Patrick J. Paige  
Vice President, Human Resources

**SALE OF BUSINESS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During these negotiations, the Union requested the Corporation to agree that any sale of an operation as an ongoing business would require the buyer to assume the , 2004 AAM-UAW Collective Bargaining Agreement. The Corporation agreed to do so in the case of any such sale during the term of the 2004 Agreement.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**UP-FRONT LUMP SUM PAYMENT**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the current negotiations, the parties agreed to provide an up-front lump sum payment of \$5,000 to each eligible associate. Eligible associates are defined as those whose status on the effective date of this Agreement is one of the following:

Active (excluding those hired pursuant to Appendix A Section IX);

- In protected status;
- On layoff status;
- On one of the following leaves of absence not greater than ninety (90) days:
  - Informal (Paragraph 103)
  - Formal (Paragraph 104)
  - Sickness and Accident (Paragraphs 106/108)
  - Pursuant to Family and Medical Leave Act
  - Military (Paragraphs 112 or 218a)
  - Educational (Paragraph 113)

## **UP-FRONT LUMP SUM PAYMENT**

Associates otherwise eligible with retirements processed for an effective date of March 1, 2004.

In addition, should the International Union, UAW-~~AAM~~ Department raise any questions of equity in application regarding specific associates, the Corporation agrees to meet on such cases in order to review the facts.

It is understood this payment is conditioned solely on membership ratification of the Agreement and is paid to eligible associates as outlined above whether or not they vote for ratification, or perform any service for the Corporation.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

**BEREAVEMENT DURING VACATION WITH PAY**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 E. Jefferson Avenue  
Detroit, MI 48214

Dear Mr. Rapson:

During the current negotiations, the parties discussed the possibility of a death of an immediate family member as defined in Paragraph (218)(b) of the AAM-UAW National Agreement occurring during a period in which an associate is on vacation time off with pay.

This confirms our understanding that if such circumstances occur where the associate has satisfied the requirements of Paragraph (218)(b), the associate will be entitled to additional days of vacation time off during the associate's vacation eligibility year. If an associate does not use these days by the associate's next vacation eligibility date, the associate shall be compensated for these days at a rate of pay established in accordance with Paragraph (193)(a) of the AAM-UAW National Agreement. Recovery of overpayments made pursuant to this understanding will be made in accordance with Paragraph (202)(l).

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**HOLIDAYS OCCURRING DURING AN APPROVED VACATION**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the current negotiations, the parties discussed the situation where an associate has applied for and been granted a vacation for a calendar week which contains a holiday as defined by Paragraph (203) of the AAM-UAW National Agreement. The Union was concerned that if an associate was credited with a full week of vacation time off under this situation, the associate would not be able to receive the associate's full vacation time off as contemplated in the Vacation Entitlement Section.

The Corporation recognizes the desirability of providing vacation time off up to the associate's eligibility for vacation entitlement as of the end of the current eligibility year. Accordingly, the Union was advised that in situations described above, an associate would be eligible for an additional day of absence for vacation purposes to be scheduled in accordance with local practice. This would not apply to holidays falling within the Christmas Holiday Period as defined in Paragraph (203).

Very Truly Yours,

Patrick J. Paige  
Vice President, Human Resources

**GRIEVANCE PROCEDURE**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the 2004 National Negotiations, the Parties discussed at length the importance of maintaining a process that supports orderly collective bargaining relations and the expeditious handling of grievances at all levels of the Grievance Procedure. The Parties acknowledge that the "... prompt and fair disposition of grievances involves important and equal obligations and responsibilities, both joint and independent, on the part of representatives of each party, to protect and preserve the Grievance Procedure as an orderly means of resolving legitimate grievances."

Accordingly, the Parties have agreed to republish documents of understanding emphasizing their commitment to the administration of the Grievance Procedure. In addition, the parties reaffirm their mutual desire and intention to assure that grievances will not be unduly delayed nor allowed to accumulate at any step in the Grievance Procedure in any plant. Furthermore, it was recognized that both parties have the responsibility to meet regularly on grievances in accordance with the terms of the National Agreement and that such meetings should not be postponed or delayed unnecessarily. In support of this, the Parties agree to develop a joint grievance training

## **GRIEVANCE PROCEDURE**

program for use at all plant locations. Subsequent to the development of this training program, the Local Parties can request National Party support to train the Union members of the Shop Committee and Management.

In this regard, the Parties agreed that complaints in this area will be handled under the provisions of Paragraph (5)(a) of the National Agreement. Before such problems are referred from the plant the situation will be discussed between the Chairperson of the Shop Committee, the President of the Local Union and the Regional Servicing Representative, and the Plant Manager and Personnel Director.

Lastly, the National Parties strongly encourage that the Local Parties utilize and process grievances related to protested disciplinary action in accordance with provisions of Paragraph (77). If properly administered, these grievances will increase higher floor supervision involvement and, as intended, result in the timely handling and resolution of these types of grievances.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See Par. (28), (45)]

**"COOLING OFF" PERIOD**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson

Vice President and Director

AAM-UAW Department

International Union, UAW

8000 East Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. Rapson:

During the course of the current negotiations, the Union expressed concern that some disciplinary interviews escalated into confrontation because tempers flared. The Union suggested that in these situations a "Cooling Off" period would be beneficial to all concerned.

The Corporation and the International Union agreed that contemplated discipline should be discussed in a calm manner allowing for an objective evaluation of the facts. In those situations where emotions preclude this from happening, the parties agreed that as a matter of practice and when possible, such discussions should be postponed until such time that, in the opinion of Management, a constructive exchange of information could occur.

Notwithstanding the foregoing the parties recognized that certain actions such as assault, or other serious acts of misconduct would render the "cooling off" period totally inappropriate.

Additionally, it was mutually recognized that providing or not providing a "cooling off" period will be without prejudice to either party in the application of any terms of the National Agreement and will not be cited or relied upon by an associate, the Union, or Management as a basis for any claim.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See Par. (76)(a)]

**PROMOTIONS - (63)**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson

Vice President and Director

AAM-UAW Department

International Union, UAW

8000 East Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. Rapson:

During the current negotiations, the Union expressed concern with the application of Paragraph (63) of the AAM-UAW National Agreement. The Union specifically expressed concern over the use of disciplinary and attendance records in determining the merit, ability and capacity of applicants for promotional opportunities.

The Corporation advised the Union that retaining the ability to promote the most qualified applicants was essential to its commitment to make quality products and to maintain efficient operations. The Corporation assured the Union that in evaluating disciplinary and attendance records in determining merit ability and capacity for promotional opportunities, the exercise of good judgment was essential. In evaluating the records of two associates who have applied for a promotion, if the records are to be the deciding factor, there must be a meaningful difference between them.

The Corporation advised the Union that after the effective date of the new AAM-UAW National Agreement, it intends to review the contents of this letter with local Management to insure fairness in the exercise of these rights.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

**SUBCONTRACTING COMMUNICATIONS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the recent negotiations, there were discussions concerning subcontracting which resulted from inadequate communication about such matters. As a result of these talks, Management reaffirmed its long-standing commitment which reads as follows:

“During the current agreement we have experienced many labor relations problems in the plants in handling subcontracting matters.”

“In many of these instances the root cause of the problem is lack of communication. The AAM-UAW Master Agreement currently requires timely meetings in advance of the decision to subcontract work normally and historically performed by American Axle & Mfg., Inc. skilled trades associates.”

“Plant level meetings with local union representatives relative to routine maintenance contracting are often held after the contract has been let and insufficient useful information is provided to the union for them to consider and make appropriate comments relative to Management's plans.”

## **SUBCONTRACTING COMMUNICATIONS**

“The Corporation intends to achieve world wide competitive status utilizing not only the skills of our associates 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 utilized throughout the Corporation at all levels: production, skilled and technical. Obviously such discussions should be held in a timely manner with appropriate management and union personnel.”

“Accordingly, an appropriate representative of management in each personnel department is responsible for having adequate information about each subcontract for the performance of skilled trades work covered by the subcontracting provisions of the agreement. After determining that required discussions have been held this representative would approve the contract prior to its being let to an outside firm. This will require complete understanding and cooperation of our contractual requirements by the plant's engineering and purchasing personnel.”

“There are numerous examples where complete, advance communications with the union and the skilled trades associates 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, associates and the managers.”

“Plant relationships can only be improved by open, frank communications in all areas, particularly in carrying out our subcontracting responsibilities.”

“Mr. Dauch and the Policy Committee are in complete agreement that extraordinary attention must be given to our managerial responsibilities in this area. I have been assured by the International

## **SUBCONTRACTING COMMUNICATIONS**

Union that we will have the full assistance of the AAM-UAW Department Staff in bringing about improved plant relationships when we have installed full, advance communications relative to business decisions involving subcontracting.”

Furthermore, with regard to tool and die work, including prototype and pre-prototype work, several local Managements and Unions have implemented a process of advanced notification, review, and competitive analysis which has enabled the parties to consider and serve the interest of skilled tradespersons in job security, as well as Managements' needs for competitive and timely performance of this kind of work. Therefore, the Corporation and the International Union are in agreement that they will encourage other locations to implement this approach in order to avoid conflicts over the subcontracting of such work.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**AAM POLICY REGARDING SEXUAL HARASSMENT**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson

Vice President and Director

AAM-UAW Department

International Union, UAW

8000 E. Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. Rapson:

The following is the text of the written and published policy of American Axle & Manufacturing, Inc. regarding sexual harassment.

“AAM is committed to providing a work environment that is free of unlawful discrimination and harassment. Any unwelcome physical, verbal, or visual sexually-oriented conduct, which is offensive or objectionable to the recipient, including, but not limited to epithets; derogatory or suggestive comments, slurs, or gestures; and offensive posters, pictures, or drawings will not be tolerated. Sexual harassment (both overt and subtle) is a form of associate misconduct that is demeaning to another person, undermines the integrity of the employment relationship, and is strictly prohibited.

Any associate who wants to report an incident of sexual harassment should promptly report the matter to their supervisor, the Personnel Director at their location or the Manager, Human Resources Operations, Corporate Administration.

## **AAM POLICY REGARDING SEXUAL HARASSMENT**

Any supervisor or manager who becomes aware of sexual harassment should promptly advise the Manager, Human Resources Development or Personnel Director who will then handle the matter in a timely matter.

All claims of sexual harassment will be investigated on their merits with due attention to confidentiality.

Cooperation in preventing sexual or other unlawful harassment is essential. AAM will, as necessary, take appropriate disciplinary action up to and including termination of employment, to ensure that we meet our responsibility to associates by providing a work environment that is free of unlawful discrimination and harassment".

AAM and the UAW are in agreement that complaints of sexual harassment should be dealt with promptly and fairly under existing internal procedures as provided under Paragraph (6)(a) of the National Agreement.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**WARRANTIES**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson

Vice President and Director

AAM-UAW Department

International Union, UAW

8000 East Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. Rapson:

During the current negotiations the Union complained there has been inconsistent administration of the "normal warranty" provisions of Paragraph (183)(b) of the Master Agreement. The Union indicated that plant managements insist on warranties beyond normal periods of time and that our skilled associates are not assigned to the new equipment or machinery until long after it has been in the plant. This does not provide the opportunity for our own skilled trades to learn how to keep such equipment operating effectively.

The Corporation informed the Union that good business practice includes the use of warranty arrangements sufficient to assure that the equipment purchased by the Corporation performs according to specifications required by the purchase contract.

The parties agreed that many locations through cooperative efforts such as assigning UAW-AAM associates with vendors during installation and servicing, progressive training arrangements both onsite and offsite, etc. have resolved all their problems attendant to this issue. The Corporation and the International Union encourage each local union and local management to pursue such reasonable working agreements.

Instances that are not resolved may be handled under the subcontracting provisions of this agreement.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

**MOVEMENT OF WORK - ADVANCE NOTICE**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the current negotiations, the Union expressed concern regarding changes which affect the movement of work after a Paragraph (96) has been agreed upon and/or associates transferred. Also, the Union indicated a need for improved advance notification of pending transfers of work.

The Corporation informed the Union of its interest in providing advance information as soon as is practicable to do so regarding the transfer of operations. Also, once a Paragraph (96) has been agreed upon, barring any unforeseen circumstances, the work will move.

Very Truly Yours,

Patrick J. Paige  
Vice President, Human Resources

**SPECIAL ASSIGNMENT - OVERTIME**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson

Vice President and Director

AAM-UAW Department

International Union, UAW

8000 East Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. Rapson:

During current negotiations, discussions occurred regarding the overtime scheduling of associates working on temporary assignments in accordance with Section X of Appendix A of the National Agreement. The parties agreed that such associates are to be considered for overtime as if they were regular, full-time associates.

The parties also agreed that consideration for overtime will be in accordance with the local administrative rules of the plant to which they are temporarily assigned and that the local parties cannot enter into any local agreement which would supersede this letter and/or the provisions of the National Agreement.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See Par. (71)]

[See Memo Overtime]

**WORK ASSIGNMENTS - SKILLED TRADES**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During these National Negotiations, the parties discussed at length the necessity for the Corporation to become competitive in all aspects of the business. Among the issues discussed were the existing skilled trades classification structure, work rules, and past practices.

With regard to the skilled trades classification structure, the Union expressed concern over apprenticeable skilled trades classifications being consolidated. In this regard, the Corporation observed that it will not dictate consolidation of apprenticeable skilled trades classifications to its plants. The Corporation advised, however, that they intend to rely on the currently apprenticeable skilled trades classifications as the basis for our skilled classification structure moving forward. Competitive advantages of a review of skilled trades classifications at any American Axle & Manufacturing, Inc., facility must be weighed and determined by the local parties in view of all attendant circumstances at that location. Appropriate training plans necessary to accomplish any consolidations must be submitted in a timely manner for approval by the AAM-UAW Skilled Trades and Apprentice Committee.

## **WORK ASSIGNMENTS - SKILLED TRADES**

With regard to work rules and past practice, the Corporation stated that many plants feel hampered in their efforts to enhance competitiveness in today's environment by historically restrictive practices which originated at a time when competition was less threatening. Given recent improvements in the area of job security, the need for such stringent work rules and delineation of job responsibilities has been reduced.

Therefore, the National parties concur that local Management and local Unions shall review existing work rules and practices, especially in the area of Lines of Demarcation, to insure that only those necessary to protect the safety of associates, the integrity of the skilled trades, and the efficiency of operation in today's competitive environment are carried forward. Incidental, overlapping, and other minor access type work is encouraged and should be discussed and handled locally consistent with sound business judgment. This review will be completed within 180 days of the effective date of this Agreement and all modifications shall be implemented within thirty days thereafter.

If either of the local parties feel that abuses of the spirit and intent of this document exist, they may request the issue be reviewed via plant entry by appropriate representatives of the AAM Department of the International Union, UAW and the AAM Labor Relations Staff.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

[See Par. (182)]

[See CSA #12]

**JOBS PROGRAM  
VOLUNTARY RETIREMENT LEAVES**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 E. Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

This is to confirm our understanding that the Pre-Retirement Leave Program set forth in Document No. 117 in the National Agreement and as implemented in the March 25, 1991 implementation document, shall be renewed for the duration of the 2004 Collective Bargaining Agreement. The renewal shall be on the same terms and conditions except that eligibility shall be limited to associates who would be eligible for a regular early retirement based on attaining 30 years of service within twenty-four (24) months of participating in a pre-retirement leave. Upon attainment of 30 years of service, the participating associate will retire. The Corporate Leadership Council is authorized to make jointly approved modifications to the program, as necessary.

Associates on pre-retirement leaves are considered to be Protected associates under the ESP Program and will receive the same insurance benefits.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources  
[See App. K, Att.A]

**PLANT CLOSINGS AND SALE MORATORIUM**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mr. Rapson:

In response to your expressed concern about job security in our negotiations and discussions regarding this subject, please be advised that during the term of the new Collective Bargaining Agreement, the Corporation will not close, nor partially or wholly sell, spin-off, split-off, consolidate or otherwise dispose of in any form, any present plant, or business unit constituting a bargaining unit under the Agreement.

In this regard, it is understood that conditions may arise that are beyond the control of the Corporation, e.g., act of God, and could make compliance with this commitment impossible. Should such conditions occur, the Corporation will review both the conditions and their impact on a particular location with the Union.

Should it be necessary to close a plant constituting a bargaining unit, the Corporation will attempt to redeploy associates to other locations and, if necessary, utilize the "Special Programs" identified in Appendix K of the AAM-UAW National Agreement or other incentivized attrition programs as agreed to by the Corporate Leadership Council.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mr. Rapson:

During the negotiations, there was extensive discussion regarding the use of the term "associate" in the various paragraphs, documents, exhibits and memoranda related to the National Agreement. It was mutually agreed that the use of the word "associate" therein shall have the same meaning as the word "employee" for the purposes of the current AAM-UAW National Agreement.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mr. Rapson:

During the negotiations, the subject of the need for personnel practices with consistent application to all associates was discussed. It was mutually recognized that consistent, fair personnel practices favorably impact associates' attitudes thereby reinforcing joint efforts to improve operational effectiveness and the work environment. It was further recognized that since the company was formed on March 1, 1994, many innovative and unique approaches to a variety of matters affecting all associates have been implemented to assure that they are provided the opportunity to function in a work environment characterized by mutual respect and trust.

AAM assures the union that as part of its continuing effort to become a premier Tier I global supplier, each associate is to be treated in a manner consistent with the UAW-AAM Value Statement which reads:

"We value AAM people above everything else. We will achieve success by providing our associates with an environment which respects the dignity of every individual, which fosters trust in relationships and allows each associate the opportunity to realize their full potential as an individual and as a team member."

Our mutual theme of "Be the Best by Working Together" will only be accomplished if both parties continue to support this approach.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**RELIEF TIME - MANUFACTURING PLANTS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

Relief time on manual operations which are continuous and which cannot be left unattended and on certain other operations that the Corporation determines are likewise of such a nature as to give the associates no control over their ability to leave the operations to tend to personal needs, shall be twenty-three (23) minutes before lunch and twenty-three (23) minutes after lunch on a regular eight (8) hour shift, making a total of forty-six (46) minutes.

Relief time on manual operations which can be left unattended and where the associates have control over their ability to leave the operations to tend to personal needs shall be twelve (12) minutes before lunch and twelve (12) minutes after lunch on a regular eight (8) hour shift, making a total of twenty-four (24) minutes.

The amount of relief time as specified above shall be modified accordingly for a shift other than a regular eight (8) hour shift. In addition, as a matter of policy, the first hour at the start of the shift and the first one-half hour after lunch are not ordinarily scheduled as relief periods. Any local relief practices which are not inconsistent with the total amount of relief time provided herein may be continued.

## **RELIEF TIME - MANUFACTURING PLANTS**

The parties have agreed to continue the following informal procedure to address complaints regarding this subject.

1. The complaint may be raised by the Chairperson of the Shop Committee directly with the Plant Personnel Director.
2. If not resolved, the Chairperson may refer the problem to a representative of the International Union, UAW who may request a meeting with a member of the Corporate Labor Relations Staff to discuss the complaint and take appropriate action.

This letter and this informal procedure are not intended to prejudice the position of either American Axle & Manufacturing, Inc. or the UAW.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

**UNION WORK CENTERS, FACILITIES AND FURNISHINGS  
FOR UNION REPRESENTATIVES**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mr. Rapson:

Work centers are and will continue to be provided in each plant for Union activities involving Representation, Benefits, Health and Safety and Apprentice matters. These facilities provide union representatives with appropriate space to perform those duties necessary to carry out their representation function. The union recognizes these work centers will be for the use of properly designated Union representatives in the performance of their duties and that other associates may contact such representatives only during the non-work time of such associates.

Each such work center will include appropriate furnishings, such as desks or tables, chairs, filing cabinets and an in-plant telephone. Upon request of the local union, a private telephone billed directly to the local union will be provided.

The parties agree that all such existing facilities are consistent with this understanding and therefore support AAM's objective of providing a work environment that maximizes the effectiveness of the various programs available for AAM associates. Union representatives using such facilities will assist in the maintenance of good housekeeping practices with respect to their particular work area. Any problems associated with the implementation or administration of this letter may be reviewed with the Corporation's Labor Relations staff by the International Union.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**VOLUNTARY POLITICAL CONTRIBUTIONS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson

Vice President and Director

AAM-UAW Department

International Union, UAW

8000 East Jefferson Avenue

Detroit, MI 48214

Dear Mr. Rapson:

The current Memorandum of Agreement Voluntary Political Contributions specifies that "a fee of \$.075 per participant each six (6) months calculated on the number of participants as of June for the July billing and December for the January billing" will be paid to AAM.

The parties recognize that the current systems utilized for such deductions have not been changed to the AAM payroll system and therefore the rate specified above shall continue in effect until modified pursuant to Paragraph 9 of the Memorandum of Agreement Voluntary Political Contributions based upon the cost after the change to the AAM payroll system.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

## **AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson

Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mr. Rapson:

During these negotiations, the parties discussed the value of the positive, mutually supportive relationship between AAM and the UAW which has been a factor in helping AAM and all its associates to work together to achieve AAM's objectives.

American Axle & Manufacturing, Inc. stated that its relationship with the UAW is important to the Corporation's long term success. In this regard, the UAW stressed the significance they place on the use of high quality, reliable suppliers who maintain good relations with their employees. AAM indicated they fully subscribe to these concepts because quality products, uninterrupted delivery combined with sound, fair relations with the workforce have a significant impact on the Corporation's success in the marketplace and have a direct impact on the job and income security of all AAM associates.

In this regard, the Corporation acknowledges the importance of the contribution UAW-represented associates can make in helping AAM achieve continued growth in the marketplace. More critically, it is understood that all AAM associates must continue to work together if the Company is to survive and continue to be a global premier Tier I supplier.

The Corporation and the UAW have jointly adopted a Corporate Slogan, "Be the Best by Working Together." This phrase represents the

interests and perspective of AAM in its relationship with AAM associates and the UAW as an institution. If during the term of this Agreement, there are any matters that adversely affect this relationship, the Corporation and the Union will promptly review and resolve such matters

Very truly yours,

Patrick J. Paige

Vice-President, Human Resources

**FEDERAL INCOME TAX WITHHOLDING**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mr. Rapson:

This will describe the methods to be used in regard to withholding of Federal income tax from associate's wages attributable to grievance awards, vacation pay and pay in lieu of vacation.

Grievance awards in excess of \$500.00, but involving periods less than one calendar year, will be treated as supplemental earnings and income tax withholding will be calculated using the Federal income tax regulations regarding supplemental earnings.

Likewise, pay in lieu of vacation also will be treated as supplemental earnings and income tax withholding will be withheld using the Federal income tax regulations regarding supplemental earnings.

It should be noted that the tax withholding referenced above 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 amount withheld for Federal income tax.

Grievance awards which are less than \$500.00 will be aggregated with the regular payroll and the income tax withholding will be calculated on the total amount.

## **FEDERAL INCOME TAX WITHHOLDING**

If a grievance award 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, the annual percentage table will be used 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 fifty-two (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 intended to conform to Federal Income Tax Regulations. Therefore, any change or amendment to such Regulations will, of necessity, have to be reviewed for compliance with such changes.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**ASSOCIATE SOCIAL SECURITY NUMBERS**

**AMERICAN AXLE & MANUFACTURING. INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During 2004 Negotiations, the parties discussed the posting of computer reports with complete social security numbers at Company locations. As soon as practical following these negotiations, a systems change will be implemented whereby posted reports generated via the AAMTS or Inpower systems reflect no more than the last five numbers of an associate's social security number. Locally generated reports, which are posted, will be modified in the same manner.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

## AMERICAN AXLE & MANUFACTURING, INC.

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mr. Rapson:

Subject: Supplier Corporate Citizenship

During these negotiations, the UAW stated its interest in having the Corporation continue to recognize the importance of using suppliers which are good corporate citizens and which can be relied upon for quality products and reliable delivery. The UAW further pointed out that the Corporation's selection of and relationship with suppliers have a significant bearing on its relationship with the Union. In this regard, the Union stressed repeatedly the importance of the Corporation's use of high quality, reliable suppliers which maintain good, fair and equitable relations with their associates and which satisfy the Corporation's need for a continuous, reliable and cost-effective supply of quality parts and materials.

American Axle & Manufacturing, Inc. fully understands the Union's concerns in these matters, because quality products, uninterrupted delivery and good corporate citizenship -- by the Corporation and its suppliers -- contribute significantly to the Corporation's success in the marketplace, and all of these factors have a direct bearing on the job and income security of UAW members. American Axle & Manufacturing, Inc. assured the Union that it would not take retaliatory action, such as canceling or refusing to renew contracts with suppliers, based on a decision of that supplier's associates to join a labor union. The Corporation further stated that all such decisions will continue to be based on quality, service, technology and cost. The Corporation similarly recognizes the value of suppliers that have

successful relations with their associates and associates' representatives.

American Axle & Manufacturing, Inc. agrees that its relationship with the Union is of paramount importance to the Corporation's long-term success. The Corporation has told its suppliers and the business community in the past of the positive aspects of its relationship with the UAW and will continue to do so in the future. American Axle & Manufacturing, Inc., therefore, has no interest in embarking on a purchasing strategy that would detract from that relationship.

Correspondingly, the Union has, from time to time, expressed to the Corporation its concern about certain aspects of the Corporation's relationship with particular suppliers in the area of quality, continuity of supply, and overall performance as a supplier including the maintenance of good relations by the supplier with its associates. The Union recognizes that the Corporation has expressed its views and made suggestions to its suppliers as a result of the Union's concerns, all within the bounds of applicable legal principles.

The parties recognize that instances in which these matters arise are inherently dependent upon the particular facts that are present in each situation and plan to continue to deal with these matters on a case-by-case basis as they have in the past, and in compliance with applicable laws.

In particular, the Corporation will continue to urge its suppliers to treat their associates in a good, fair and equitable manner to provide them wages and benefits competitive within their industry, to provide a safe workplace and to avoid conduct which violates national or state labor and employment laws. In addition, the Corporation will, in a manner which is in compliance with applicable laws, notify suppliers of the importance the Corporation places on harmonious relationships between suppliers, their associates and any union that may represent them.

The Corporation will send or transmit to each of its current suppliers a letter, in the form attached hereto (the "Letter"), within sixty (60) days after the effective date of the National Agreement; and, upon request of the Union, the Corporation will re-send the attached letter within

fourteen (14) days to any supplier who is awarded a contract with the Corporation. In addition, the Corporation will transmit the attached letter as a part of each Request for Quotation extended to domestic suppliers.

Very truly yours,

Patrick Paige

Vice President, Human Resources

Attachment

Attachment

**NEW**

Form of letter to be Sent to Suppliers

This letter will describe some aspects of American Axle & Manufacturing, Inc.'s policy on supplier selection.

The Corporation's decision to select or remove a particular supplier is based on numerous criteria, applied in conformance with legal requirements. American Axle & Manufacturing, Inc. recognizes that it is in the mutual interest of employers and their employees for the employer to fully respect the right of the employees to representation by a union. It is, however, definitely not American Axle & Manufacturing Inc.'s policy or practice to remove product from a supplier if that supplier's employees have chosen to join the UAW.

As you know, American Axle & Manufacturing, Inc. has a positive and constructive relationship with the UAW, and we encourage our suppliers to strive for similar constructive relationships with their employees or representatives of their employees. Our joint programs have allowed us to make significant improvements in areas such as Health and Safety, Quality, and the implementation of lean manufacturing utilizing the tools of our joint process. We respect the UAW and the UAW respects us.

American Axle & Manufacturing, Inc. also notes that many of our supplier facilities have recognized the UAW based on a showing of a majority support among employees by means of a "card check" certified by a neutral third party. American Axle & Manufacturing, Inc. fully approves of decisions by our suppliers to use such peaceful means of determining employees' sentiment.

Should you have any questions with respect to this matter, please call.

Very truly yours,  
(Vice President for Purchasing)

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

Subject: Working on a Holiday/Vacation Entitlement Conversion Option

During the negotiations, the parties agreed that associates who work on a designated holiday, and are otherwise eligible for holiday pay, may request that eight (8) hours be credited to their Vacation Entitlement Allowance, in lieu of receiving holiday pay.

Eligible associates who work on any designated Christmas Period Holiday, may request that eight (8) hours for each day worked be credited to their Vacation Entitlement Allowance, in lieu of receiving holiday pay. Additional time off resulting from the Christmas Holiday Period may be utilized, per local plant practice, at any time during the following year prior to the next Christmas Holiday Period.

To provide sufficient time for administration, the associates must submit their request in writing no later than the Friday of the week in which the holiday occurs.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**COMMITMENT TO DIVERSITY**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

The UAW and AAM have worked together for several years to understand and promote diversity in the workplace, a goal we absolutely agree on and are fully committed to. The parties have long recognized that diversity is the collective mixture of our similarities and differences. Both organizations recognize that diversity includes race and gender, as well as broader dimensions such as family status, religion, sexual orientation, education, abilities, disabilities, military status, union, non-union, language and many others.

Diversity is a positive asset to an organization because only by leveraging our diversity will we be able to achieve the kind of relationship that we know is necessary if AAM is to prosper and provide good jobs that allow associates, both union-represented and salaried, to be secure in today's complicated world.

Our vision is to have a workplace that naturally enables the people of UAW-AAM to fully contribute and achieve personal fulfillment. The UAW and AAM continue to support and integrate the many voices of diversity, increasing our appreciation of cultural differences, beliefs, values, abilities, disabilities and sexual orientation. The UAW and AAM work together at the national and local levels to develop and

deliver diversity training. The principles that guide UAW-AAM Diversity Initiatives include:

- creating a learning organization;
- seeking diverse input and involvement;
- leading the cultural change process; and
- pursuing continuous improvement in diversity actions and programs.

The UAW-AAM Corporate Joint Programs office department works with local Plants to provide educational materials to the UAW-AAM workforce regarding diversity and equal employment opportunities. They also identify community agencies involved in civil rights and diversity activities and work with community leaders to discuss and work towards solutions to mutual problems regarding discrimination. Action plans can be developed to include such activities as:

- utilizing plant communication methods to celebrate cultural diversity and share the UAW-AAM joint commitment to diversity;
- seeking input from identifiable diverse associate groups and individuals;
- identifying opportunities to celebrate diversity with educational awareness events and exhibits;
- communicating how diverse associate groups can participate in plant and community projects; and
- recognizing activities that are inclusive of diverse associate groups.

Very truly,

Patrick J. Paige

Vice President, Human Resources

**SUSPENSION OF ASSOCIATES -APPLICATION OF  
PARAGRAPH (76a)**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During these negotiations, the parties had lengthy discussions regarding the implementation of Paragraph (76a) of the National Agreement. The Union asserted that Management was repeatedly suspending associates without providing them with the opportunity to answer the charges that gave rise to the situation for which discipline was being considered. Management responded that the intent of Paragraph (76a) was to provide for this opportunity except in those cases where the associate being interviewed was either unavailable or incapable (physically or emotionally) to effectively respond to the charges.

The parties also recognize that more than one interview pursuant to Paragraph (76a) may be appropriate where additional facts or information has been discovered.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**HIRING TEMPORARY ASSOCIATES**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the current National negotiations, the issue of temporary associates was discussed at length between the Parties. The Union raised its concerns regarding abuses at certain locations in connection with the use of temporary associates.

This letter confirms our discussions related to associates hired as temporary. In the event that a plant hires temporary associates without National Parties approval in accordance with Appendix A, Section X (B), or in the event that a plant retains temporary associates past the approved period, such associates will become seniority associates. Temporary associates who become seniority associates under this provision will be given credit for time worked as a temporary.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**FULL DISCLOSURE**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During these negotiations the Union cited several instances where Management delayed in providing information requested by the Union during the processing of a grievance. In response, Management assured the Union that they fully support the principle of full disclosure. The principle of full disclosure has been discussed in several Umpire decisions dating back to 1941. Management fully supports the principles outlined in those decisions.

Further, while the UAW and AAM relationship has a short history dating back to 1994, the Parties recognize that the AAM-UAW National Agreement has origins from the GM-UAW National Agreement. Therefore, Management is in agreement with the Union that the Umpire, as outlined in the Grievance Procedure Section of this Agreement, will only consider GM-UAW and/or AAM-UAW umpire decisions as precedent.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

## **REPORTING NEAR MISS INCIDENTS**

### **AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the current negotiations, the joint parties discussed the importance of reporting, investigating, evaluation, and determining corrective actions for "Near Miss" incidents which occur in the workplace. The joint parties recognize that the foundation of any successful safety process rests with a cultural atmosphere that allows associates to bring potentially hazardous situations to the attention of management in order to achieve timely correction. This line of communication can only be achieved if associates are free to discuss "Near Miss" incidents with supervision without fear of reprisal. To this end, the Corporation will instruct Management at each facility:

- On the importance of reporting "Near Miss" incidents.
- To include near misses as part of the current incident investigation process including corrective action.
- To use counseling in lieu of discipline in those cases where an associate immediately self-reports a "Near Miss" incident involving a possible violation of safety rules.

Very Truly Yours,

Patrick J. Paige  
Vice President, Human Resources

**SCHEDULES - IWS/VACATION SHUTDOWN**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the current negotiations, the parties discussed situations where associates were not advised of their individual work schedules for the Independence Week and Vacation Shutdown period in a timely manner. Management expressed their desire to provide associates with as much advance notice as possible.

Therefore, after the announcement in February detailing which operations will be affected by the shutdown, all associates will be notified by local Plant Management, as soon as is practicable, as to whether or not they are scheduled to be working during the shutdown period. Should the circumstances change after an associate is informed, the new schedule as well as the changed circumstances will be communicated to the associate as soon as possible.

In addition, when business conditions change and a plant is required to work after originally scheduled to be down, the plant will first try to meet their needs through the use of volunteers. Any problem in this area should be raised with the Director of Labor Relations or the Corporation for review.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**LAID OFF PRIOR TO IWS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mr. Rapson:

During the current negotiations, the parties discussed situations in which associates are laid off prior to the Independence Week Shutdown period and thereby, become ineligible for the four (4) days of the Independence Week Shutdown pay.

As a result of these discussions, the Corporation agreed that seniority associates who work in the fourth work week prior to the Independence Week Shutdown period, and who are laid off either temporarily or permanently during that week, or during the first, second, or third work week prior to the Independence Week Shutdown period, shall be considered as meeting the requirements of Par. 202d(2) of the National Agreement. Therefore, these associates will, if otherwise eligible, receive the four (4) days of Independence Week Shutdown pay.

This letter does not change or modify the Holiday Pay provisions of the National Agreement.

## **LAI D OFF PRIOR TO IWS**

Any wages or benefits received from any other source during the Independence Week Shutdown period, including Unemployment Compensation or other state or federal payments related to unemployment, will create a AAM overpayment and shall be recovered by the Corporation from subsequent wages or benefits owed the associate. Recovery of an overpayment resulting from the payment of Unemployment Compensation or the receipt of a waiting week credit will be effected in a manner consistent with Par. (213a).

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

**REINSTATED - VACATION ELIGIBILITY**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the current negotiations, the parties discussed the situation that may occur when an associate, for reasons of discharge or contractual release, does not have plant seniority at the end of the vacation entitlement eligibility year.

In some circumstances:

- An associate may maintain AAM seniority at another location within the Corporation or,
- A discharged associate's seniority and/or vacation entitlement may be impacted by the settlement of an associated grievance.

The parties agreed that if an associate maintains seniority at any AAM location, or if their seniority and/or lost wages are reinstated by a grievance settlement, the associate will be eligible for all vacation entitlement earned during the affected period. Plant Management will notify Labor Relations Activity of any relevant situations.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**PRODUCT QUALITY CONCERNS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the course of these negotiations, the parties discussed associates having the opportunity to raise product quality concerns in the course of performing their regular work assignments. In so doing, the associate plays a critical role in the continuous improvement of our products and, ultimately, in meeting the quality expectations of our customers. It is recognized that product quality concerns require an immediate and thorough response. The parties agreed the process set forth in Appendix J provides for such immediate and thorough response and they will therefore reinforce the value of the current process with all Plant Councils.

Accordingly, the parties agreed that they will therefore create awareness materials for distribution to all UAW-AAM Plant Councils. The purpose of such materials will be to encourage full awareness and participation of our associates, supervisors, committeepersons, and AAM Manufacturing System representatives in this critical aspect of the continuous improvement of products and services.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**UAW FLAG/LOGOS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the current negotiations, the Union requested that all American Axle & Manufacturing, Inc. (AAM) facilities, where the UAW represents associates, be permitted to fly the registered UAW flag. As discussed, flying of flags at AAM is a matter of corporate policy.

In view of the historic ties between the UAW and American Axle & Manufacturing, Inc., the Corporation indicated a willingness to investigate its policy on flags to determine the appropriate modifications required to meet the Union's request. The parties also recognize the need for a common and consistent application of the policy once such modifications have been determined and finalized.

It is agreed that once the policy modifications have been finalized, all AAM facilities, where the UAW represents associates, will make the necessary arrangements to fly the registered UAW flag consistent with such policy. Appropriate UAW flags will be provided to the facility Manager by the Local Union President or the bargaining unit Chairperson.

Further, it was agreed that the Corporate Joint Program Representatives will develop a plan for review and approval, at the

## **UAW FLAG/LOGOS**

CLC, within twelve (12) months, if possible, to:

- Affix joint logo decals to existing AAM owned tractor trailers used to transport product produced by UAW-AAM-represented associates and a commitment to identify new tractor trailers in a like manner,
- Affix the UAW registered logo to the doors of AAM owned tractors used to transport product produced by UAW-AAM-represented associates, and
- Develop a process and guidelines for local union presidents and plant managers to identify, through signage, the UAW local(s) representing workers at their location.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

**TRANSFER PROVISIONS - JOINT AND BENEFIT  
REPRESENTATIVES**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During these negotiations the parties clarified our understanding that all Joint Program and Benefit Representatives are entitled to transfer pursuant to the terms of Paragraphs (63) (a) (1), (63) (a) (2) and (63) (b) provided they are the applicant with the most seniority and capable of performing the job.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**PAYMENT DURING HOLIDAY/VACATION/CHANGEOVER**  
**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the current negotiations, the Union expressed concern regarding payroll related matters. In resolution of these payroll matters, the Corporation agreed to implement the following:

At those facilities where the Local Union so requests, associates who are scheduled to work on a payday during (i) the Christmas Holiday period or (ii) a model changeover, or (iii) vacation shutdown will receive their paycheck in the work place during such period, except for associates who receive their regular pay by Electronic Funds Transfer (EFT). In order to provide sufficient time for the processing and handling of these checks, the local Payroll Department must receive a list of such associates from that plant's management no later than the last scheduled workday prior to the Christmas Holiday Period or such model changeover.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**PARAGRAPH (98)**

**- RETURNING TO NON-SKILLED CLASSIFICATION**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson

Vice President and Director

AAM-UAW Department

International Union, UAW

8000 East Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. Rapson:

During these negotiations, the Union expressed concern about the application of Paragraph (98) wage progression to certain associates returning to non-skilled classifications.

This will confirm our understanding that a seniority associate who did not complete wage progression to the full base rate of the job classification pursuant to the provisions of Paragraph (98) and

- 1) entered into the apprenticeship program but returned to a non-skilled classification before completing said apprenticeship shall be given credit for non-skilled wage progression purposes for the weeks worked while in the apprenticeship program, or
- 2) accepted and worked a temporary salaried assignment and returned to an hourly non-skilled classification shall be given credit for non-skilled wage progression purposes for the weeks worked as a temporary salaried associate.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

**WORK/FAMILY PROGRAM**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
AAM-UAW Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the course of the current negotiations, the parties reaffirmed their commitment to Work/Family Programs to establish and support services to help workers balance their work and personal responsibilities. In support of this commitment, the parties agreed to continue to pursue a childcare initiative aimed at providing onsite or near-site quality childcare in one or more jointly selected AAM communities.

Any future childcare initiatives should support the unmet needs of parents consistent with goals and objectives of the joint parties, and based on knowledge gained from joint involvement in existing consortium initiatives.

A program to enable active associates to pay for dependent care services using pre-tax dollars will begin in the second quarter of 2001. In this regard, an associate funded Dependent Care Spending Account administered by the AAM Personal Savings Plan will be provided. Costs associated with the administration of this spending account will be appropriately charged to National Joint Funds.

The UAW-AAM share of existing consortiums and new onsite or near-site childcare initiatives will be funded by National Joint Training

## **WORK/FAMILY PROGRAM**

Funds. The UAW-AAM share of on-going operations costs will be funded on a cost sharing basis using a combination of fees assessed to associates utilizing the service and National Joint Training Funds.

Management and Union representatives from those companies participating in the consortiums and other initiatives or in the case of an UAW-AAM stand alone facility, the parties, will jointly develop plans for the center(s) including details regarding such items as follows:

- Proposed Sites
- Bid Procedure
- Size
- Capacity
- Quality
- Costs
- Services
- Operating Hours
- Capital Requirements
- Eligibility Rules
- Enrollment Policies
- Anticipated Fee Schedules
- Other Relevant Data

The plans will be submitted to the Corporate Leadership Council for review and final approval. Additionally, the Board will review and evaluate the operating status of the center(s) consortium activities and childcare initiatives on a bi-annual basis to determine the viability and the advisability of continued operation, the desirability of expanding the concept, and other innovative activities that may meet the needs of our associates in a mutually satisfactory manner.

Very truly yours,

Patrick J. Paige

Vice President, Human Resources

**HOLIDAY BONUS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
American Axle Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During the current negotiations, the parties agreed to payment of a 'Holiday Bonus' in the amount of \$1000.00 to an eligible associate in 2005, 2006, and 2007. Eligible associates are defined as those whose status on December 1st of each corresponding year is one of the following:

- Active (excluding those hired under Appendix A, Section IX);
- In protected status;
- On temporary layoff;
- On one of the following leaves of absence not greater than ninety (90) days:
  - Informal (Paragraph 103)
  - Formal (Paragraph 104)
  - Sickness and Accident (Paragraph 106 / 108)
  - Pursuant to Family Medical Leave Act
  - Military (Paragraph 112 or 218a)
  - Educational (Paragraph 113)



## **HOLIDAY BONUS**

Associates otherwise eligible with retirements processed for an effective date of December 1st of the corresponding year.

Payments will be made in the first full pay period of December in each year of this agreement.

In addition, should the International Union, UAW-AAM Department raise any questions of equity in application regarding specific associates, the Corporation agrees to meet on such cases in order to review the facts.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

## **AMERICAN AXLE & MANUFACTURING, INC.**

### **Memorandum of Understanding**

#### **Introduction**

American Axle & Manufacturing, Inc. and the UAW hereby agree to meet within 90 days of ratification of the 2004 AAM-UAW National Agreement, and within 90 days of the date they commence meeting, negotiate towards a supplement to the New AAM-UAW National Agreement ("the Supplement"). The Supplement shall be consistent with the terms described in this document.

In the event that the parties are unable to agree on the terms of the Supplement, the New AAM-UAW National Agreement shall continue in effect without modification in accordance with its terms.

#### **Future New Hires**

No later than 90 days after the effective date of the 2004 AAM-UAW National Agreement, the parties will enter into discussions for the express purpose of negotiating "competitive wage and benefit levels" for associates hired after the effective date of the Supplement.

The Supplement would cover new hires required in the regular course of business.

Wages and benefits in the U.S. automotive and truck component industry would be the benchmark used to determine competitiveness. These benchmarks would apply to UAW represented associates, hired after the effective date of the 2004 AAM-UAW National Agreement. The resulting wage and benefit levels would be uniformly applied to all UAW represented associates covered by the Supplement. As used here, "competitive wage and benefit levels" means wages and benefits that meet those of an appropriate, representative group of UAW represented employers in the U.S. automotive and truck component industry. This does not mean, however, that the parties will necessarily use a cookie-cutter approach in determining wage, benefit and contractual provisions.

**PRIOR NEW HIRE AGREEMENTS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
American Axle Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

The Parties agreed that on the effective date of the 2004 AAM-UAW National Agreement, associates hired under the terms of one of the Memorandums listed below, will be eligible for health care, life and disability and legal services in accordance with the provisions of Exhibits B, C and I, respectively, of the 2004 AAM-UAW National Agreement. Further, on the effective date of this Agreement, such associates shall be defined as "participants" in the "total profit share", if otherwise eligible, as described in Exhibit F.

- 1) MEMORANDUM OF UNDERSTANDING REGARDING THE IMPACT OF THE ESTABLISHMENT OF THE NET TECH PLANT
- 2) MEMORANDUM OF UNDERSTANDING THREE RIVERS PLANT - 11.5 REAR AXLE PROJECT
- 3) MEMORANDUM OF UNDERSTANDING THREE RIVERS PLANT 2003 INNOVATIVE OPERATING AGREEMENT

## **PRIOR NEW HIRE AGREEMENTS**

Notwithstanding the above, IOA hires at the Three Rivers Plant subsequent to the effective date of this Agreement, shall be hired under the provisions of the 2003 IOA.

Very truly yours,

Patrick Paige  
Vice President, Human Resources

**EXCEPTION TO COLA DIVERSIONS**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Mr. Cal Rapson  
Vice President and Director  
American Axle Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Rapson:

During these negotiations the parties discussed the impact of the disparities in Cost-of-Living payments between UAW associates working at a COLA rate of \$2.16 on the effective date of this Agreement and those working in Three Rivers and Cheektowaga facilities that were hired under the terms of the M.O.U. – Net Tech Plant, the M.O.U. – Three Rivers Plant 11.5" Rear Axle, and the M.O.U. – Three Rivers Plant 2003 I.O.A.

In order to mitigate these impacts, the parties agree that any permanent diversions from the Cost-of-Living Allowance applicable under the 2004 National Agreement shall not apply to UAW associates working in Three Rivers and Cheektowaga facilities that were hired under the terms of the M.O.U. – Net Tech Plant, the M.O.U. – Three Rivers Plant 11.5" Rear Axle, and the M.O.U. – Three Rivers Plant 2003 I.O.A. until such time as the Cost-of-Living Allowance due those associates is equal to the Cost-of-Living Allowance paid to associates working at a COLA rate of \$2.16 on the effective date of this Agreement.

Very truly yours,

Patrick J. Paige  
Vice President, Human Resources

**PARAGRAPH 69 ADMINISTRATION**

**AMERICAN AXLE & MANUFACTURING, INC.**

February 27, 2004

Cal Rapson  
Vice President and Director  
American Axle Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Subject: Clarification of Paragraph 69 Administration  
2004 AAM-UAW National Agreement

Dear Mr. Rapson:

This letter is to confirm our understanding regarding the administration of Paragraph 69 of the 2004 AAM-UAW National Agreement as it applies to certain supervisors who also retain seniority in the bargaining unit. Specifically, when applying the "seniority slippage" provisions to those supervisors who had previously established a plant seniority date of January 7, 1985, pursuant to the provisions of Appendix A (VIII)(A)(1) and (A)(4), adjustments will be made to the associate's corporate seniority date used to determine seniority preference as provided in Appendix A (VIII)(A)(2) and (A)(5), upon his/her return to the bargaining unit. The adjusted date will be used: 1) as the "tie breaker" to determine seniority preference amongst associates who share the January 7, 1985 plant seniority date; and 2) as the date that determines eligibility for associate placement opportunities pursuant to Appendix A. However, no adjustment will be made to the date used to determine such an associate's vacation entitlement.

Very truly yours,

Patrick Paige  
Vice President, Human Resources



## 2004

S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
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25	26	27	28	29	30	31	29							28	29	30	31				25	26	27	28	29	30	
MAY							JUNE							JULY							AUGUST						
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SEPTEMBER							OCTOBER							NOVEMBER							DECEMBER						
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27	28	29	30				31						28	29	30												

## 2005

S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
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29	30	31											31						28	29	30	31					
SEPTEMBER							OCTOBER							NOVEMBER							DECEMBER						
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25	26	27	28	29	30		30	31					27	28	29	30											

## 2006

S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
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29	30	31																30									
MAY							JUNE							JULY							AUGUST						
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24	25	26	27	28	29	30	29	30	31				26	27	28	29	30		31								



