

APPENDIX M

**MEMORANDUM OF UNDERSTANDING
JOB SECURITY PROGRAM (JSP)**

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

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

The cornerstone of the Program is a set of provisions – including job placement and temporary income security – to assist employees who are impacted by Indefinite Layoff or who are otherwise defined as surplus.

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

I. JOB SECURITY ELIGIBILITY

- A. All seniority employees as of the Effective Date of the 2015 UAW-Ford National Agreement are covered by this Memorandum. Such employees are considered "JSP-eligible" in that they are covered by the job security provisions of this Memorandum.

A plant by plant listing of the number of skilled and non-skilled employees covered by this Memorandum will be provided to the National Job Security, Operational Effectiveness, and Sourcing Committee (NJSOESC) and Local Job Security, Operational Effectiveness, and Sourcing Committees (LJSOESCs). This report will be updated monthly.

- B. Discharged employees who are JSP-eligible will maintain their eligibility upon reinstatement.

II. JOB SECURITY PROVISIONS FOR JSP-ELIGIBLE EMPLOYEES

A. The parties recognize that actions may occur during the course of this Agreement that will cause the number of JSP-eligible employees to exceed the Company's production requirements. The following provisions shall apply to JSP-eligible employees who are placed on Indefinite Layoff or who are otherwise defined as surplus.

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

1. Placement of JSP-eligible employees will be in accordance with the provisions of Appendix N and associated Letters of Understanding.
2. Notwithstanding the above, available JSP-eligible employees will be placed on a combined list of JSP-eligible employees in the same Preferential Placement Zone who are on Indefinite Layoff or who are otherwise defined as surplus (the in-zone list). JSP-eligible employees will be made available for in-zone placement in inverse seniority order.
3. For placement purposes, employees on the combined in-zone list will be offered the opportunity to volunteer for openings; volunteers will be placed in seniority order. Absent volunteers, the junior employee on the combined in-zone Preferential Placement list must transfer to the new location.

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

4. Available JSP-eligible employees on Indefinite Layoff or who are otherwise defined as surplus will be offered the opportunity to volunteer for out-of-zone opportunities.

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- C. A JSP-eligible employee who is permanently transferred to another location in accordance with this Program, or if so transferred and upon later layoff elects to return to a former location under Article VIII, Section 1(b) of the Collective Bargaining Agreement, will be eligible to receive a moving allowance as provided in Article IX, Section 28 of the Collective Bargaining Agreement. Applicants may receive a maximum of two (2) such relocation allowance payments during the term of the then applicable UAW-Ford Collective Bargaining Agreement. Any problems connected with the above may be raised with the National Committee.
- D. A JSP-eligible employee on a Qualifying Layoff will be eligible for benefits under the Supplemental Unemployment Benefit (SUB) Plan. A Qualifying Layoff is either of the following:
 - Indefinite Layoff;
 - temporary layoff in an instance, as jointly identified by the parties, in which the Company modifies shifts or work schedules to enhance operating performance and continues to actively employ employees who otherwise would be placed on Indefinite Layoff.
- E. A JSP-eligible employee on a Qualifying Layoff who exhausts his or her maximum eligibility for SUB Regular Benefit payments shall be eligible for subsequent benefits under the Transition Assistance Plan (TAP).
- F. JSP-eligible employees placed on Indefinite Layoff shall maintain their recall rights in accordance with applicable provisions of the Collective Bargaining Agreement, with the exception of employees who elect to opt out of TAP benefit eligibility.
- G. JSP-eligible employees on Indefinite Layoff or who are otherwise defined as surplus will be placed into available jobs in accordance with the provisions of Appendix N and related Letters of Understanding.
- H. In the event the Local and National Committees determine that the number of JSP-eligible employees

exceeds the number of expected openings at the facility and within its area within the next succeeding twelve (12) months, Special Programs as set forth in the Attachment to this Memorandum may be considered. Local management must obtain Finance approval before submitting a request to the National Committee. Thereafter, to the extent JSP-eligible employees still exceed expected openings, such employees, under the direction of the National Committee, may be transferred out of the zone area pursuant to Section II, B., above.

III. ADMINISTRATION OF THE JOB SECURITY PROGRAM

The Company and the Union agree that:

- A. At each bargaining Unit covered by the 2015 Collective Bargaining Agreement, a Local Job Security, Operational Effectiveness, and Sourcing Committee (Local Committee) will be established to administer the Program.
- B. The parties have agreed that a Local Job Security, Operational Effectiveness, and Sourcing Committee (Local Committee) will consist of equal members of Company and Union representatives including, for the Company, the Plant Manager or Parts Distribution Center Manager, Controller or Office Operations Manager, Human Resources Manager or Labor Relations Supervisor, and other management representatives as designated by the Plant Manager or Parts Distribution Center Manager; and, for the Union, the Plant Chairperson, the Local Union President, (if he/she so elects), Bargaining Committee persons, the local UAW Job Security Representative, and other local Union representatives as designated by the Plant Chairperson.
- C. The duties of the Local Committee will be to:
 1. Review the number and status of employees on a monthly basis.
 2. Coordinate with the National Committee (Section III., D., below) the placement of an employee outside the zone area. As used in this Memorandum,

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zone area means an area as specified under Appendix N of the Collective Bargaining Agreement pertaining to Preferential Placement for Laid-Off Employees.

3. Monitor indefinite layoffs of JSP-eligible employees.
4. Participate in discussions regarding sourcing decisions as outlined in Appendix P of the 2015 Collective Bargaining Agreement on the subject of sourcing.
5. Participate in discussions regarding the introduction of new or advanced technology as provided in the Letter of Understanding regarding New Technology dated September 15, 2003.
6. Review manpower changes in the workplace. As required, assist in developing plans to replace attrition, including the use of hires or rehires, to meet operational needs when other appropriate placement sources have been exhausted.
7. Review the manpower requirements of forward product, facility, and business plans, maintaining the confidentiality of the material being evaluated.
8. Assist in planning and coordinating the relocation of Indefinitely Laid-Off and/or otherwise surplus JSP-eligible employees to other Units in or outside the zone area, and the application of special programs to such employees and active workforce employees as described in this Memorandum of Understanding.
9. Review any complaint regarding the administration of the Program. Refer unresolved complaints to the National Committee (Section III., D., below). The national parties will limit the review of complaints to those raised, in writing, within 60 days of the monthly LJSOESC meeting giving rise to the complaint unless the time limit is waived by the National Committee. If disputes cannot be resolved by the National Committee, only those matters governing the treatment of JSP-eligible employees

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will be subject to the Grievance Procedure. Such grievances will be filed at the Second Stage of the Grievance Procedure. All other unresolved complaints will be settled expeditiously between the parties at the national level. Disputes arising from layoffs may be submitted within thirty (30) days of the monthly LJSOESC meeting, in writing, to the Vice President and Director of the UAW, National Ford Department and the Director, Labor Affairs, Ford Motor Company. If unresolved, the dispute must be appealed to the umpire in accordance with Article VII, Section 9 of the Agreement within thirty (30) days of receipt of the appeal. The umpire's decision shall be final and binding on the parties and the umpire shall have the authority to enforce such decision.

10. Jointly coordinate appropriate local training activities, working closely with the joint local Education, Development and Training Program Committee and the UAW-Ford National Education, Development and Training Center to ensure that quality, cost-efficient training is provided and appropriate funds are secured from both within Ford and from external sources.
11. 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.
12. Make recommendations to the National Committee, as appropriate, regarding any aspect of the Program. This may include any aspect of the contractual relationship between the Company and the Union that is relevant to the duties of the Local Committee.
13. Efforts of the local parties to improve operational effectiveness will be encouraged and supported by

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the national parties including, as may be appropriate, approval of requests to waive, modify, or change the Collective Bargaining Agreement.

- D. A National Job Security, Operational Effectiveness, and Sourcing Committee will be established at the Company-International Union level consisting of representatives selected by the Vice President, Labor Affairs, Ford Motor Company and representatives selected by the Vice President and Director of the UAW, National Ford Department. Funding for the activities of the National JSOES Committee will be provided from the Education, Development and Training Program fund upon approval by the Joint Governing Body — UAW-Ford National Education, Development and Training Center.
- E. The National Committee will be responsible to the Vice President, Labor Affairs, Ford Motor Company and the Vice President and Director of the UAW, National Ford Department, and will meet periodically as required to:
 - 1. Monitor the efforts of the Local Committees.
 - 2. Maintain liaison with the Joint Governing Body - UAW-Ford National Education, Development and Training Center to coordinate (a) assessment and training programs, and (b) funding through Local Training Funds and, (c) if appropriate, the Education, Development and Training Program.
 - 3. Approve Local Committee efforts to improve operational effectiveness and coordinate these actions when appropriate.
 - 4. Coordinate, where applicable, the execution of Special Programs described above and in the Attachment, as well as the movement of JSP-eligible employees within or between zone areas. For example, where a permanent loss of jobs has occurred or is scheduled for a location, the parties may discuss transfer of employees to other locations; such a transfer could be in advance of the scheduled

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job loss, if it could be accomplished without adversely affecting quality or operating efficiency.

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

IV. EFFECTIVE DATE - TERMINATION DATE

The Company and International Union agree that:

- A. Unless indicated otherwise, the Effective Date of this Memorandum means the Effective Date of the 2015 Collective Bargaining Agreement.
- B. This Memorandum of Understanding shall expire with the expiration of the 2015 Collective Bargaining Agreement.

APPENDIX M**ATTACHMENT A**

The National Job Security, Operational Effectiveness, and Sourcing Committee (NJSOESC) may recommend the following Special Programs for designated eligible JSP-eligible employees or may approve requests from Local Job Security, Operational Effectiveness, and Sourcing Committees for implementation of such programs. Details of any Special Programs offerings will be jointly agreed upon and presented to all eligible JSP-eligible employees.

The Special Programs offerings may include the following options:

- Special Retirement Incentive (SRI)
- Special Termination of Employment Program (STEP)
- Mandatory Decision Making

In addition to the Special Programs options above, eligible JSP-eligible employees may be offered job placement opportunities, if available (with relocation benefits as applicable).

The National Parties may expand or limit these Special Programs options and job opportunity offerings, based on mutual agreement.

The NJSOESC is empowered to offer STEP and SRI at Ford Motor Company locations where UAW represented JSP-eligible Ford surplus employees exist. The decision of the NJSOESC to offer STEP and SRI may be based upon either (a) a written joint request from the Company and UAW leadership at the location, submitted to the NJSOESC, or (b) a determination by the NJSOESC that the STEP and SRI offerings are warranted at the location.