

APPENDIX K

MEMORANDUM OF UNDERSTANDING – TEMPORARY
EMPLOYEES

During these negotiations the parties held lengthy discussions regarding the use of temporary employees. The parties agreed that in certain circumstances, it may be necessary to utilize temporary employees to supplement the full-time work force. To that end, the parties recognize the following two categories of temporary employees:

- Temporary Part-Time Employees (TPT)
- Short-Term Supplemental Employees (STS)

The following paragraphs set forth the terms and conditions for use of the aforementioned temporary employees, as well as the wages, benefits and other provisions.

- I. Temporary Part-Time Employees (TPT) shall be employed in accordance with the following provisions:
 - a. TPTs are employees hired by the company who shall be normally scheduled to work a maximum of three days per week. TPTs may be utilized any day of the week and at any Ford U.S. facility to replace hourly employees not at work for certain absence codes, specifically, unexcused absences, Intermittent Family Medical Leave Act (FMLA) leaves/absences, or sick leaves of absence of less than twelve (12) months.
 - b. The Company and the UAW National Ford Department shall meet annually to determine the maximum allowable number of TPTs to be used at each facility in each of the four subsequent quarters. The first such meeting will take place within 30 days of ratification of the agreement. The parties will meet in advance of each quarter to mutually agree that the calculation is still applicable.

- i. Such determination will be made by examining unplanned absence data from the previous calendar year. The number of TPTs allowed at each facility will be based on that facility's quarterly average of the aforementioned absences calculated as a percentage of total absenteeism multiplied by the number of full time employees (active on roll plus temporarily inactive). This will represent the full-time equivalent or percent of labor hours that may be worked by TPTs.
 - ii. The parties recognize there may be a need to utilize a mutually agreed upon higher number of TPTs (than the calculated allowance) on Mondays, Fridays, other "book end days", Saturdays, Sundays, Holidays, and the days preceding and following Holidays to accommodate the greater number of absences that occur on those days.
 - iii. If a facility is unable to obtain a sufficient number of TPTs based on candidate work preferences, the parties will meet to discuss suitable alternatives.
- c. The National parties will monitor the use of TPT employees in the weekly NFD/Labor Affairs Manpower meeting. Should the UAW-National Ford Department determine that TPTs are being scheduled for hours or for reasons beyond those allowed, it will bring it to the attention of the Director of U.S. Labor Affairs and the Vice President of North America Manufacturing. Violations will be corrected within 2 weeks of such notice or the use of these temps will be subject to cancellation by the National Ford Department.
- d. For purposes of determining Union representation, TPT employees will be counted only on days for which they are scheduled to work. Representation will be determined by accumulating the number of TPT

employees utilized each day until the number reaches 200 at which time the Union will be authorized an additional representative for one day.

II. Short-Term Supplemental Employees (STS) shall be employed in accordance with the following provisions:

- a. STSs are employees hired by the Company who shall be normally scheduled to work any five days per week for a period not to exceed twelve (12) calendar months.
- b. In all instances where STS employees are to be utilized, the Company shall canvass existing TPT employees at the requesting facility for their interest to become an STS employee.
- c. The Company may hire, rehire or reinstate STS employees for the purpose of summer vacation replacements for the period beginning the first Monday in May and ending no later than the first Saturday following the Labor Day Holiday to supplement seniority employees who take vacation. The Company will review the vacation coverage plans with the National Ford Department prior to May 1st and will address any concerns to the mutual agreement of both parties prior to employees being placed on roll.
 - i. The National Parties will continue to monitor the use of STS employees as vacation replacements in the weekly NFD/Labor Affairs Manpower meeting. Issues regarding the use of these employees will be brought to the attention of the Director of U.S. Labor Affairs and the Vice President of North America Manufacturing. These issues will be resolved within 2 weeks or the use of these temps will be subject to cancellation by the National Ford Department.
- d. The Company shall review with the National Ford Department other situations requiring STS employees such as, but not limited to: product launches, attrition

program transition, periods of high vacation (outside of the summer vacation replacement period), placeholders awaiting transfer of laid off employees from other locations, or other similar supplemental manpower needs.

- i. Requests for STS employees in such cases shall be made in writing to the National parties for mutual agreement.
 - ii. If there are no existing TPT employees at the requesting facility, the Company may hire, rehire or reinstate STS employees for a period of up to one year. If a STS employee works for a continuous period of more than one year, they will gain seniority as an In-Progression employee with a seniority date equal to the most recent hire, rehire or reinstatement date as an STS employee. However, if the most recent hire, rehire, or reinstatement date as an STS employee was prior to November 23, 2015, the STS employee will establish a seniority date of November 23, 2015.
 - iii. The UAW-National Ford Department may cancel the use of STS employees following two weeks advanced written notice of termination to the Company.
- e. STS employees will not be hired or rehired at a plant when there are laid off seniority employees from that plant or laid off seniority employees within the same zone, until the laid off seniority employees have been canvassed to work as a Short-Term Supplemental employee and the need still remains.
 - f. For purposes of determining Union representation, STS employees on roll will be counted as part of the Unit.
 - g. The National parties will continue to review the use of STS employees on an on-going basis. STS employees

are not to be employed to avoid hiring to fill permanent positions.

III. The following provisions will apply to both Temporary Part-Time and Short-Term Supplemental employees:

- a. On days they are scheduled to work, temporary employees may be scheduled for all or any part of the hours posted for the department to which they are assigned.
- b. Temporary employees may be scheduled to work daily overtime or on days for which full-time employees receive premium pay as such if they do not displace eligible full-time employees.
- c. Temporary employees will not be assigned to an operation expressly for the purpose of establishing a production standard on that operation; nor will his/her performance be considered either in establishing a production standard or in a dispute over the production standard.
- d. The utilization of temporary employees shall not be considered as an infringement of the rights of full-time seniority employees.
 - i. Seniority employees who are laid off or who are to be laid off may request to displace temporary employees.
 - ii. Seniority employees who are utilized as temporary employees will be required to comply with the work schedule for temporary employees.
 - iii. Seniority employees who are utilized as temporary employees shall continue to accumulate seniority and shall be entitled to all the benefits of seniority employees except as provided in paragraph iv.
 - iv. Seniority employees who are utilized as TPT employees shall not be entitled to Supplemental Unemployment Benefits (SUB). Seniority

employees who are utilized as STS employees shall be entitled to SUB.

- v. A seniority employee who is affected by a reduction in force and becomes a temporary employee will be eligible for a scheduled vacation and paid excused absence with respect to any unused vacation/excused absence hours at the time of the reduction in force. Further, in computing the number of weeks of enrollment and absences for purposes of determining vacation eligibility for the succeeding year, the period of employment as a temporary employee will be counted.
- vi. A seniority employee who becomes a temporary employee will be entitled, if otherwise eligible, to receive payment for the wage benefit payments in the following provisions of the UAW-Ford Collective Bargaining Agreement for the days the employee would have been scheduled to work:
 - Article IX, Section 18 – Jury Duty Pay
 - Article IX, Section 19 – Bereavement Pay
 - Article IX, Section 20 – Short-term Military Duty Pay
- e. Temporary employees will be considered for full-time job openings in a fair and equitable manner, giving due consideration to the length of employment with the Company. Additionally, the Company will consider temporary employees for full-time job opportunities prior to hiring from the street and in the following order:
 - i. Temporary employees currently working and/or laid off from the requesting facility.
 - ii. Temporary employees currently working and/or laid off within the same zone of the requesting facility, except when the requesting facility is within the Rouge Site. After the requesting

facility within the Rouge Site has exhausted its list of temporary employees at that facility, working and/or laid off temporary employees from the Rouge Site shall be given consideration prior to hiring from the zone.

- f. Temporary employees will be laid off and recalled in a fair and equitable manner, giving due consideration to the length of employment with the Company. Recall will follow the order from above.
- g. Temporary employees shall accrue no credit towards acquiring seniority. In the event such employees become full-time employees, they shall be considered as rehires and shall receive no credit towards acquiring seniority for time they were employed as temporary employees. Temporary employees shall, however, receive credit for time worked as a temporary employee for all eligibility of benefits as an In-Progression employee.
- h. The Company may discharge or terminate temporary employees, in which case the employees shall have access to the Grievance Procedure in cases of claimed discrimination on account of any race, religion, color, religion, age, sex, sexual orientation, gender identity, union activity, national origin, disability and veteran status
- i. Temporary employees shall be entitled to Union representation, including access to the regular Grievance Procedure, in cases of alleged violation of rights arising out of this Agreement.
- j. Temporary employees will be subject to the provisions of Article II and III of the UAW-Ford Collective Bargaining Agreement. Monthly dues for temporary employees will be as determined by the National Ford Department, UAW.
- k. Wages beginning on the Effective Date of the Agreement:

- i. Temporary employees hired or rehired prior to November 23, 2015 will have their wage rate and progression determined as follows:

Table 1:

Weeks Worked	Current Wage	Wage Effective 11/23/2015
Less than 52 weeks worked	\$15.78	\$17.00
52 – 104 weeks worked	\$16.66	\$18.00
105 – 156 weeks worked	\$17.53	\$19.50
157 – 208 weeks worked	\$18.41	\$21.00
After 208 weeks worked	\$19.28	\$22.00
Maximum Rate	\$19.28	\$22.00

- ii. Temporary employees hired or rehired after November 23, 2015 will have their initial wage rate and subsequent wage progression determined as follows:

Table 2:

Weeks Worked	Wage Progression
At Hire	\$15.78
52 – 104 weeks worked	\$16.66
105 – 156 weeks worked	\$17.53
157 – 208 weeks worked	\$18.41
After 208 weeks worked	\$19.28

- i. Such employees shall have only such rights, privileges, compensation or benefits as are expressly provided by the following provisions of the UAW-Ford Collective Bargaining Agreements:

Article IX, Section 5 – Call-In Pay

Article IX, Section 6 – Shift Premiums

Article IX, Section 11 – Holiday Premium

Article IX, Section 15 – Medical Treatment During Working Hours – Time Allowance

Article X, Section 6 – Lunch Periods

m. Holiday Pay:

- i. A temporary employee will be eligible for holiday pay as set forth in Article IX, Section 22(a) of the UAW-Ford Collective Bargaining Agreement provided:**
 - 1. The employee has actually worked at least 90 days prior to the holiday(s);**
 - 2. The employee worked the same day(s) as the holiday in the week prior to the week in which the holiday(s) falls and the employee would otherwise have been scheduled to work on such day if it had not been observed as a holiday; and**
 - 3. The employee has worked the last scheduled working day prior to and the next scheduled working day after such holiday(s) within the employee's scheduled workweek. In the case of the Christmas holiday period, as defined in Article IX, Section 22(a) (3) (i) of the UAW-Ford Collective Bargaining Agreement, a temporary employee absent without excuse on both the last scheduled working day prior to and the next scheduled working day after such Christmas holiday period shall be ineligible for pay for all of the holidays within the Christmas holiday period. An otherwise eligible temporary employee absent without excuse on either the last scheduled working day prior to or the next scheduled working day after a Christmas holiday period shall be eligible to receive holiday pay for all but one of the holidays for which he would otherwise be eligible in the Christmas holiday period.**
- ii. A seniority employee who is laid off in a reduction in force and becomes a temporary employee will be entitled to holiday pay provided the employee**

meets the eligibility requirements outlined in A (2) and (3) of this paragraph; except that, if the employee is eligible for holiday pay under Article IX, Section 22(d) of the UAW-Ford Collective Bargaining Agreement the eligibility rules in Subparagraph A of this paragraph shall not apply. However, should the employee qualify for Christmas holiday pay as provided in this Memorandum and Article IX, Section 22(d), the employee will be provided the greater of the two Christmas holiday pay entitlements but not both.

- iii. A probationary employee who is laid off in a reduction in force and is utilized as a temporary employee will be considered for holiday pay purposes as though hired originally as a temporary employee with the number of days actually worked as a full-time employee counted toward the 90 days required for holiday pay eligibility in Subparagraph A of this paragraph.
- n. Benefits for temporary employees are provided as indicated in Attachment A of this Appendix.

ATTACHMENT A

TEMPORARY EMPLOYEES

- A. Temporary part-time employees and Short Term Supplemental employees shall be provided hospital-surgical-medical H-S-M coverages commencing as of the 90th day following hire or rehire. In addition, Short Term Supplemental employees shall be provided with drug coverage commencing on the same date. The Company shall pay the full amount of the monthly premium for the following month's coverages for each month an eligible employee receives pay from the Company for any time during such month. These coverages shall cease, if otherwise in effect, as of the last day of the month in which employment is terminated. It is understood there shall be no duplication of benefits because of coverages provided under Company H-S-M programs.

Temporary Part Time and Short Term Supplemental employees will not be able to enroll sponsored dependents.

H-S-M enrollment is limited to the National Preferred Provider Organization (NPPO) Option, modified to include the cost-sharing requirements shown below:

Annual Deductible

In-Network

Single	\$300
Family	\$600

Out-of-Network

Single	\$1,200
Family	\$2,100

Co-Insurance

In-Network	10%
Out-of-Network	35%

APPENDIX K

MEMORANDUM OF UNDERSTANDING—
TEMPORARY PART-TIME

Out-of-Pocket Maximum

In-Network

Single	\$1,000
Family	\$2,000

Out-of-Network

Single	No Limit
Family	No Limit

Drug coverage for Short Term Supplemental employees will be limited to the NPPO Option, modified to include the cost-sharing requirements shown below:

Prescription Drugs – Retail

Generic	\$ 7.50 co-pay
Brand	\$15.00 co-pay

Prescription Drugs - Mail Order

Generic	\$15.00 co-pay
Brand	\$30.00 co-pay

The opportunity for survivors of Temporary Part Time and Short Term Supplemental employees to continue coverage, or for the subject employees to continue coverage post-employment or for periods not in active service will be limited to self-pay continuation that may be available under federal law.

ATTACHMENT A

Savings

- B. Temporary employees are eligible to participate in the Tax-Efficient Savings Plan for Hourly Employees (TESPHE); however, they are not eligible for the Supplemental Contribution of an amount equal to \$1.00 for every compensated hour into the TESPHE in lieu of Company contributions for health care coverage in retirement or Retirement Contributions.

Retirement Plan

- C. Temporary employees shall not accrue pension benefits under any Company-sponsored qualified defined benefit pension plan. However, service earned from date of hire by such employee as a temporary employee shall be recognized under such plan solely for eligibility, vesting and participation with respect to any benefit they accrued while a seniority employee.

ATTACHMENT A

Life Insurance

- D. Temporary employees shall be provided life insurance coverage in the amount of \$3,000 and accidental death and dismemberment insurance coverage in the amount of \$1,500. An employee shall become eligible for such coverages commencing as of the first of the month following the month of hire or rehire. The Company shall pay the full premium for these coverages for any month in which an eligible employee receives pay from the Company for any time during such month. These coverages shall cease, if otherwise in effect, as of the day employment is terminated.