



*2011 UAW-FORD
NATIONAL NEGOTIATIONS
MEDIA FACT BOOK*





Members of the News Media,

This document is designed to assist you in covering the 2011 UAW-Ford national contract negotiations. It provides background material on Ford Motor Company (through year-end 2010), its collective bargaining agreement with the UAW, and subjects that may be discussed during negotiations. It includes a number of charts and graphs you may reproduce to illustrate company and industry trends.

For further information about our business and financial condition, please refer to our Annual Report on Form 10-K for the year ended December 31, 2010 and subsequent filings with the SEC.

Marcey Evans
Manager, Communications
313-322-9211

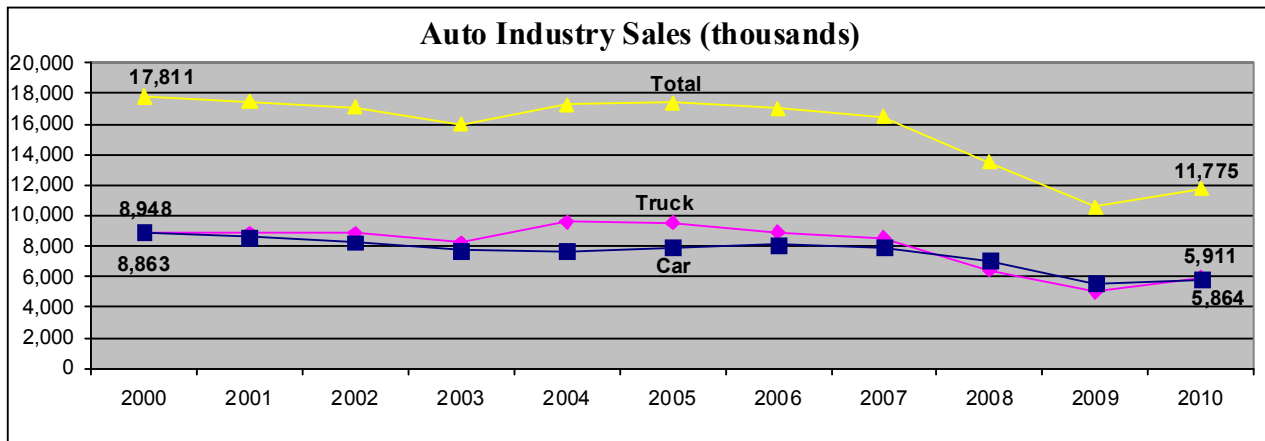
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U.S. Auto Sales Statistics

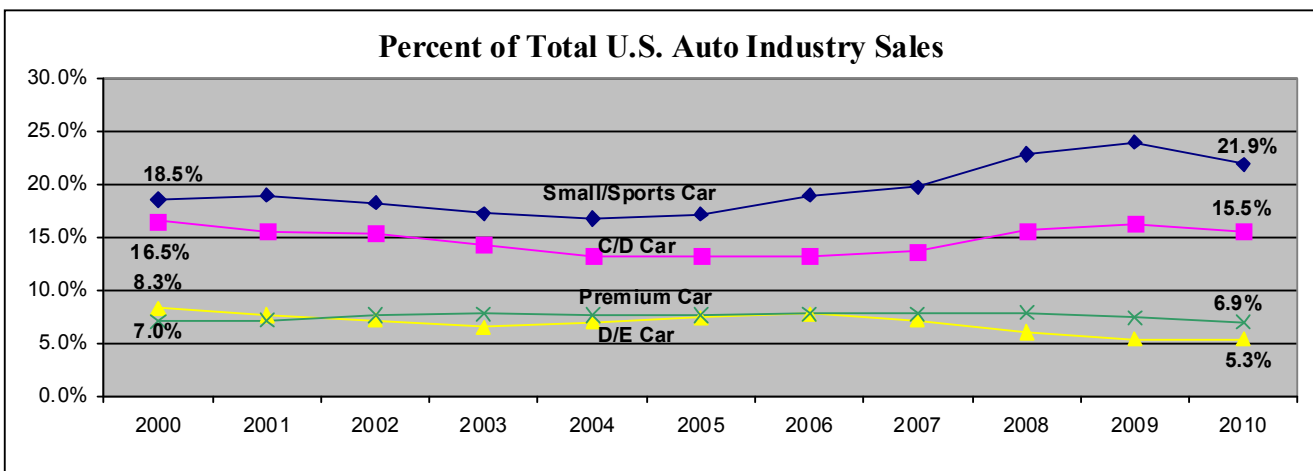
Industry Sales in the United States (Including Imports)

This chart shows auto industry sales for the last 10 years. The sales industry overall showed a large decrease from 2007 through 2009 largely attributed to economic issues. Car and Truck sales remained relatively constant until 2007.



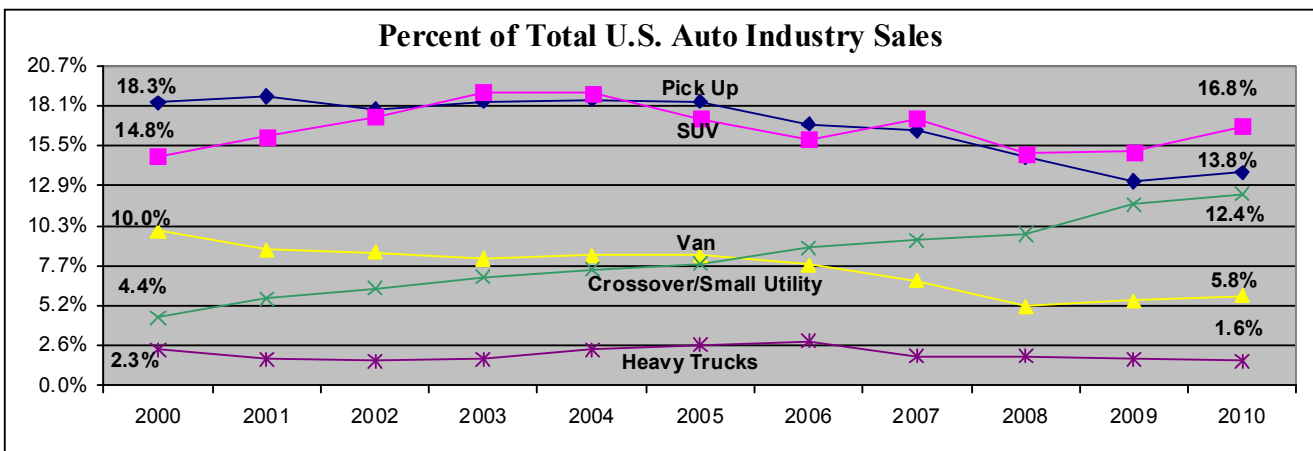
Car Market Segment in the United States

Over the past 10 years, the B/Sports Car segment has shown moderate growth, particularly in B-Cars. The Premium Car segment has remained relatively flat, while the C/D and the D/E segment has shown moderate decline.



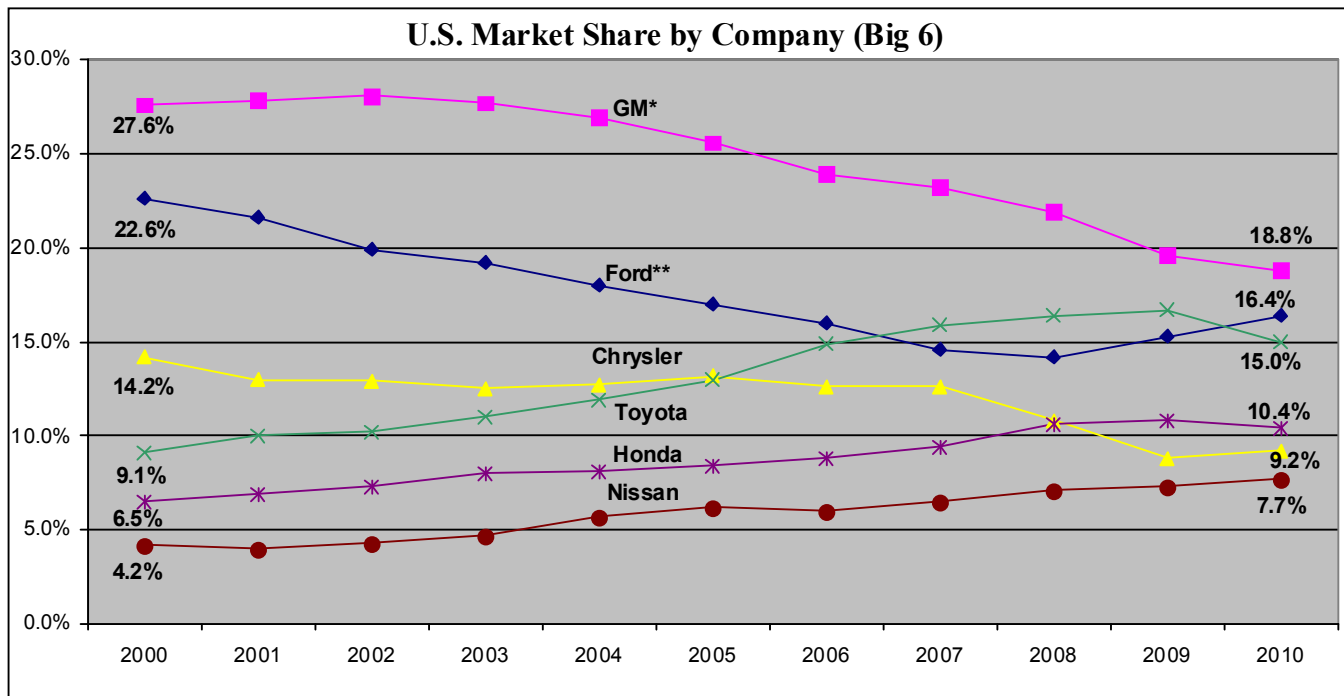
Truck Market Segment in the United States

The heavy truck segment has shown stability over the past 10 years, while the pickup and van segments have shown a modest decline. The crossover/small utility segment has shown significant growth due to the introduction of new vehicles in this segment. The SUV segment has increased over the last 10 years; however, consumer demand has fluctuated.



Share of Industry by Manufacturer in the United States

The following chart illustrates total U.S. market share by company. Ford has experienced an 8.2 percentage point decline in market share from 2000 to 2008 with a slight recovery from 2008 to 2010 when Ford overtook Toyota and now only trails GM by 2.4 percentage points, as illustrated in the chart below.

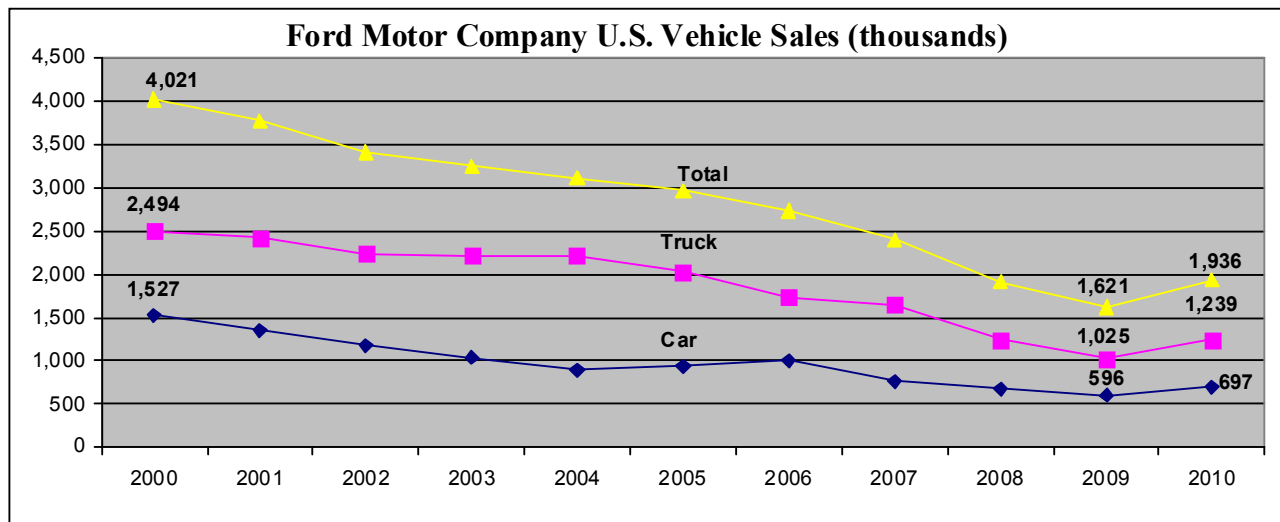


*GM -excludes all sales of Oldsmobile and Saab

**Ford -excludes all sales of Jaguar, Land Rover, and Volvo

Ford Motor Company Vehicle Sales in the United States

Ford Motor Company vehicle sales were 4.0 million units in 2000 and declined to a low of 1.6 million units in 2009. Ford's truck sales in 2000 were 2.5 million units; car sales in 2000 were 1.5 million units.



Ford Motor Company – Vital Statistics

Plants and Other Facilities

Ford Motor Company's hourly UAW-represented employees work in a number of plants, parts distribution centers, research and engineering sites, and other facilities across the United States. A complete list of these facilities is contained in the Appendix, page 33.

Assembly Plants (Vehicle Operations)

The company's U.S. assembly plants receive parts and components from suppliers (both within and outside the company) and assemble them into finished cars and trucks.

Manufacturing Plants (Stamping and Powertrain Operations)

The company's U.S. manufacturing plants manufacture, fabricate and ship parts or component assemblies to the assembly plants or parts distribution centers.

Automotive Parts Distribution Centers

U.S. facilities receive inventory and store automotive parts for distribution to dealers and other distributors.

Research and Engineering Facilities

The research and engineering facilities conduct advanced research in new vehicle concepts, powertrains and vehicle systems. Research and development of manufacturing processes, materials, environmental controls, polymers and catalysts also are conducted at these facilities. New methods of recycling, alternative fuel vehicles, voice activated technologies and leading safety initiatives are just a few items that are evaluated at these facilities.

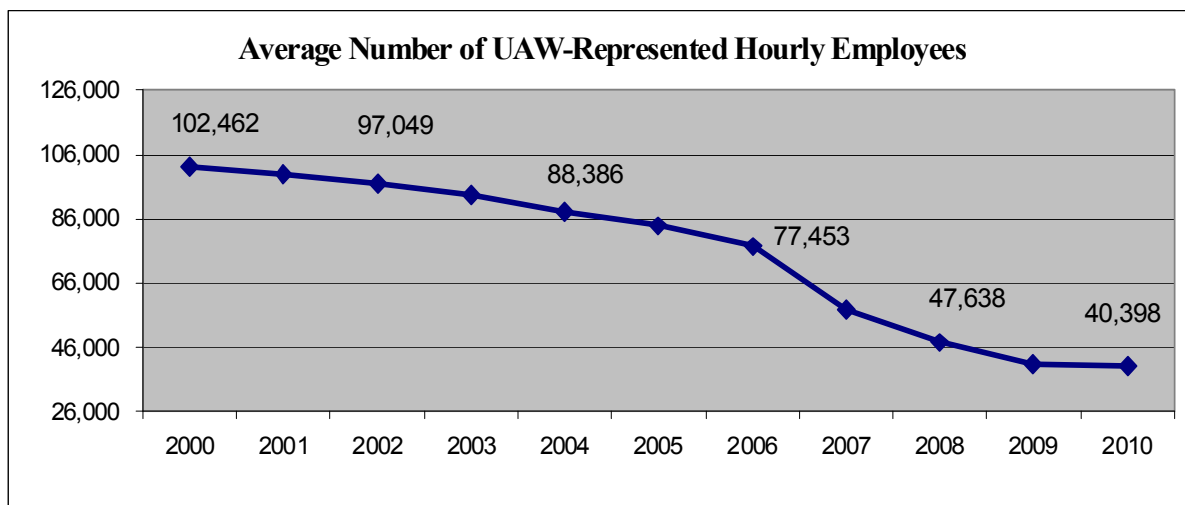
Hourly Employment and Payroll Costs

Types of Hourly Employment

There are four types of hourly employee levels:

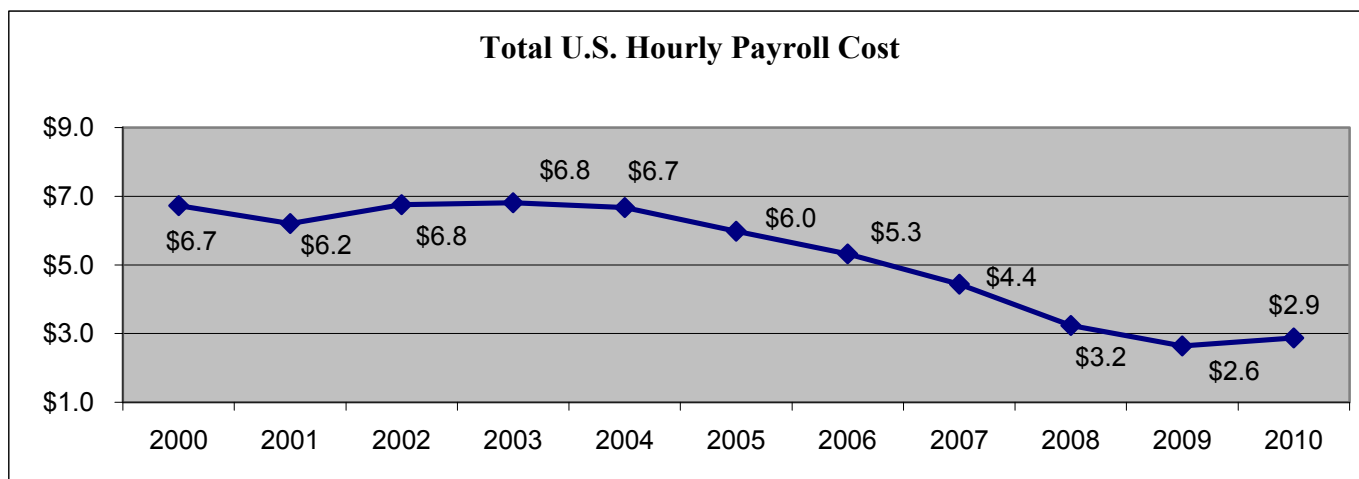
- Traditional - Employees hired or rehired prior to November 3, 2007
- Entry Level - Employees hired or rehired on or after November 3, 2007
- Long-Term Supplemental - Employees hired to supplement the work force for a long term assignment that is temporary in nature
- Temporary Part-Time – Employees hired to supplement the workforce who work any two days during a week and have the potential of working additional days for which a full-time employees receive premium pay as long as no full-time employee is displaced

This chart traces Ford's U.S. hourly employment levels during the last 10 years. These figures represent the average number of UAW-represented employees covered by the collective bargaining agreement on the employment roll each year from 2000 to 2010. During the last decade, average hourly employment levels peaked at 102,462 in 2000 and have decreased over the last several years to 40,398 in 2010, a 61% reduction.



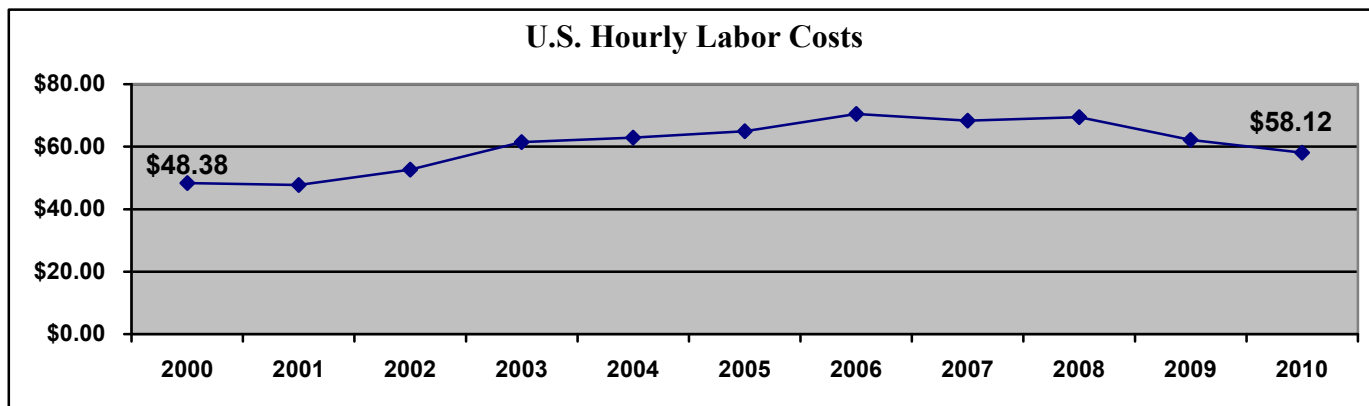
Hourly Payroll

This chart illustrates Ford's U.S. hourly payroll cost – which excludes healthcare, pension, and other benefits – for each year from 2000 through 2010. Since 2000, hourly payroll costs have decreased 57% from \$6.7 billion to \$2.9 billion, which is explained by a decrease in employment offset by an increase in wages.



Hourly Labor Cost

Labor costs can be defined and measured in a number of ways. One of the most meaningful measures is the total average hourly cost to the company per hour worked. This includes: (1) all the dollars paid to employees, (2) the cost of contractual benefits for employees, and (3) the cost of statutory payments, such as Social Security and Workers' Compensation – all calculated on the basis of hours worked by employees. This graph shows that during the 2000-2010 period, Ford's total average hourly cost per hour worked increased 20%, from \$48.38 to \$58.12.



Profile – Typical Hourly Employees

This section profiles the "average" Ford U.S. hourly employee – it is a composite of production and skilled wages based on the average number of employees and their hours paid in 2010.

	Traditional <u>Skilled</u>	Traditional <u>(Non-Skilled)</u>	Entry Level <u>(Non-Skilled)</u>
Base Hourly Rate	\$32.84	\$28.125	\$16.93
Gross Weekly Earnings (Based on a 40 hour straight-time week)	\$1,313.60	\$1,125.00	\$677.20
Total Annual Compensation (Based on 2010 average hours paid per week – including overtime premiums and pay for time not worked such as vacation, holidays, etc.)	\$76,417.81	\$67,845.94	\$35,505.54

Paid Time Off

In 2010, the above "Traditional" employees were entitled to the following paid time off:

Vacation	20 days
Holidays	16 days
Total Paid Time Off	<u>36 days</u>

Note – Vacation allocation is based on years of service.

Layoff Benefits

Employees are eligible for benefits in the event they are laid off. The following examples assume both of the above employees are married, have two children and live in Detroit, Michigan.

Layoff for Part of a Week

In a work week in which these employees worked three days (24 hours) and were laid off for two days (16 hours), they would receive Automatic Short Week Benefits under the Supplemental Unemployment Benefit (SUB) Plan¹ as follows:

	Major Assembler	Entry Level	Tool & Die Maker
• Automatic Short Week Benefit	\$360.00	\$216.70	\$426.88
• Ford earnings for 3 days of work (24 hours at hourly rate)	<u>\$675.00</u>	<u>\$406.32</u>	<u>\$800.40</u>
• Total gross Ford income for the week	<u>\$1,035.00</u>	<u>\$623.02</u>	<u>\$1,227.28</u>

Layoff for a Full Week

If the layoff is for a full week, these employees would be paid SUB Regular Benefits.

	Major Assembler	Entry Level	Tool & Die Maker
• Weekly SUB Plan Payment	\$476.23	\$114.12	\$604.96
• State unemployment compensation	<u>\$387.00</u>	<u>\$387.00</u>	<u>\$387.00</u>
• Gross weekly unemployment benefit including state unemployment compensation of \$387.00	<u>\$863.23</u>	<u>\$501.12</u>	<u>\$991.96</u>

¹The SUB Plan and related programs are explained in greater detail in Income Security, page 18.

Additional Benefits

In addition to the benefits, paid time off and compensation already described, an employee may be eligible for the following benefits:

- Health Care Benefits -Hospital-Surgical-Medical-Drug-Hearing Aides
- Dental Coverage
- Vision Coverage
- Group Life & Disability Insurance
- Pension
- TESPHE
- Income Security
- Employment Security
- Legal Services
- Profit Sharing
- Ford Interest Advantage
- Vehicle Purchase Program

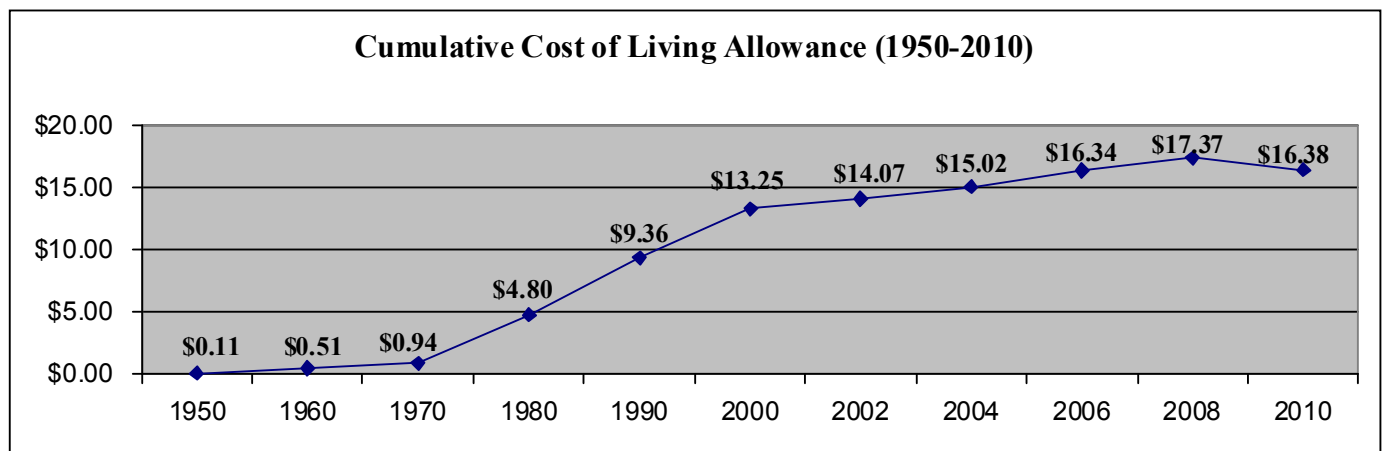
For descriptions of these programs, see the Company Benefits section, page 11.

Cost-of-Living Allowance

The Cost-of-Living Allowance (COLA) was first paid at Ford in September 1950 and was initially \$0.08 per hour. The first adjustment (\$0.03) was made in December 1950. Since then, the COLA provision has provided for adjustments on a quarterly basis to the wages paid to hourly employees.

Under the present formula, a 0.50-point change in the three-month average of the U. S. Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) will change the COLA by 2 cents.

This chart shows that since its inception in 1950, the COLA provision has added \$17.37 per hour to wages. Of that amount, \$16.38 has been transferred or folded into base hourly rates. COLA beyond the amount folded into base wages in 2007 was suspended on March 16, 2009 as part of the 2009 UAW-Ford negotiation modifications.

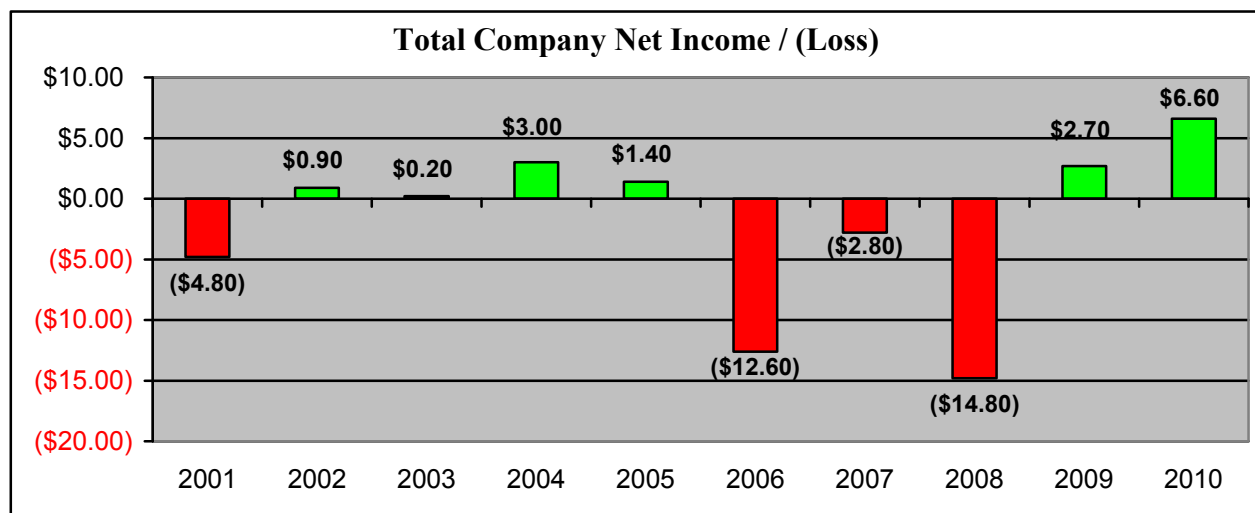


Note: The December 2005 Memorandum of Understanding on retiree healthcare includes provisions that allow for portions of COLA increases to be deferred to the DC VEBA. A year-by-year account of COLA changes is contained in the Appendix on page 44.

Ford Motor Company Financial Results

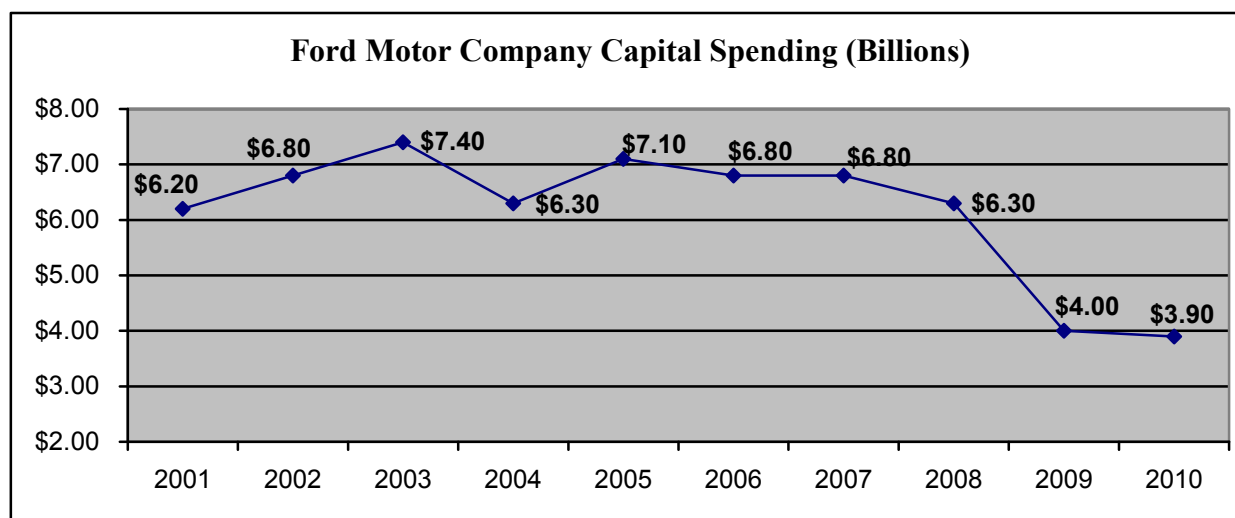
Financial Results – Ford Motor Company Net Income/(Loss)

This chart illustrates the net income/(loss) for Ford Motor Company since 2001. In 2010, the company earned \$6.6 billion.



Capital Spending

This chart illustrates Ford Motor Company's automotive sector capital spending trend for the past 10 years. Over the last 10 years, Ford has invested almost \$61 billion – primarily in new products.



* Of the \$2.4 B reduction in spending, \$1.6 B was related to Ford North America and the remainder was due to the sale of Jaguar/Land Rover and Volvo.

Ford Motor Company Vehicle Quality Results

New Vehicle Quality

At Ford Motor Company, quality comes first. To achieve customer satisfaction, the quality of our products and services must remain our number one priority. Internally, Ford uses the Global Quality Research Survey (GQRS) to measure the quality of its new vehicles built and sold in the U.S. market. The current five year TGW (Things-Gone-Wrong) trend, shown below, exhibits continuous improvement through a reduction in Things-Gone-Wrong.

Ford Brand, U.S. Market

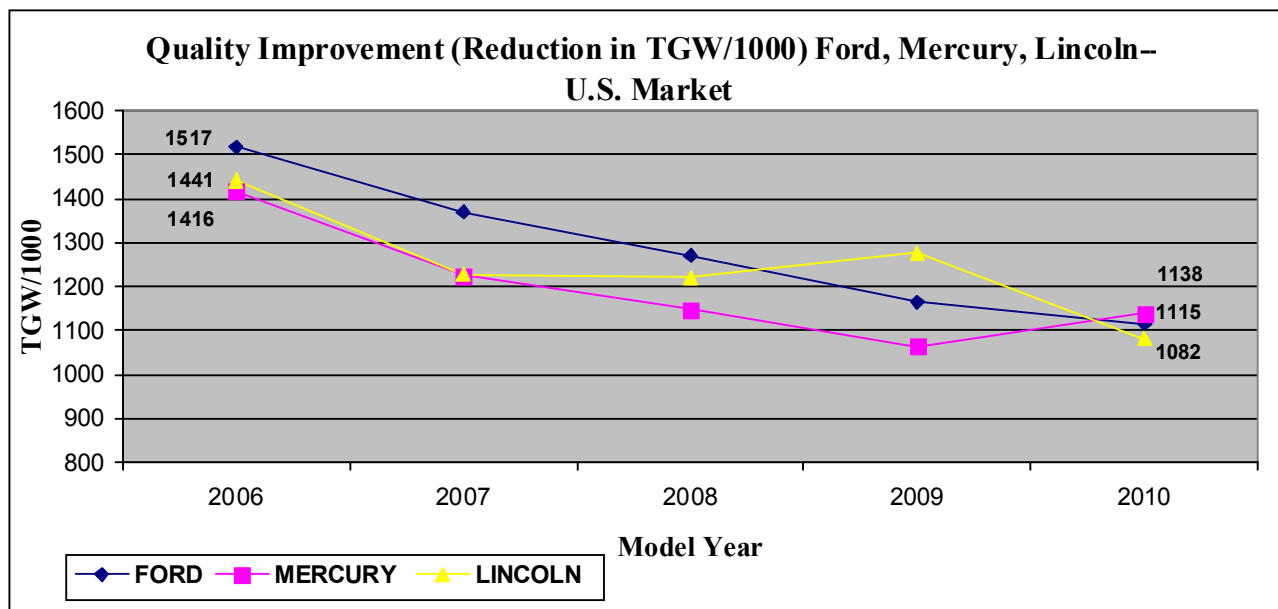
The Ford brand trend shown below exhibits a 27% improvement in TGW over the past five years for the U.S. market. Ford Fusion led the Ford brand trend with 1172 TGW in its launch year.

Mercury Brand, U.S. Market

The Mercury brand trend shown below exhibits a 20% improvement in TGW over the past five years for the U.S. market. The Mercury Montego led the Mercury brand with 1136 TGW, and the Mercury Milan was a close second with 1149 TGW in its launch year. The Mercury Brand was discontinued at the end of 2010.

Lincoln Brand, U.S. Market

The Lincoln brand trend shown below exhibits a 25% improvement in TGW over the past five years for the U.S. market. The Lincoln MKZ led the Lincoln brand with 1119 TGW in its launch year.



Company Benefits (Traditional Employees) – Healthcare Benefits

Healthcare Benefits

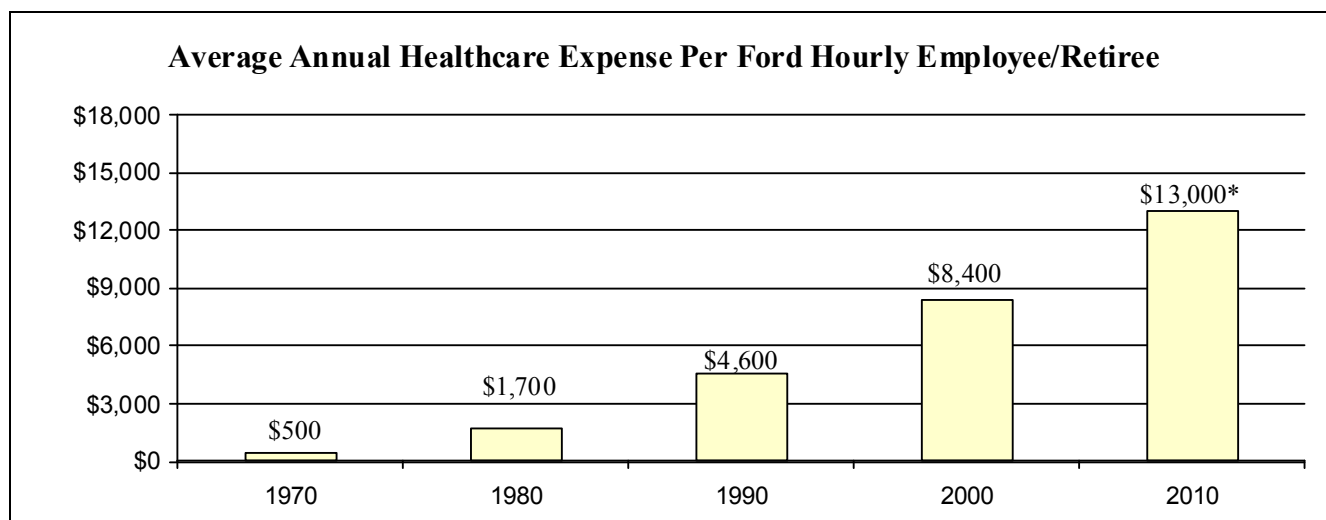
Ford provides eligible employees hired prior to November 19, 2007 and their eligible dependents with a comprehensive package of healthcare coverage including:

- Hospital-Surgical-Medical
- Prescription Drug
- Dental
- Vision
- Hearing Aid

Annual Healthcare Expense per Ford Hourly Employee

The magnitude and escalation of healthcare costs can be viewed in terms of the expense per employee, as this chart displays from 1970 to 2010:

- Magnitude of expense: the average annual Ford hourly healthcare expense per employee increased to approximately \$13,000 in 2010.



* Represents Active Employees only; responsibility for Ford Hourly Retirees was transferred to the UAW VEBA effective 1/01/2010

Cost Containment Programs

A joint Company-Union committee was established in 1976 when Ford and the UAW negotiated a comprehensive cost-containment program, a first for the industry.

This program was continued and expanded in subsequent agreements and now includes a number of programs to contain healthcare costs and improve quality of care:

- Case Management
- Certain Durable Medical Equipment and Prosthetic/Orthotic Equipment
- Community Health Care Initiatives
- Coordinated Care Management
- Cost Effective Carve-Out Programs
- Hospital Predetermination Review
- Integration of Health Programs
- Mandatory Second Opinion
- Prescription Benefit Management
- Social Security Advocacy Program

In addition to the above-mentioned programs, healthcare modifications were implemented as of August 1, 2006, as a result of the court-approved agreement regarding cost-containment between Ford and the UAW.

Alternative Healthcare Programs

In most parts of the country, employees have the option to enroll in alternative healthcare plans or Health Maintenance Organizations (HMOs), in lieu of traditional coverage. If an HMO/PPO is eliminated and there is no other HMO/PPO option in the coverage area, the Company covers five (5) office visits with a \$25 co-pay paid by the employee. HMO programs are intended to provide broader benefits for members in a managed care setting at lower cost. In limited areas of the country, a Preferred Provider Organization (PPO) is also available.

The following chart indicates the percentage of employees who were enrolled in HMO or PPO plans in 2010:

	2010 Percent Employees <u>Enrolled In</u>
HMO	78%
National PPO Network / PPO	<u>22%</u>
	100%

Hospital-Surgical-Medical-Hearing Aid - Traditional

Coverage: Traditional Hospital-Surgical-Medical-Hearing Aid coverage is provided through a national account program with Blue Cross Blue Shield of Michigan for eligible employees and their eligible dependents. In 15 states, employees may elect alternative healthcare plan coverage in lieu of the traditional coverage.

Benefits: Hospital-Surgical-Medical-Hearing Aid benefits for active employees under the national account program include: coverage for up to 365 days of hospital care at no charge for approved admissions in a semiprivate room; surgical and in-hospital medical care reimbursed on the basis of physicians' maximum allowed amount; coverage for medical emergencies and emergency first aid.

Other important benefits include: outpatient psychiatric care; pre- and postnatal care; convalescent care; certain X-ray and lab tests; prosthetic appliances; durable medical equipment; residential and outpatient substance abuse treatment; outpatient physical therapy and hearing aid services for audiometric exams; hearing aid evaluation tests and hearing aids.

Certain benefits are subject to the cost sharing amounts as outlined below:

National PPO Plan		
Monthly healthcare contributions		
None		
Annual Deductibles (In and out-of-network)		
None		
Co-Insurance		
<ul style="list-style-type: none"> None for covered health care costs obtained in-network 10% of covered health care costs for out-of-network services with exception of emergency room 		
Office visits have a 100% co-insurance to the member		
Out of Pocket Limitation*		
	<u>In-Network</u>	<u>Out-of-Network</u>
Single	\$0	\$250
Multi-Party	\$0	\$500
*Includes deductibles & co-insurance		

Prescription Drug - Traditional

Coverage: Prescription drug coverage for eligible employees and their eligible dependents that are enrolled in traditional coverage is provided by the Blue Cross Blue Shield/Medco Health Pharmacy Program through the National Managed Pharmacy Program, a national network of pharmacies. For eligible employees and their eligible dependents covered under an alternative healthcare plan, prescription drug coverage is provided through the alternative plan.

Benefits: Prescription drugs for active employees provided through local in-network pharmacies are subject to the following co-pays:

National PPO Plan		
	Retail	Mail
Generic	\$5	\$10
Brand	\$11	\$16

Service-Specific Networks

Ford and the UAW have agreed to service-specific arrangements and nationwide networks for outpatient physical therapy, vision care, lab services, prescription drugs and durable medical equipment coverage. Pursuant to these arrangements, group members must use the network providers to continue to receive full program benefits under most circumstances. These arrangements generally provide improved benefits and quality of care for group members at a lower cost to Ford.

Hourly Wellness Program

During post 2007 negotiations the UAW and Ford agreed to a new wellness program. Hourly UAW represented Ford employees will have two options to complete wellness requirements of: 1) an onsite health screening and health assessment or 2) obtaining a physical (at no cost to the employee) from their physician. If a chronic disease risk factor is identified either in the onsite health screening or physical exam, the member will then have 90 days from being notified that a risk factor was identified to visit their physician and return a Chronic Risk Factor Follow-Up Form to the wellness vendor. Failure to complete one of the two options will result in a \$25 per month payroll deduction.

Dental - Traditional

Coverage: Nationwide dental coverage for eligible employees and their eligible dependents is provided through Blue Cross Blue Shield of Michigan. In 10 states, employees may elect alternative dental plan coverage in lieu of traditional coverage.

Benefits: Dental benefits for eligible employees and their eligible dependents include: coverage for 100% of allowable amount for routine oral exams, cleanings, fluoride treatments and other preventive and certain emergency dental services; 90% of allowable amount for X-rays, extractions and oral surgery, periodontal treatment, general anesthesia, filling restoration (or in certain cases, onlays and gold fillings), injection of antibiotic drugs, repairs to bridges, dentures, crowns or inlays, and relining or rebasing of dentures; 50% of allowable amount for prosthetic services and orthodontic services for covered persons under age 19. The maximum annual benefit per member is \$1,850 for non-orthodontic services, with a separate maximum lifetime benefit of \$2,200 for orthodontic services.

Vision - Traditional

Coverage: Vision coverage for eligible employees and their eligible dependents is provided nationwide by SVS Vision, Inc.

Benefits: The SVS Vision Program offers the following benefits from participating providers: complete vision examination; frame and lenses (including bifocal, trifocal and special lenses); vision testing, re-examination by ophthalmologist; and contact lenses. Benefit payments to non-participating providers are for lesser amounts. Benefit payments for covered exams, lenses and frames are payable once during each 24 consecutive months.

Retiree Healthcare Benefits - VEBA

Effective December 31, 2009, Ford fully settled its UAW post retirement health care obligation. On December 31, 2009, Ford contributed \$14.8 billion of assets to the UAW VEBA Trust. In exchange for these assets, Ford irrevocably transferred its obligation to provide retiree health care for eligible active and retired UAW Ford hourly employees and their eligible spouses, surviving spouses and dependents to the UAW VEBA Trust.

Company Benefits (Traditional Employees) – Group Life and Disability Insurance (GL&DI)

Group Life and Disability Insurance (GL&DI)

Ford provides hourly employees a comprehensive package of life and disability insurance benefits based on wage rates on the last day worked. Coverage includes:

- Life Insurance
- Accidental Death and Dismemberment coverage
- Accident and Sickness benefits (A&S)
- Extended Disability Benefits (EDB)

In addition, the following benefits are provided:

- Safety-belt user benefit (\$15,000)
- Survivor Income Benefit (\$700 per month)

Also available are several optional employee-paid plans:

- Dependent Group Life Insurance provides spouse/Same-Sex Domestic Partner coverage (\$5,000 to \$150,000) and child(ren) coverage (\$2,000 to \$60,000);
- Employee Optional Life Insurance offers varying amounts between \$10,000 and \$500,000;
- Optional Accident Insurance is offered for both the employee and family. Coverage may be purchased in units of \$10,000 up to \$500,000. If family coverage is elected, the spouse/Same-Sex Domestic Partner is covered for an amount equal to 50% of the employee's coverage, and each child is covered for 10% of the employee's coverage.

The following summarizes company-paid GL&DI benefits for current hourly employees as demonstrated by the "average" hourly employees:

Benefit	Benefit Amount (Range)	Major Assembler	Tool & Die Maker
Active Life Insurance – pays a benefit to employee's beneficiary when the employee dies	\$32,500 – \$86,500	\$64,500	\$76,500
Retiree Life Insurance – pays a benefit to retired employee's beneficiary	equal to the active life amount until age 65 then subject to reduction formula until it reaches a minimum continuing life amount	Same	Same
Accidental Death and Dismemberment Insurance – pays a benefit, if the employee suffers a covered dismemberment or dies as the result of an accident	\$16,250 – \$43,250	\$32,250	\$38,250
Survivor Income Benefit – provides a monthly income to the employee's eligible survivors after the employee dies	\$700 per month (\$375 if eligible for unreduced Social Security benefits)	Same	Same
Accident and Sickness Insurance - pays a weekly benefit for up to 52 weeks, if the employee is injured or sick and unable to work	\$340 – \$900 per week	\$675 per week	\$800 per week
Extended Disability Benefit - provides a monthly benefit (based on service) after Accident and Sickness benefits end, if the employee is totally disabled and unable to work	\$1,250 – \$3,320 per month (less than 10 years)	\$2,485 per month (less than 10 years)	\$2,950 per month (less than 10 years)
	\$1,370 – \$3,645 per month (10 or more years)	\$2,730 per month (10 or more years)	\$3,240 per month (10 or more years)

Benefit	Benefit Amount/Range (All Employees)
<u>Safety Belt User Benefit Program</u> - pays a \$15,000 benefit, if the employee or another covered participant dies as a result of an automobile accident while wearing a qualified passenger restraint	\$15,000
<u>Optional Group Life Insurance</u> - employee may select varying amounts of coverage for him/herself and/or covered dependents ¹	Employee – \$10,000 to \$500,000 Spouse – \$5,000 to \$150,000 Each Child – \$2,000 to \$60,000
<u>Optional Accident Insurance</u> - employee may select varying amounts of coverage for him/herself and/or covered dependents ¹	Employee - \$10,000 to \$500,000 Spouse/Same-Sex Domestic Partner - 50% of employee's coverage Each Child - 10% of employee's coverage

Retiree Coverage

Hourly retirees continue to receive Ford-paid Life Insurance (unreduced at base hourly rate on the last day worked) and Accidental Death & Dismemberment coverage until age 65. After age 65, Accidental Death & Dismemberment coverage is terminated, and retiree Life Insurance coverage gradually decreases over several years until a minimum level is reached.

Other benefits available under the Optional Accident Insurance Plan include:¹

- Paralysis Benefits
- Comatose Benefits
- Special Education Benefits
- Special Child Care Center Benefits
- Spousal Occupational Training Expense
- Common Disaster Benefits
- Repatriation Benefits

Company Benefits (Traditional Employees) – Pension Plan

Ford -UAW Retirement Plan

- Funded entirely by company contributions
- Adopted in 1949
- Effective March 1, 1950
- First negotiated pension plan for hourly employees in the auto industry
- Provided a maximum combined monthly benefit (benefit class code D retirement, including Social Security) for a normal retirement at 30 years of company service:
 - of \$100 for a retirement in 1950
 - of \$3,590 for a retirement in 2010

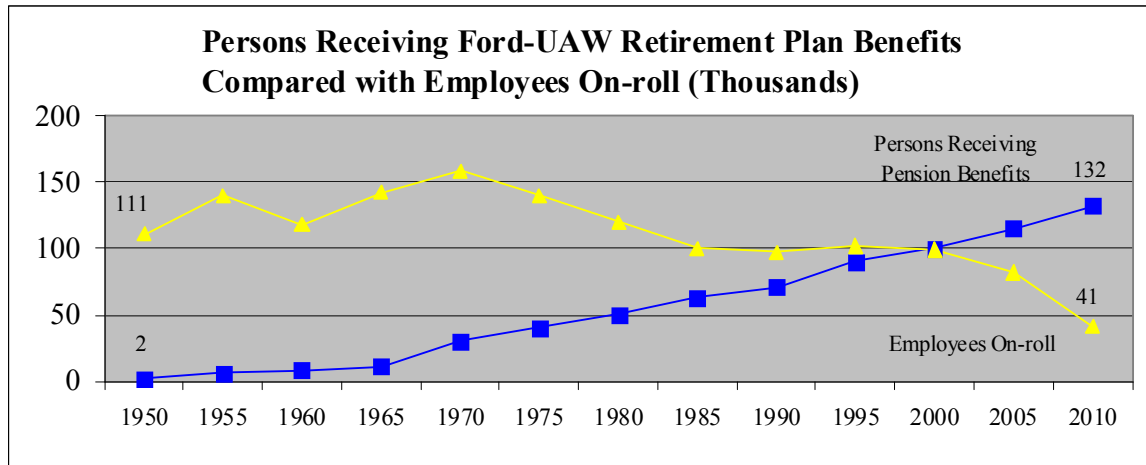
Significant improvements and liberalizations to the plan over the years have included:

- Supplemental allowances payable to those retiring prior to attaining eligibility for Social Security benefits;
- Payment of survivor's benefits to spouses of retirees;
- Special Early retirement benefits payable for retirement under mutually satisfactory conditions;
- Disability pension benefits payable to employees under age 65 with at least 10 years of service who become totally and permanently disabled or unable to perform any work at the plant or plants at which they have seniority;
- Additional service credit which could result in a "25 and out" pension benefit for employment in certain Foundry, Coke Oven and Ingot Mold job classifications;
- A deferred vested benefit payable at 65, or earlier on a reduced basis, to former employees who had 10 or more years of creditable service (or ERISA service) at the time they broke seniority with the company (five years, if employed after Jan. 1, 1989);
- A pre-retirement survivorship option.

¹Employee paid.

Persons Receiving Ford-UAW Retirement Plan Benefits Compared with Hourly Employees On-roll¹

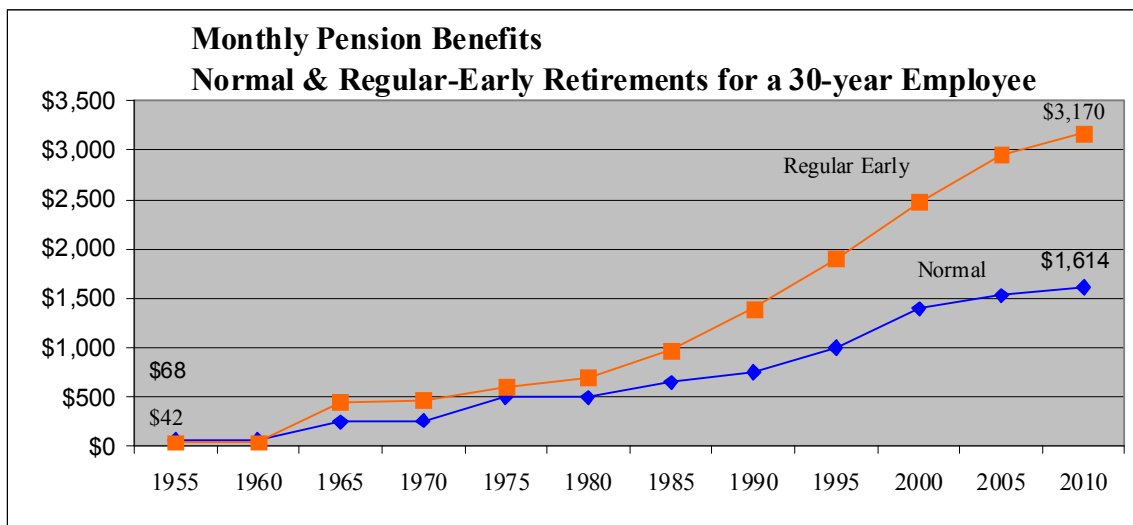
The ratio of the number of hourly retirees and surviving spouses receiving benefits to hourly employees on-roll has changed from 1-to-62 in 1950 (when only 1,800 people were receiving plan benefits with 111,400 employees on-roll), to a ratio of 3-to-1 at year-end 2010 (with approximately 132,000 people receiving plan benefits and approximately 41,000 employees on roll). This graph shows the number of people receiving plan benefits and the number of on-roll employees each year.



This graph shows the growth in the number of people receiving benefits, the typical benefit and the annual benefit payments.

Monthly Pension Benefits: Normal & Regular-Early Retirements for a 30-year Hourly Employee

The actual dollar amount of benefits payable under the plan has grown since the plan's inception. This graph compares the dollar amount of historical monthly benefits payable under the plan for retirements commencing in the years shown for both Normal and Regular Early "30 and out" benefits.² The calculation of benefits for Normal Retirement assumes the employee retires with 30 years of service at age 65. Benefits for Regular Early retirements assume the employee was age 60 with 30 years of service at retirement.

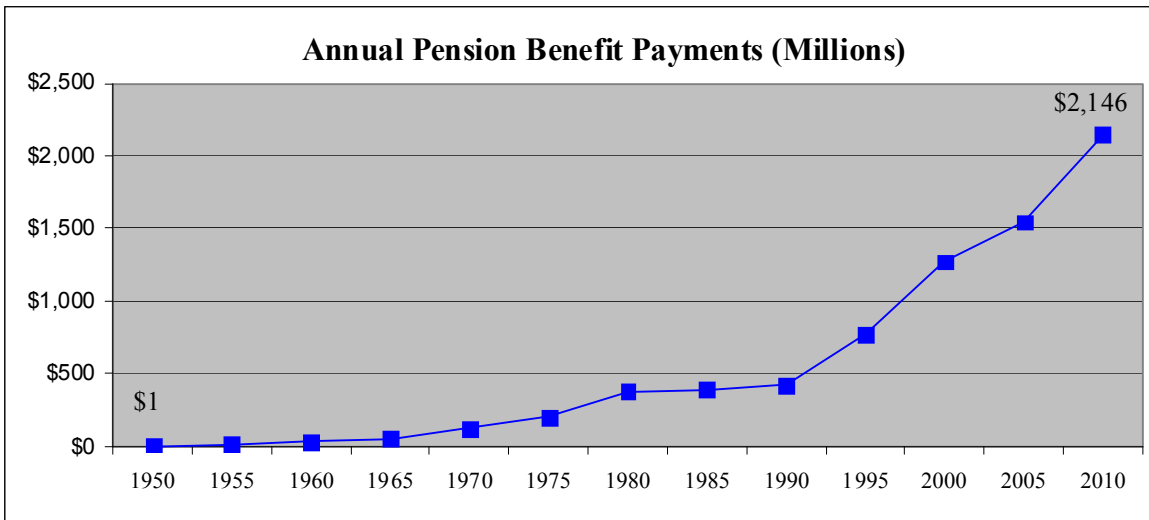


¹As of year-end 2010

²The \$3,170 Regular Early monthly pension benefit (benefit class code B retirement, including a supplemental allowance) as shown is payable until age 62 and one month, or if earlier, when eligible for an unreduced Social Security benefit. At age 62 and one month the monthly benefit payable under the plan for the individual in this example would be recalculated to \$1,614. (Benefits exclude survivorship option cost.) For retirees with birth dates in 1944 through September 14, 1949, the Regular Early benefit including supplemental allowance was extended until the date 80% Social Security Benefits are payable.

Annual Pension Benefit Payments

This graph shows the growth in annual benefit payments. In 1950, the plan paid out approximately \$1 million in benefits to 1,800 retirees. In 2010, a total of \$2.1 billion was paid to an average of 132,000 retirees and surviving spouses. Benefits under the plan are provided through a trust funded by company contributions. The value of trust fund assets as of Jan. 1, 2010 was \$20.2 billion. On an accounting basis, the market value of plan assets was 84% of the accumulated benefit obligation at beginning of year 2010. Through 2010 a total of \$30.4 billion has been paid to all past and current retirees and surviving spouses.



Company Benefits (Traditional Employees) – Tax-Efficient Savings Plan for Hourly Employees (TESPHE)

Tax-Efficient Savings Plan for Hourly Employees (TESPHE)

The Tax-Efficient Savings Plan for Hourly Employees was negotiated in 1984. Pursuant to the plan, seniority employees may save up to 50% of their regular pay (on a combined pre-tax and after-tax basis) and up to 100% of any profit share payments as pre-tax contributions. Pre-tax contributions are subject to a maximum limit of \$16,500 for 2011 which may increase in subsequent years. Employees age 50 and above can make additional pre-tax 'catch-up' contributions subject to a maximum contribution limit of \$5,500 for 2011, which may also increase in subsequent years.

Investment Options

Employees have a choice of 24 investment options: 9 target-date funds and an additional 15 funds, including a Company stock fund, 4 proprietary funds and a number of multiple-family mutual funds and non-mutual funds. Transfers of account assets and changes in investment elections for future contributions may be made daily with certain restrictions imposed by the individual funds.

Withdrawing Assets

Under existing tax laws, employees cannot withdraw pre-tax assets from their TESPHE account before age 59 ½, unless they have a financial hardship or request a plan loan. After-tax assets may be withdrawn at any time. After termination of employment (including retirement), employees may withdraw assets, transfer assets to another employer's qualified plan, or deposit assets into their own IRA.

Plan Participation

As of December 31, 2010, approximately 56% of eligible Ford hourly employees participated in the plan. Total assets in TESPHE as of that date totaled approximately \$4.1 billion.

Company Benefits (Traditional Employees) – Income Security

Ford-UAW Supplemental Unemployment Benefit (SUB) Plan

- Negotiated in 1955, implemented in 1956
- Provides a significant measure of income during layoff
- \$3.1 billion in benefits paid since 1956

Types of SUB Benefits

- **Regular Benefits** generally for full weeks of layoff of an amount that, when added to state unemployment compensation, equals 95% of Weekly After-Tax Pay.
Duration of Regular Benefits (based on the 2009 contract modifications for the term of the 2007 Collective Bargaining Agreement, subject to seniority) during an indefinite layoff:
 - Less than 10 years seniority = maximum of 26 weeks of SUB Regular Benefits
 - At least 10 years but less than 20 years of seniority = maximum of 39 weeks of SUB Regular Benefits
 - 20 year or more of seniority = maximum of 52 weeks of SUB Regular Benefits
 - For the length of a qualifying temporary layoff
- **TAP (Transition Assistance Plan) Benefits**, established in 2009 as part of the contract modifications, are for an eligible employee on a qualified layoff who exhausts SUB Regular Benefits. The employee shall be eligible for subsequent TAP weekly benefits in the amount of 50% of the employee's gross weekly wages, based on a 40-hour week, with duration of eligibility based on seniority as follows during the life of the 2007 UAW-Ford Collective Bargaining Agreement:
 - Less than 10 years seniority = maximum of 26 weeks of TAP
 - At least 10 years but less than 20 years of seniority = maximum of 39 weeks of TAP
 - 20 years of more of seniority = maximum of 52 weeks of TAPAn employee may elect, prior to becoming eligible for TAP benefits, to opt out of TAP benefits and receive a lump-sum cash payment of \$10,000 plus the maximum TAP benefit for which the employee would otherwise be eligible. In doing so, the employee shall forfeit eligibility for weekly TAP benefit payments, and also shall forfeit all recall rights.
- **Automatic Short Week Benefits** for partial weeks of layoff of an amount that equals 80% of the employee's base hourly rate plus 80% of COLA for hours of layoff in a workweek in which less than 40 hours are available to the employee.
- **Separation Payment** based on a scheduled number of hours of base pay, determined by the employee's seniority. Paid in lieu of future SUB benefits.

History of SUB Payments

- The number of Regular Benefit payments ranged from a low of 36,800 (\$12.1 million – total amount) in 1994 to a high of 1.5 million (\$205 million – total amount) in 1980; 352,300 payments were made in 2006 (\$155.7 million – total amount).
- The number of Automatic Short Week Benefit payments (SWB) ranged from a low of 142,300 (\$12.4 million – total amount) in 1994 to a high of 954,700 (\$18.9 million – total amount) in 1970; 385,600 payments were made in 2006 (\$43.8 million – total amount).

<u>SUB BENEFITS¹</u>				
REGULAR BENEFITS			SHORT WEEK BENEFITS	
Year	Number of Benefits Paid (000)	Total Amount (\$ Millions)	Number of Benefits Paid (000)	Total Amount (\$ Millions)
1960	284.0	5.5	²	²
1965	51.6	1.6	241.3	2.8
1970	248.5	14.0	954.7	18.9
1975	1,001.0	93.8	287.2	7.2
1980	1,494.4	205.2 ³	322.0	18.4
1981	650.4	42.9 ³	231.3	12.0
1982	933.8	103.2 ³	243.3	13.7
1983	325.5	36.7 ³	201.7	10.5
1984	180.2	26.8 ³	160.9	11.1
1985	224.2	41.9 ³	175.2	15.0
1986	130.6	24.7 ³	162.4	12.9
1987	85.8	21.9 ³	158.6	11.2
1988	52.6	12.7 ³	149.0	12.1
1989	110.7	25.9 ³	248.1	16.0
1990	283.1	65.1 ³	346.0	30.3
1991	569.2	136.0 ³	407.4	29.5
1992	290.6	67.9 ³	320.5	25.7
1993	103.0	25.7 ³	174.3	13.5
1994	36.8	12.1 ³	142.3	12.4
1995	157.4	41.6 ³	236.8	15.8
1996	148.2	39.3	262.2	27.1
1997	186.7	51.5	286.4	25.1
1998	110.2	32.4	228.8	18.2
1999	85.1	26.2	161.5	20.0
2000	83.9	27.9	160.8	17.5
2001	191.6	66.6	276.5	32.3
2002	70.7	24.3	161.9	17.2
2003	178.7	65.6	228.7	21.6
2004	158.2	59.1	234.7	27.6
2005	235.8	97.9	288.9	31.5
2006	352.3	155.7	385.6	43.8
2007	116.3	51.0	214.0	24.1
2008	272.9	113.3	263.3	31.6
2009	288.3 ⁴	118.9 ⁴	288.7	28.6
2010	80.0 ⁴	32.9 ⁴	280.0	26.4
TOTAL*	14,034.3	\$2,226.0	14,851.0	\$830.0

*(Including Years Not Shown)

¹Includes separation payments of \$100 million.

²Short Week Benefits began in 1962.

³Reduced by recovery of benefit overpayments.

⁴Includes SUB and TAP Regular Benefits

Company Benefits (Traditional Employees) – Employment Security

Job Security Program (JSP)

The Job Security Program (JSP), known prior to the 2007 Agreement as the "Guaranteed Employment Numbers" (GEN) program, was first negotiated as the industry pattern at Ford in 1987. The program was designed to provide continued employment for employees who might otherwise be laid off. The basic guarantee is that no eligible employee will be laid off over the term of the Agreement, except for the following reasons:

- reduced customer demand (layoff maximum of 48 weeks over the life of the Agreement);
- acts of God or other conditions beyond the control of management;
- conclusion of an assignment known in advance to be temporary;
- plant rearrangement or model changeover.

Eligible employees cannot be laid off because of:

- introduction of new technology;
- sourcing decisions;
- Company-implemented efficiency actions.

When an event results in an employee surplus and employees impacted by that event exercise their seniority-based "bumping" rights, eligible affected employees are placed in "Protected Status", where they may receive full wages and benefits. While in Protected Status, employees may be assigned to:

- training programs or to replace other employees who are in training;
- certain non-traditional jobs;
- openings at other Ford locations;
- other assignments consistent with the intent of the program.

During the 2007 negotiations, the parties agreed to several modifications to the JSP, including:

- limiting the amount of time an employee may remain in Protected Status (up to two years, unless the employee has received fewer than two job offers, in which case the employee may remain in Protected Status until he or she receives a job offer);
- an option whereby employees in Protected Status receive 85% of their regular straight-time rate of pay but do not report to their work location;
- a provision for employees to receive up to two job offers during their two-year period in Protected Status, with the employee having the option to decline (without penalty) the first job offer if it is at a Company facility outside the employee's Preferential Placement (geographical) zone.
- a provision whereby employees in Protected Status who decline the final out-of-zone job offer for which they are eligible are then placed on inactive status with no Company-provided income or benefits.

In March 2009, the parties agreed to suspend the contractual provisions that limited the Company's ability to lay off employees. This agreement suspended Protected Status under the Job Security Program (i.e., the "jobs bank", as it was commonly referred to externally). Employees who were in Protected Status as of 3/16/2009 were placed on indefinite layoff, as were employees who subsequently were affected by workforce reduction events that otherwise would have resulted in their being placed in Protected Status. Additionally, the parties agreed that, for the duration of the 2007 Agreement:

- An employee on indefinite layoff is eligible for up to one job placement opportunity either within or outside the employee's Preferential Placement zone.
- An employee who declines an in-zone job opportunity will be terminated as a voluntary quit.
- An employee who is extended an offer for an out-of-zone job opportunity must either:
 - accept the job offer, or
 - decline the job offer, and be placed on inactive status with no Company-provided income or benefits (but remain eligible for additional job opportunities for a period of time equal to his or her seniority or 18 months, whichever is greater), or
 - bump the least-senior employee within the same zone (in which case the least-senior employee must elect the first or second option above).

A subsequent understanding clarified the third option above: the forced decision regarding out-of-zone transfers is presented to the lowest-seniority employee (whether active or on indefinite layoff) in a zone experiencing an employee surplus.

The total financial liability for the Job Security Program is limited to \$944 million during the term of the 2007 Agreement. Through December 2010, total program expenditures were \$318 million. 391 employees were on indefinite layoff throughout the Company as of December 31, 2010. The program, which includes special separation and transfer incentives, is administered by joint UAW-Ford Job Security Committees at the local and national levels.

Preferential Placement/Return Home Arrangements

First initiated at Ford in 1982, the Preferential Placement Program provides laid-off seniority employees the opportunity to transfer to available work at other locations.

Under the return home provisions, eligible employees who are preferentially placed at another facility may apply to "return home" to their home location as opportunities permit.

Employees who relocate under either program may receive the Regular Moving Allowance (flat sum amount of \$4,800) or the Enhanced Moving Allowance (with a maximum of up to \$30,000). Employees who choose the Enhanced Moving Allowance must follow program provisions and would terminate their seniority and recall rights at all other Ford locations.

Company Benefits (Entry-Level Employees) – Healthcare Benefits

Healthcare Benefits

Ford provides hourly entry-level employees with hospital, surgical, medical, drug, hearing aid, vision and dental coverage. Entry level employees will be eligible for hospital, surgical, medical, drug and hearing aid coverage through the National PPO option effective the first day of the eighth month following the date of hire modified to include the cost-sharing requirements shown below:

Modified National PPO Plan		
<u>Employee Contributions</u>		
None		
<u>Annual Deductible</u>		
	<u>In-Network</u>	<u>Out-of-Network</u>
Single	\$300	\$1,200
Family	\$600	\$2,100
<u>Co-Insurance</u>		
<u>In-Network</u>	10%	
<u>Out-of-Network</u>	35%	
<u>Office Visit Co-Insurance</u> 100%		
<u>Out-of-Pocket-Maximum</u>		
	<u>In-Network</u>	<u>Out-of-Network</u>
Single	\$1,000	No Limit
Multi-Party	\$2,000	No Limit
<u>Prescription Drugs (Retail and Mail Order)</u>		
Generic	\$7.50/script	
Brand	\$15.00/script	

Employees are provided a Health Reimbursement Account in the amount of \$300 for a single coverage and \$600 for multi-party coverage. Dental and limited vision coverage becomes effective the first day of the month following three years from the date of hire with full vision effective the first day of the month following five years from the date of hire.

Company Benefits (Entry-Level Employees) – Group Life and Disability Insurance (GL&DI)

Group Life and Disability Insurance (GL&DI)

Ford provides hourly entry-level employees with life and disability insurance benefits. Benefit amounts are based on wage rates on the last day worked. Coverage includes:

- Life Insurance
- Accidental Death and Dismemberment
- Accident and Sickness benefit (A&S)
- Extended Disability Benefits (EDB)

Company Benefits (Entry-Level Employees) – Pension Plan

Ford Motor Company-UAW Personal Retirement Plan

- Funded entirely by company contributions
- Adopted in 2007
- Effective January 1, 2010
- Covers entry level wage employees hired or rehired on or after November 19, 2007
- Skilled trade direct hires continue to be covered under the Ford-UAW Retirement Plan
- Cash balance defined benefit pension plan providing:
 - Contributions to each participant's notional account equal to 6.4% of the employee's base hourly wage rate multiplied by the number of straight-time hours worked
 - Interest credits based on rates specified under the Pension Protection Act
 - 3-year cliff vesting and portability provisions
 - No provisions for supplements, temporary benefits, or 30 and out retirement benefits

Company Benefits (Entry-Level Employees) – Tax-Efficient Savings Plan for Hourly Employees (TESPHE)

Tax-Efficient Savings Plan for Hourly Employees (TESPHE)

Employees covered by the entry-level agreement participate in the TESPHE on the same basis as other hourly employees, with one exception. The Company contributes \$1 per certain compensated hour for certain employees in lieu of post-employment healthcare benefits. These monies may not be withdrawn for any purpose until age 59 ½ or termination of employment.

Company Benefits (Entry-Level Employees) – Income Security

Ford-UAW Supplemental Unemployment Benefit (SUB) Plan

- Entry Level employees were negotiated into the SUB Plan during the 2009 contract modifications
- Provides a significant measure of income during layoff
- Eligible based on one year of service

Types of SUB Benefits

- **Regular Benefits** generally for full weeks of layoff of an amount that, when added to state unemployment compensation, equals 95% of Weekly After-Tax Pay.
Duration of Regular Benefits (based on the 2009 contract modifications for the term of the 2007 Collective Bargaining Agreement, subject to seniority) during an indefinite layoff:
 - At least 1 year but less than 3 years of seniority = maximum of 13 weeks of SUB Regular Benefits
 - 3 year or more of seniority = maximum of 26 weeks of SUB Regular Benefits
 - For the length of a qualifying temporary layoff
- **Automatic Short Week Benefits** for partial weeks of layoff of an amount that equals 80% of the employee's base hourly rate plus 80% of COLA for hours of layoff in a workweek in which less than 40 hours are available to the employee.
- **Separation Payment** based on a scheduled number of hours of base pay plus COLA, determined by the employee's seniority. Paid in lieu of future SUB benefits.

Other Company Benefits – Legal Services Plan

The UAW-Ford Legal Services Plan shares 63 law offices located across the country with UAW-GM Legal Services Plan and UAW-Chrysler LLC Legal Services Plan. The three Plans are managed by a common Director and staff in cooperation with each Company's Plan Administrative Committee.

Eligibility

- Active employees with at least 90 days seniority.
- Retirees .
- Spouses of eligible retirees or active workers.
- Same sex Domestic Partners of eligible employees or retirees if the Domestic Partner has enrolled with the sponsor.
- Surviving Spouses eligible for surviving spouse benefits under the Ford-UAW Retirement Plan or eligible for, transition, bridge, or health insurance benefits under the Insurance Program.
- Dependent children who are unmarried and who have not reached the calendar year in which he/she reaches the age of 25 and who reside with a Participant
- Other dependents – Must reside with Participant and be dependent on the Participant according to the Internal Revenue Code

Types of Service

- **Full Legal Services**—these matters include litigation coverage where appropriate and include:
 - Wills, estate, probate and guardianship matters
 - Real estate matters involving residence or vacation property
 - Consumer, bankruptcy and insurance matters
 - Social Security Terminations
 - Social Security Applications
- **Office Work** – legal services associated with the preparation of documents, making phone calls, writing letters, and otherwise resolving the matter and include the following:
 - Divorce and other family matters
 - Traffic matters
 - Immigration matters
 - Some social security matters for dependents or surviving spouses
 - IRS audits and administrative proceedings
- **Referrals** – For legal services not covered by full services and/or where the office work benefit has been exhausted and where the matter is not excluded, the Plan offers a referral benefit. The Plan has agreements with private attorneys who charge specific reduced fees. Employees pay attorney fees for services provided. Matters that are entitled to a low cost referral include contested domestic matters, DUIs, and personal injury cases.
- **Exclusions** -- Some matters involving businesses, rental property or which involve the Union or the Company are excluded from services.

Other Company Benefits – Profit Sharing Plan

Profit Sharing Plan

The Profit Sharing Plan was first negotiated between Ford and the UAW in 1982. It provides a source of income for employees which allows them to share in the growth and success of the Company. In the past 28 years:

- About \$5.5 billion has been paid to Ford hourly employees under the plan.
- An eligible employee would have received, on average, a total of \$53,889 over this period (see page 25).

Eligibility

Full-time U.S. hourly employees are eligible, including certain employees who are terminated during the year.

Total Profit Share Determination

Total profit share is paid from the first dollar of profits and is determined by summing the following:

- 6% of profits up to 1.8% of sales, plus
- 8% of profits between 1.8% and 2.3% of sales, plus
- 10% of profits between 2.3% and 4.6% of sales, plus
- 14% of profits between 4.6% and 6.9% of sales, plus
- 17% of profits that exceed 6.9% of sales

Profits and Sales:

- Include only those applicable to defined U.S. operations.
- Profits are before-tax and before management bonuses and profit sharing.

Employee's Profit Share Determination

- Individual profit sharing amounts are determined as follows:

(1)Hourly Allocated Profit Share	= Total Profit Share	x $\frac{\text{Number of Eligible Hourly Employees}}{\text{Number of Eligible Hourly and Salaried Employees}}$
(2)Profit Sharing Percentage Factor	= Hourly Allocated Profit Share	/ Total Eligible Pay Of All Eligible Hourly Employees
(3)Employee's Profit Share	= Profit Sharing Percentage Factor	x Employee's Eligible Pay

- Distribution is made not later than two and one-half months following the end of the Plan year.
- Employees can allocate profit sharing payments to either TESPHE, the Ford Interest Advantage Account, or cash if the average profit sharing payment is greater than \$250.

AVERAGE PROFIT SHARING PAYOUT PER EMPLOYEE (\$)

Plan Year	Ford	GM	DaimlerChrysler	Memo: Ford Payout as % of Pay
1983	440	643	0	1.5
1984	1,993	543	500	6.2
1985	1,262	347	0	4.1
1986	2,154	0	500	6.5
1987	3,760	0	500	11.3
1988	2,800	266	720	7.8
1989	1,025	50	0	2.8
1990	0	0	0	0
1991	0	0	0	0
1992	0	0	429	0
1993	1,350	0	4,300	3.3
1994	4,000	589	8,000	8.7
1995	1,700	814	3,200	3.8
1996	1,800	304	7,900	3.9
1997	4,400	750	4,600	9.7
1998	6,100	200	7,400	12.8
1999	8,000	1,775	8,100	15.3
2000	6,700	803	375	12.5
2001	0	0	0	0
2002	160	934	460	0.3
2003	195	170	0	0.3
2004	600	186	1,500	1.0
2005	0	0	650	0
2006	0 ¹	0	0	0
2007	0 ²	0	0	0
2008	0	0	0	0
2009	450	0	0	0.8
2010	5,000 ⁵	4,300 ⁴	750 ³	7.9
TOTAL	\$53,889	\$12,674	\$49,884	

¹ One-time cash performance award of \$500 paid March 15, 2007.

² One-time discretionary payment of \$1,000

³ Discretionary Performance Recognition Award

⁴ GM components average is \$3,200

⁵ Payment of \$3,000 based on Agreement; \$2,000 discretionary

Other Company Benefits – Ford Interest Advantage

Ford Interest Advantage

Ford Interest Advantage (FIA) was first offered to Ford hourly employees in 1982. The program is voluntary and allows employees, retirees and others to invest in demand notes issued by Ford Motor Credit Company. The program is administered by the Northern Trust Company, Chicago, Illinois.

Interest Rates

Ford Interest Advantage features interest rate tiers and pays a minimum rate that is at least 0.25% above the seven-day average yield (non-compounded) for all taxable money funds as reported weekly in the Money Fund Report[®]. The tiered rate feature provides for the payment of higher rates as balances increase. Investors earn different rates based on the following tier balances:

- Under \$15,000
- \$15,000 - \$50,000
- Over \$50,000

Investments and Redemptions

Employees may choose to invest in the program through payroll deductions with a minimum investment amount of \$100 per month (\$25.00 per week for hourly employees), and there are no transaction, administrative or management fees. There is a \$1,000 minimum balance requirement. Employees also may elect to have all or a portion of any profit sharing award directed to their FIA account which was established via payroll deduction.

In addition to payroll deduction, investments can be made by check and/or wire transfer. Interest is earned daily and automatically reinvested monthly, and funds may be invested or withdrawn at any time without cost or penalty. Free check writing privileges (\$250 minimum) are available to all participants. Checks written for amounts less than \$250 incur a fee of \$0.25 per check.

Other Company Benefits – New Vehicle Purchase/Red Carpet Lease Plans

New Vehicle Purchase/Red Carpet Lease Plans

The New Vehicle Purchase Programs (AXZD-Plans) are offered to eligible individuals to buy or lease certain new company products from authorized Ford Motor Company dealers at special prices. The following people are eligible to participate in the plans:

- All active, full-time hourly employees and regular salaried employees, beginning with their date of hire;
- All hourly retirees receiving normal, early (regular or special), or disability retirement benefits – while any medical benefits are being received;
- Salaried retirees who retired under the General Retirement Plan, including salaried employees who terminate between the ages of 50 and 55 and who are eligible to receive certain deferred retirement benefits;
- Surviving spouses of employees who died while actively employed, and surviving spouses of retirees who retired under the General Retirement Plan, or who are receiving benefits under the UAW-Ford Retirement Plan;
- Employees on an approved leave of absence, for the duration of the leave or until expiration of medical benefits;
- Employees on layoff, for the first 12 months of the layoff;
- All regular part-time hourly and salaried employees who are eligible to receive medical benefits;
- Deferred vested retirees who are receiving a Ford pension;
- Members of the immediate families of the preceding eligible employees, retirees, and surviving spouses. "Immediate family" includes the spouse, sons and daughters (including in-laws and stepchildren), brothers and sisters (including in-laws, half- and stepbrothers and stepsisters), parents, spouse's parents, grandchildren, grandparents, spouse's grandparents, same-sex domestic partners of eligible active employees covered under the healthcare plan, and immediate family members of eligible same-sex domestic partners.

Special Programs – Diversity, Education, Development and Training Program

Diversity in the Workplace

Although Equal Application of the Agreement has been a part of the UAW-Ford Collective Bargaining Agreement for decades, in 1999 the parties agreed to a new Diversity in the Workplace initiative. This new Letter of Understanding established a National Joint Diversity Committee.

In 2007, the parties recognized the desirability of increased communication and cooperative efforts in holding discussions of the Joint Equality and Diversity Committees at both local and national levels. More specific roles of committees at both levels were outlined to better clarify expectations of committee members. National Joint Equality and Diversity Committee will advise and counsel local committees, develop and provide training for local committee members; review, discuss, and recommend ways to facilitate awareness of equal application, diversity and sexual harassment issues as well as other strategies to increase employee awareness of and promote constructive dialogue regarding equality and diversity. Local Joint Equality and Diversity Committees shall be advisory, consultative and cooperative and keep the National committee apprised of issues arising at the local level.

Education, Development and Training Program

The Education, Development and Training Program (EDTP) was established as a key element of the 1982 Collective Bargaining Agreement. In subsequent years, the scope of EDTP evolved to accommodate additional program content. In early 2009, some program features were suspended or modified due to the financial constraints faced by the Company.

The basic program objectives of EDTP have remained the same and include: (1) provide training, retraining and developmental opportunities for both active and displaced employees, (2) support local and national UAW-Ford learning initiatives and other joint activities as agreed by the parties, and (3) provide opportunities for the exchange of ideas and innovations with respect to employee development and training needs. Program activities are coordinated by an on-site Employee Resource Coordinator and the local UAW-Ford EDTP committee.

A **Joint Governing Body**, composed of five UAW and five company representatives, directs the operation of the program and the UAW-Ford National Programs Center. Housed in an independent facility since June 1983, the National Programs Center blends the talents of a staff recruited from the UAW, Ford and independent professionals. The National Programs Center relocated to the former Veterans Memorial Building at 151 West Jefferson in Detroit, Michigan, during 1997. This new facility consolidated joint program activities to a single site.

Funding for joint program activities and the National Programs Center is provided for in the Collective Bargaining Agreement. The funding accrual is 10 cents per hour worked plus a sliding scale of \$1.25 to \$5.00 per hour for overtime hours worked in excess of 5% of straight-time hours. For health and safety training, an additional 4 cents per hour worked is contributed to the national fund. Additionally, 5 cents per hour worked at each location is designated for Local Training Funds. These funds provide local unions and local management resources for special training and employee development projects that meet their particular needs.

Programs for Active Employees

Education and Training Assistance Plan (ETAP) – This plan provides prepaid tuition and compulsory fees (up to a maximum of \$5,000 per year) for selected and approved education and training classes for credit and degree courses at eligible educational institutions. Up to \$200 may be used to purchase books for approved ETAP courses

Programs for Inactive Employees

Retired Employee Tuition Assistance Plan (RETAP) – Agreed to by the union and company in 1996 negotiations, the Retired Employee Tuition Assistance Plan provides up to \$1,750 per calendar year to retired employees who wish to participate in approved education classes on site at the local union hall or plant location from which they retire.

National Vocation Retraining Assistance Plan (NVRAP) – This plan provides ETAP benefits for seniority employees on indefinite layoff. In 1999, the UAW and Ford increased NVRAP assistance by \$400, resulting in a new range of \$6,400 to \$8,400 in assistance, depending on seniority.

Special Programs – Employee Support Services Program

UAW-Ford Employee Support Services Program (ESSP)

First negotiated in 1984 as the Employee Assistance Plan and Child Care Resource and Referral Service, the ESSP was expanded in 1990 to include Health Promotion and Fitness components.

The various features of ESSP are administered at the plant level by full-time UAW ESSP representatives and by salaried representatives. The services of ESSP are available to employees without cost, and participation in the various program components is voluntary. Funding is provided through the UAW-Ford National Programs Center.

In 1993, ESSP was further expanded to include Behavioral Emergency/Critical Incident Stress Debriefing procedures (BE/CISD) to help address violence and other behavioral emergencies in the workplace. As a result of BE/CISD, U.S. Ford manufacturing locations have established trained Local Response Teams to assist in maintaining a safe and stable work place. Critical Incident Stress Debriefing plays a major role in assisting employees impacted by critical workplace incidents.

The 1996 negotiations expanded opportunities for professional development for the local ESSP representatives with new initiatives, such as the development of National Program Standards and the establishment of annual ESSP representative training. Additionally, training of supervisors/UAW-committeepersons in early intervention procedures, as well as employee support groups, has been added to address workplace issues. To improve the ease of utilization by employees, the child care and elder care components were also consolidated under the designation "Family Consultation and Referral Services."

In 1999 negotiations, the ESSP programs were elevated in their contractual status by elimination of the various Letters of Understanding under which they had previously operated and incorporated into Volume I of the Agreement as Appendix U. Selected new initiatives for the 1999 Agreement include addition of a Dependent Care Assistance Program (DCAP) to help employees pay for child and elder care with before-tax dollars under certain circumstances; a geriatric assessment component added to the Family Consultation and Referral Program; facilitated professional development of the local ESSP representatives; and mentoring opportunities for newly appointed ESSP representatives. The program celebrated its 25th year anniversary in 2009.

Although some programs were discontinued as a result of 2007 negotiations, the core Employee Assistance program continues to provide important support for UAW-represented Ford hourly employees and their dependents that are dealing with difficult personal issues.

Employee Assistance Plan (EAP)

At the core of ESSP is the Employee Assistance Plan, which helps UAW-represented Ford hourly employees and their immediate family members deal with substance abuse, emotional illness or other serious personal problems. Outside trained and licensed professionals provide expert and confidential problem assessment, and therapy. Referrals for specialized care are provided as necessary.

The EAP also provides support for the ongoing BE/CISD procedures in the manufacturing locations. Training on "Recognition of EAP Problems, and Early Intervention Strategies" for all supervisors/UAW-committeepersons at all U.S. Ford manufacturing facilities was made available.

Family Consultation and Referral Service

This service includes the Child Care Consultation and Referral Service and an Elder Care Consultation and Referral Program. First negotiated as separate Letters of Understanding between the parties, these programs were incorporated into Appendix U of the Master Agreement in 1999 negotiations. During 2007 negotiations funding for the Family Consultation and Referral Service was discontinued.

Child Care Consultation and Referral Service – The service was initiated in 1984 at several pilot locations and expanded in 1987 to any interested locations. The program provides:

- Information and guidance on child-care matters.
- Local resources for child care, including centers, nursery and preschool, before and after-school programs, group and family day-care homes and summer day camps, as well as sources of support for children with special needs.

Parents make the final choice regarding which service to use and pay for the provider's service. There is no charge for consultation. Employees access the services through their local ESSP Representatives.

Joint Child Care Initiative – First negotiated in 1993, reaffirmed in 1996 and incorporated into Appendix U of the Master Agreement in 1999, Ford and the UAW agreed to collaborate with other companies and community organizations to improve the quality and quantity of child care.

Parenting Education – Initiated in 1993 as a Letter of Understanding between the parties and in 1999 incorporated into Appendix U of the Master Agreement, the program provides a small library of information and educational materials in a variety of media formats on a broad range of child-rearing topics. Additionally, information for care of elders has been added. These libraries are available in 54 locations.

Elder Care Consultation and Referral Service – is available to all U.S. employees. Piloted in 1993 and incorporated into Appendix U of the Master Agreement in 1999, the program provides assistance with identifying and evaluating services and resources to help employees care for their elder relatives. Employees access the services through their local ESSP Representatives.

Health Promotion, Fitness Centers and Physical Rehabilitation Units

Health Promotion – Health promotion activities are intended to provide UAW-represented hourly employees an opportunity to make healthier lifestyle choices. Program offerings include:

- Exercise Education
- Nutrition Education
- Stress Education
- Smoking Cessation
- Weight Management
- Health Fairs
- Health Risk Appraisals

Fitness Centers – To assist in achieving personal fitness, UAW-Ford ESSP coordinates funding for approved plant fitness centers. To date, 57 Company locations have utilized these funds to equip and staff employee fitness centers.

Special Programs – Mutual Growth Forums

Mutual Growth Forums

Mutual Growth Forums were established in the 1982 National UAW-Ford Collective Bargaining Agreement as a forum of ongoing labor-management consultation. The forums are intended to promote sound union-management relations through better communication, systematic fact-finding and advance discussion of subjects of mutual interest to the union, the employees and the company. They also provide a valuable means for joint constructive problem solving. An adjunct to the collective bargaining process, the forums exist at the national, operations, division, and local levels.

The National Forum consists of the senior members of the company's Human Resources Staff and the Union's National Ford Department. The National Forum members meet periodically with the company's senior management to share information, discuss industry and company trends, share concerns and discuss solutions to mutual problems.

At the plant level, Local Forums generally consist of about eight persons and are usually co-chaired by the plant manager and the local union's chairperson. Local forums meet to exchange information and ideas. This frank and open exchange of information on mutual concerns can be very useful in solving problems before they become issues in local bargaining.

In addition to improving communications, local forums can decide to develop other pilot projects and experiments. These jointly fashioned efforts may include examining governmental relations matters (including auto industry regulations) of mutual interest, studying employee training/development concepts, and other innovative approaches to promote employee satisfaction, job security and competitiveness of the plants.

Special Programs – Health and Safety

UAW-Ford Health and Safety

Employee health and safety continue to be a top priority for the UAW and Ford. Since the establishment of the UAW-Ford National Joint Committee on Health and Safety (NJCHS) and joint funds in 1984, the parties have successfully worked together to make the workplace safer and healthier for everyone at Ford.

The NJCHS has developed some of the best training programs in industry today. Included are custom designed safety training programs on:

- Chemical Safety
- Confined Space Entrant/Attendant
- Confined Space Permit Issuer
- Confined Space Rescue
- Core Certification for Safety Professionals
- Electrical Safety
- Energy Control and Power Lockout (ECPL)
- ECPL Hands-on Refresher
- Ergonomics Process Course
- Ergo Rx
- Ergonomics for Supervisors
- Ergonomics Surveillance Tool
- Ergonomic Analysis Tools
- Guidelines, Responsibilities and Safe Practices
- Lifting and Rigging Refresher
- Operator Instructor Sheet/Job Safety Analysis
- Overhead and Gantry Cranes
- Maintenance Vehicles
- Mobile Boom Cranes
- Orientation for New Safety Professionals
- Personnel and Burden Carriers
- Powered Material Handling Vehicles
- Pedestrian Safety
- Railroad and Boxcar Safety
- Rescue from Heights
- Skilled Trades Job Safety Analysis
- Trailer Safety

In addition to joint training, NJCHS efforts to improve the health and safety of the workplace include:

- Establishing a comprehensive joint ergonomics process with local ergonomics committees in every facility.
- Conducting joint plant health and safety reviews.
- Participating in the Manufacturing Safety Council and other forums to increase emphasis on special attention areas.
- Sponsoring joint education and training conferences and courses for health and safety professionals.

At the plant level, teams of UAW health and safety representatives and company safety engineers implement nationally developed programs and initiate locally developed projects to reach the goal of a work environment free of occupational injury and illness.

Special Programs – “Best-in-Class” Quality Program

"Best-in-Class" Quality Program

In April 1987, a UAW-Ford Quality Improvement Steering Committee was established to:

- Jointly explore new and enhanced processes to improve Ford component and vehicle quality.
- Support the company's objective of producing best-in-class vehicles that meet customer expectations.
- Help create a work environment which allows full contribution of each employee toward achievement of quality leadership by Ford.

In 1987, the parties agreed to establish a UAW-Ford Joint "Best-in-Class" Quality Program and a full-time UAW-Ford Quality Improvement Implementation Committee (QIIC) to serve as the working arm of the Steering Committee.

In 1990, the "Best-in-Class" Quality Program was expanded and incorporated into the Agreement as Appendix Q. The QIIC was renamed the National Quality Committee (NQC).

In 1993, the "Best-in-Class" Quality Program became a "living document" - the first at Ford Motor Company. It allows the parties to make changes to the agreement on an ongoing basis and provides a provision for either party to reopen it during national negotiations.

During 1996 negotiations, the "Best-in-Class" Quality program established a formal quality concern resolution process to resolve employees' quality concerns. The 1996 agreement greatly enhanced the training of UAW quality representatives by establishing a certification program.

The 1999 negotiations were concluded with several enhancements to the "Best-in-Class" Quality program including a broadened role for all employees with regard to supplier quality and an increased focus on tracking, monitoring and assessing training needs of all employees.

In 2003, the Agreement maintained Appendix Q as a "living document", enhanced and clarified processes and roles/responsibilities for the joint development of annual objectives, gap analysis reporting, Local Quality Committee effectiveness, Quality representatives, quality decals, targeted training, and the QOS Support Process

The focus of the "Best-in-Class" quality program is both internal and external to the Company. **Internally**, the focus is on the UAW-Ford commitment to continuous improvement in the quality of Ford products and services. Examples of internal projects are:

- Joint Quality Committees in all the company's operating divisions. These committees develop and implement quality improvement ideas that meet the different needs of the company's operations;
- Local Joint Quality Steering Committees in all plant locations to provide a means for union and employee participation in local continuous improvement efforts;
- Support for Q1 and QS9000/14000 certification efforts;
- Development of effective stop button practices and direction for addressing product quality issues including the concern resolution process;
- Development of training initiatives for the facilities including Error Proofing, Prevent Recurrence and Basic Quality training;
- Development of a certified quality specialist program that requires present and future quality representatives to be certified;
- Coordination of quality conferences for quality representatives and their management counterparts, covering education, training and key quality issues;
- Facilitation of quality "forums" for the sharing of information on local initiatives and process improvements within an operation by local quality representatives and management personnel.
- Development of "Targeted Training" based on needs analysis of all employees.
- Joint development of annual quality objectives and expansion of the "Chartering Process" to the Local Quality Committees.

Externally, it is important that all Ford employees, as well as the buying public, are made aware of the UAW-Ford Commitment to quality improvement. The "Best-in-Class" Quality program's theme is "Working Together for Quality" and includes:

- Staffing auto shows with UAW-Ford employees who exhibit Ford products and demonstrate joint commitment to quality;
- Billboard, television and radio advertising promoting the "Working Together For Quality" theme;
- Meetings with corporations, unions, universities and other external organizations to deliver the joint quality message and to explain the "Best-in-Class" Quality program;
- Quality-related posters, banners, brochures, videotapes and other material for local use in quality training and awareness.

The 2007 negotiations were concluded with several enhancements to the "Best-in-Class" Quality program including a joint quality decal created that would be affixed to UAW built vehicles indicating products proudly built by UAW-Ford members signifying the UAW's commitment to the improvement of Ford Motor Company product quality.

Negotiations

National Negotiations

Ford and the UAW begin their bargaining for a new national contract in July 2011, two months before the current contract expires. The national contract is, in fact, not one document, but a series of agreements that cover the Company's UAW-represented hourly employees. These agreements generally fall into three broad categories:

- Agreements on wages and working conditions - Included here are such subjects as base wages, the cost-of-living allowance, paid time off, the number and functions of union representatives, the mechanics of the grievance procedure, management's rights and general seniority matters;
- Agreements on the benefits programs - This category includes benefit plans as well as programs such as the Retirement Plan, the Insurance Program, the SUB Plan, the Profit Sharing Plan, TESPHE and Legal Services;
- Appendices and Letters of Understanding - These clarify parts of agreements or deal with matters not referred to in the agreements - covering such subjects as preferential placement arrangements, job security, sourcing and operational effectiveness.

Local Negotiations

During 2011, Ford and the UAW will conduct local negotiations for separate hourly UAW-represented bargaining units. Most are individual plants or parts distribution centers. Each of these units normally conducts its own local negotiations concurrent with the national bargaining.

Local negotiations are intended to implement or supplement certain broad provisions of the national contract. Thus, the national contract expressly authorizes the local parties to negotiate such matters as specific layoff and recall procedures, deviations from the national guidelines for overtime assignments, promotional procedures and the rules for changing shift assignments. The local negotiations also cover a wide range of additional, purely local issues.

Historically, most plants have resolved their local agreements by the time the national negotiations are concluded.

Appendix – U.S. Facilities and UAW Representation by State

Ford Motor Company U.S. Facilities with Hourly Employees Covered by the UAW-Ford National Agreement

The hourly employment numbers are 2010 year-end actuals which includes active on-roll, temporary and employees on pre-retirement leave. There were 40,732 total hourly on-roll UAW represented employees including ACH.

U.S. Assembly Plants – Vehicle Operations

<u>State</u>	<u>Location Name(s)</u>	<u>Product(s)</u>	<u>UAW Local Number</u>	<u>Hourly Employees</u>
Illinois	Chicago Assembly	Taurus, Explorer, Lincoln MKS	551	2,537
Kentucky	Kentucky Truck (Louisville)	F-Series Super Duty, Expedition, Navigator	862	3,789
	Louisville Assembly	Escape (Underwent renovations and tooling and will begin production end of 2011)	862	1,072
Michigan	Dearborn Truck	F-Series	600	3,384
	AAI (Flat Rock)	Mustang, Mazda 6	3000	1,616
	Michigan Assembly Plant (Wayne)	Focus	900	3,225
Minnesota	Twin Cities Assembly	Ranger	879	740
Missouri	Kansas City Assembly	F-Series, Escape, Escape HEV	249	3,662
Ohio	Ohio Assembly	E-Series	2000	1,759

U.S. Manufacturing Plants – Stamping and Powertrain Operations

<u>State</u>	<u>Location Name(s)</u>	<u>U.S. Product(s) & Plant(s) Supported</u>	<u>UAW Local Number</u>	<u>Hourly Employees</u>
Illinois	Chicago Stamping	Sheet metal stampings & sub-assemblies primarily for Chicago Assembly, Kansas City Assembly & Twin Cities Assembly	588	802
Michigan	Dearborn Engine & Fuel Tank	2.0L /engines for Focus,. Fuel tanks for E-Series, F-Series, Focus, Town Car, Mustang	600	579
	Dearborn Diversified Manufacturing	Frames, wheels, truck axles, suspension parts, tire and wheel	600	427
	Dearborn Stamping	Sheet metal stampings & sub-assemblies primarily for Dearborn Truck & Kansas City Assembly	600	404
	Dearborn Tool & Die	Stamping dies	600	254
	Livonia Transmission	4R75 & 6R automatic transmissions for F-Series, Expedition, E-Series, Raptor, and Navigator	182	983
	Rawsonville	Coil on plug, carbon canisters, air induction systems, fuel pumps, injectors, mechanical throttle bodies, & air/fuel charging assemblies	898	732
	Romeo Engine	4.6L / 5.4L V8/ 6.2L V8 engines for F-Series, Explorer, E-Series, Mustang, and Raptor	400	837
	Sterling Axle	Front and rear axles	228	1,748
	Van Dyke Transmission	FN & 6F automatic transmissions for Focus, Edge/MKX, Flex, Taurus, MKT, Fusion, and Transit	2280	1,258
	Woodhaven Forge	5.4L/6.8L crankshafts for Windsor Engine Plant	387	61
	Woodhaven	Sheet metal stampings & sub-assemblies	387	936

	Stamping	primarily for Dearborn Truck, Kansas City Assembly and AAI		
New York	Buffalo Stamping	Sheet metal stampings & sub-assemblies primarily for Oakville & St. Thomas Assembly	897	651
Ohio	Cleveland Casting*	4.6L/5.4L/6.8L Cylinder blocks and caps	1250	51
	Cleveland Engine 1	3.5L/3.7L V6 engines for Taurus SHO, MKS, MKT, Mustang, and Flex	1250	762
	Cleveland Engine 2	3.0L Duratec V6 for Fusion and Escape	1250	367
	Lima Engine	3.7L/3.5L Cyclone V6, for MKS/MKT, Taurus, Fusion, MKZ, Edge, MKX, and Flex	1219	803
	Sharonville Transmission	5R110 automatic transmissions for F-Series & E-Series, gear machining for 6R transmissions	863	1,523
	Walton Hills Stamping	Sheet metal stampings & sub-assemblies primarily for Ohio Assembly	420	380

Ford Customer Service Division

<u>State</u>	<u>Location Name(s)</u>	<u>UAW Local Number</u>	<u>Hourly Employees</u>
Arizona	Phoenix HVC	509	10
California	Ontario HVC (Rancho Cucamonga, CA)	509	41
	Sacramento HVC / HCC	76	64
Colorado	Denver HVC	186	21
Connecticut	Hartford HVC	376	32
Florida	Lakeland HVC	788	28
Georgia	Atlanta HVC	882	35
Illinois	Chicago HVC	551	38
Indiana	Evansville HVC	862	23
Kansas	Kansas City HVC	249	27
Michigan	Brownstown Complex (Romulus, MI)	600	426
	Detroit HVC (Brownstown Township, MI)	600	114
	National PDC (Livonia, MI)	600	104
	River Raisin	723	8
	Warranty PRC	600	11
New Jersey	New York HVC (Cranbury, NJ)	2210	59
North Carolina	Greensboro HVC	3520	24
Oregon	Portland HVC	492	19
Tennessee	Memphis HVC / HCC / LVLC	3036	102
Texas	Fort Worth HVC	870	33
	Houston HVC	864	34
Virginia	Washington DC HVC (Winchester, VA)	3519	41
Wisconsin	Twin Cities HVC (Menomonie, WI)	879	18

Ford – Automotive Components Holdings

<u>State</u>	<u>Location Name(s)</u>	<u>UAW Local Number</u>	<u>Hourly Employees</u>
Michigan	Milan Plastic Plant	600	209
	Saline	892	1,368
	Sheldon Road	845	388
Indiana	Indianapolis Plant	1111	344
Ohio	Sandusky	1216	492

Other Manufacturing-Related Facilities

<u>State</u>	<u>Location Name(s)</u>	<u>Hourly Employees</u>
Michigan	Central Staffs (Research & Engineering, Michigan Proving Grounds)	275
	Central Staffs (Ford Land)	531
	Vehicle Operations General Office / New Model Programs Development Center	237

* Closed as of October 2010, remaining employees associated with decommissioning.

Appendix – Highlights of Prior Negotiations

Highlights of Prior Negotiations

The first UAW-Ford Agreement was signed on June 20, 1941. Since then, the parties have negotiated new national labor agreements on 26 occasions; the most recent was ratified on March 16, 2009.

On three occasions - 1961, 1967 and 1976 - bargaining impasses resulted in nation-wide strikes. The longest occurred in 1967, lasting 49 days.

Here is a summary of significant provisions negotiated over the 62-year history of the UAW-Ford relationship.

1941

- UAW recognized as bargaining agent
- Seniority provisions established
- Union shop and dues checkoff established
- Grievance procedure established
- UAW representation formula developed

1942

- Grievance procedure formalized
- Vacation plan established (1 week after 1 year, 2 weeks for 5 years)
- Arbitration established as terminal point of grievance procedure (separate agreement in 1943)
- Apprenticeship Standards Agreement, covering eight trades, was signed

1946

- Management rights delineated
- Wages increased 18¢

1947

- Wages increased 11-1/2¢
- Skilled trades wages increased an additional 5¢
- Six paid holidays established

1948

- Wages increased 13¢
- Vacation plan improved
- Group insurance coverage made available - medical, disability, death and dismemberment

1949

- Noncontributory pension plan established (effective March 1, 1950)
- Scheduling of reduced workweek restricted
- Understanding added for subcontracting skilled maintenance and construction work

1950

- Wages increased 4¢, and 4¢ Annual Improvement Factor (AIF) established
- Cost-of-living allowance (COLA) established
- Vacation plan improved - 3 weeks after 15 years service
- Shift premiums increased
- Half of Blue Cross/Blue Shield premiums paid by company
- Bonus of 5¢ established for persons on seven-day continuous operations
- Continuing group life insurance coverage extended to retirees

1953

- AIF increased to 5¢
- COLA continued with 19¢ of the prevailing 24¢ folded into base rates
- Pension benefits increased
- Skilled wages increased an additional 10¢
- Blue Cross/Blue Shield coverage made available to retirees

1955

- Supplemental Unemployment Benefit Plan (SUB) established
- AIF increased and changed to 2.5% of base with a 6¢ per hour minimum
- Holiday plan improved
- Life and accident insurance benefits increased
- Pension benefits increased
- Vacation plan improved

1958

- AIF increases continued
- COLA continued with 15¢ of the prevailing 25¢ folded into base
- Separation pay plan established
- Jury duty pay plan established
- Health insurance benefits, SUB and pension benefits increased
- Midnight shift premium increased, Saturday made premium day for overtime pay

1961

- AIF increases continued
- COLA continued with 12¢ of the prevailing 17¢ folded in
- Group life insurance, SUB and pension benefits increased
- Medical insurance made fully paid by the company for employees; one-half paid for retirees
- Moving allowance provided

1964

- AIF increases continued in 1965 and increased to 7¢, or 2.8%, in 1966
- Additional 2¢ per hour added to base wages in September 1966
- COLA continued with 9¢ of the prevailing 14¢ folded into base
- Life and disability insurance made fully paid by the company
- One week of vacation and two holidays added for all employees
- Bereavement pay plan established
- Hospital-surgical-medical insurance fully paid by Company for retirees
- SUB, separation pay and jury duty pay increased
- Relief time for employees on assembly lines increased
- Tuition reimbursement for after-hours schooling

1967

- Wages increased 20¢ the first year (with additional 30¢ for skilled trades), with increases ranging from 9-1/2¢ to 17¢ and 10¢ to 17-1/2¢ in the second and third years
- COLA "capped" at a maximum of 21¢ during the life of the agreement (18¢ of the prevailing 23¢ folded into base)
- SUB plan revised to include Guaranteed Annual Income Credits and an increase in regular weekly benefit levels
- Pension benefits increased
- One additional holiday each in 1968, 1969 and 1970 - timed to provide long weekends at Christmas and New Year
- Relief time increased for certain employees in the assembly plants
- Prescription drug plan established
- Hospital-surgical-medical plan coverage improved and fully paid for surviving spouses of retirees
- Disability insurance provisions extended

1970

- Wages increased 46-1/2¢ to 58¢ the first year with increases ranging from 9-1/2¢ to 20¢ and 9-1/2 to 21¢ the second and third years
- COLA continued with "cap" removed (16¢ of the prevailing 21¢ folded into base)
- 30-and-out retirement benefits established (supplemental allowance payable upon attainment of 30 years service)
- Holidays increased to allow for unbroken period from the day before Christmas through New Year's Day
- SUB plan contributions increased
- Life insurance and weekly accident and sickness benefits increased
- Hospital-surgical-medical benefits improved
- Pension benefits to present retirees increased and prescription drug plan extended to retirees
- Tuition reimbursement improved
- Vacation increased to 5 weeks for employees with 20 or more years of service
- Jury duty, bereavement and short-term military duty pay improved

1973

- Wages increased 22¢ to 33-1/2¢ the first year with increases of 11-1/2 to 24¢ the second and third years
- COLA formula revised to provide a 1¢ increase for each 0.3 change in the combined U.S. and Canadian Consumer Price Index (35¢ of the prevailing 40¢ per hour folded into base)
- Dental Plan established
- Pension benefits improved
- Grievance procedure changed to increase opportunity for oral discussion
- Voluntary overtime rules established
- Friday after Thanksgiving made a paid holiday
- Vacation scheduling provisions revised
- Full-time union health and safety representatives appointed
- SUB plan contributions increased
- Life and disability insurance benefits increased
- Hospital-surgical-medical benefits improved
- Tuition reimbursement increased
- Foundry workers with 25 or more years of service receive bonus retirement credits

1976

- Wages increased 32-1/2¢ to 45¢ the first year with increases ranging from 16-1/2¢ to 30¢ and 17¢ to 31¢ in the second and third years
- COLA continued with \$1.09 of the prevailing \$1.14 folded into base
- Skilled trades given additional increases of 25 to 35-1/2¢ over the first two years
- Vision care program established
- Hearing aid program established
- Full-time Benefits Plan Representatives appointed
- Scheduled Paid Personal Holiday Plan established providing 12 personal holidays during the life of the agreement
- Tuition reimbursement increased
- Dental plan benefits increased and extended
- Lump sum payment of \$200 to \$600 made to present retirees and 55% of the retiree amount to surviving spouses
- SUB plan improved to provide limited benefits should the regular fund become exhausted
- Discount Rebate Plan established (forerunner of New Vehicle Purchase Plan)

1979

- Wages increased 41-1/2 to 56¢ per hour the first year with increases ranging from 23¢ to 38¢ and 23-1/2¢ to 39¢ in the second and third years
- COLA continued with \$1.32 of the prevailing \$1.37 folded into base
- COLA formula revised effective December 1981 to provide a 1¢ increase for each 0.26 change in the combined U.S. and Canadian Consumer Price Index
- Scheduled Paid Personal Holiday Plan continued providing up to 26 personal holidays during the life of the agreement
- National Joint Committee on Technological Progress established
- National Joint Committee on Employee Involvement established
- Tuition reimbursement increased to \$1,000 a year
- Fully paid Vision Program extended to retirees and surviving spouses
- Dental plan benefits improved
- Jury duty, bereavement and short-term military duty pay provisions improved
- Pension benefits improved with initial increases and periodic increases in each year of the agreement for future and past retirees
- SUB plan improved and some eligibility rules liberalized
- Tax Reduction Act Stock Ownership Plan (TRASOP) established

1982

- Wages maintained at current levels
- COLA continued with three adjustments deferred for 18 months
- Jointly administered Education, Development and Training Program established
- Guaranteed Income Stream (GIS) Program established
- Profit Sharing Plan established (effective January 1, 1983)
- SUB plan strengthened
- Scheduled Paid Personal Holiday Plan terminated
- Guidelines established for plant closings, review of sourcing decisions and preferential placement arrangements
- Pilot Employment Guarantee project (PEG) authorized
- Mutual Growth Forum established
- Ford Money Market Account made available
- New Vehicle Purchase Plan established

1984

- Wages increased by amounts ranging from 8¢ to 47¢. Increases ranged from 1% to 3.5% with a companywide average of 2.25%
- COLA continued with \$2.99 of the prevailing \$3.04 allowance folded into base. Future COLA to be calculated using CPI-W index
- Performance bonus for seniority employees equal to 2.25% of qualifying earnings in 1985 and 1986
- Seven-day operators' bonus increased from 20¢ to 25¢ per hour
- A new holiday on July 5, 1985. In 1986 and 1987 Martin Luther King Jr. Memorial Day to be observed on March 31 and April 20, respectively
- Protected Employee Program established
- Pension benefits improved
- Company SUB Plan contribution rates increased progressively during the term of the Agreement
- GIS eligibility lowered to 10 years of seniority for plant closings
- Legal Services Plan established
- Tax-Efficient Savings Plan established for hourly employees
- Attendance Improvement Plan established
- Profit Sharing Plan maintained
- Joint UAW-Ford programs strengthened including EI, Mutual Growth Forum and the Education, Development and Training Program. Labor-Management Studies, Child Care Resource and Referral Service, Employee Assistance Plan established
- Retiree Servicing Center benefit delivery program for retirees established

1987

- Base hourly rates increased by amounts ranging from 33.5¢ to 50.5¢, reflecting an increase of 3%
 - COLA continued with 81¢ of the prevailing 86¢ folded into base
 - Performance bonus for seniority employees equal to 3% of qualified earnings in 1988 and 1989
 - Joint UAW-Ford programs expanded through increased funding. Expansion of Child Care Resource and Referral Service; Employee Assistance Plan; Education, Development and Training Program; and Apprentice Program. Established a UAW-Ford Quality Improvement Implementation Committee
 - Pension benefits improved
 - Company SUB plan financing increased
 - Profit Sharing Plan improved
 - Holiday plan improved
 - Established the Job Security Program (GEN) and committed \$500 million to the program
 - Union Work Standards representatives for each car and truck assembly plant appointed
 - Employee-paid optional employee life insurance program provided; optional dependent life insurance program improved
 - Preferred employee interest rates and payroll deduction for Ford Motor Credit Company loans provided
 - Hospice care and generic drug programs implemented
-

1990

- Base hourly rates increased by amounts ranging from 37¢ to 56¢, reflecting an increase of 3%. Skilled trades base hourly rates increased by an additional 30¢
 - The COLA formula continued with \$1.68 of the prevailing \$1.73 folded into base
 - A lump-sum Performance Bonus equal to 3% of qualified earnings paid during 1991 and 1992
 - A \$600 Christmas bonus paid in 1990, 1991 and 1992
 - Seven-day operations bonus increased from 25¢ to 35¢ per hour
 - Profit Sharing Plan formula improved to pay from the “first dollar” of profits
 - Job and Income Security Program (GEN and SUB) financed with \$1,156 million
 - Pension benefits improved
 - Attendance Recognition Award payments discontinued after 1990, and the Attendance Improvement Program may be applied to employees with 10 or more years’ seniority who demonstrate an unacceptable attendance pattern
 - Improved benefits for dental, mental health and substance abuse services
 - Commitment made to place 1,000 apprentices company-wide on course, business conditions permitting
 - A total of 46 paid holidays provided during the three-year agreement
 - Joint UAW-Ford programs expanded through increased funding. Established the Employee Support Services Program, agreed to pilot a joint child care center, and established grants for local plant fitness centers
 - Additional full-time representatives, both appointed and elected, added to the existing structure
-

1993

- Base hourly rates increased by amounts ranging from 43¢ to 63¢ reflecting an increase of 3%
- Skilled trades base hourly rates increased by an additional 25¢
- The COLA formula continued with \$1.34 of the prevailing \$1.39 folded into base
- A lump-sum Performance Bonus equal to 3% of qualified earnings during 1994 and 1995
- A \$600 Christmas bonus paid in 1993, 1994, and 1995
- Profit Sharing Plan formula continued unchanged - new hires eligible for profit sharing from their date of hire
- Job and Income Security Program (GEN and SUB) financed with \$1,156 million
- Pension benefits improved
- A total of 44 paid holidays provided during the three year agreement
- National Quality Agreement continued as a "living document" that permits continuous improvement and expansion of quality efforts outside the negotiations process
- Commitment made to place 1,000 apprentices company-wide on course, business conditions permitting
- Joint UAW-Ford programs expanded; established Technical Skills Program; Employee Tuition Plans improved; Employee Support Services Program expanded; established a national and local Critical Incident Stress Debriefing Procedure; agreed to pilot programs in physical rehabilitation, child-care, and eldercare consultation and referral

1996

- A lump-sum payment of \$2,000 paid immediately
- The COLA formula continued with \$1.03 of the prevailing \$1.08 folded into base
- Base hourly rates increased by 3% in the second and third years.
- Skilled trades base hourly rates increased by an additional 30¢ in the second year
- A \$600 Christmas bonus paid in 1996, 1997 and 1998
- Profit Sharing Plan formula continued unchanged
- A total of 48 paid holidays provided during the three year agreement
- Job and Income Security Program (GEN and SUB) financed with \$1.8 billion
- GEN revised substantially with an overlay of provisions that enhance certain existing job and employment guarantees, principally with respect to replacing attrition
- Commitment made to place 1,200 apprentices company-wide on course, business conditions permitting
- CRAFTT Concept was established to facilitate more efficient use of skilled trades
- Joint UAW-Ford programs expanded. Technical Skills Programs expanded to include "Grants for Plants," providing funding for developing and renovating on-site learning centers to include technical training. Employee Tuition Plans improved to provide tuition assistance for children of UAW-Ford workers and retirees. Health and Safety Programs strengthened

1999

- A lump-sum payment of \$1,350 paid immediately
- The COLA formula continued with \$0.85 of the prevailing \$0.90 folded into base
- Base hourly rates increased by 3% in each year of the agreement (1999, 2000, 2001, 2002)
- Bereavement pay expanded to five days, in the case of death of a present parent or stepchild, or in the case of multiple deaths in the immediate family
- A \$600 Christmas bonus paid in 1999, 2000, 2001 and 2002
- Profit Sharing Plan formula continued unchanged
- A total of 67 paid holidays provided during the four year agreement
- GEN revised substantially with respect to replacement of attrition
- Commitment made to place 1,800 apprentices company-wide in the apprenticeable trades during the term of the agreement
- Education and Training Assistance Plan (ETAP) for active employees increased to \$4,200
- Family Service and Learning Centers established
- Traditional dental program replaced with dental PPO

2003

- A lump-sum payment of \$3,000 paid upon ratification
- A 3% performance bonus paid in 2004
- The COLA formula continued with \$2.00 of the prevailing \$2.05 folded into base ¹
- Base hourly rates increased by 2% in 2005 and 3% in 2006 ²
- Skilled Trades' base hourly rates increased by an additional \$0.30 upon ratification
- A \$600 Christmas bonus paid in 2003, 2004, 2005 and 2006
- Profit Sharing Plan formula continued unchanged
- A total of 67 paid holidays provided during the four year agreement
- New Job Opportunities Posting process allowed for greater placement opportunities for both in-zone and out-of-zone employees on layoff or in GEN protected status
- Commitment made to allow forecasting model driven by business conditions determine number of apprentices placed in the apprenticeable trades during the term of the agreement

¹ Additional COLA diversions were approved for the DC VEBA as part of the December, 2005 Memorandum of Understanding

² The 3% increase scheduled for 2006 was deferred to the DC VEBA as part of the December, 2005 Memorandum of Understanding

2007

- A lump-sum payment of \$3,000 paid upon ratification
 - Eliminated 185 skilled trades classifications
 - Skilled trades base hourly rates increased by an additional \$0.30
 - A 3% performance bonus paid in 2008, 4% in 2009, and 3% in 2010
 - The COLA formula continued with \$2.03 of the prevailing \$2.13 folded into base – does not apply to entry level
 - A \$600 Christmas bonus paid in 2007, 2008, 2009 and 2010
 - A total of 66 paid holidays provided during the four year agreement
 - The parties have agreed that 20% of the employees under the 2007 UAW Ford Master Agreement can be entry-level employees with unique pay and benefits
 - Profit Sharing Plan formula continued unchanged; however, FMCC results will not be included in profits.
 - Protected employees will remain in protected status for 2 years unless he/she has declined at least two job offers during this time
 - The Job Opportunities Posting process will remain unchanged
 - Traditional housekeeping functions have been agreed to exit in their entirety as expeditiously as possible
 - New National Attendance Program established
 - Established the VEBA for retiree healthcare
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2009

- Suspended the Christmas Bonus, Performance Bonus, and COLA for the term of the agreement
- "Easter Monday" suspended as a paid holiday
- Relief allowance for on line operations reduced to 40 minutes per 8 hour shift
- Employee payments will be direct deposited
- Wellness Program established; employees who elect not to participate contribute \$25 per month
- Overtime – Time and one-half is only paid for time worked over 40 compensated hours per week (Local AWS Agreement exceptions)
- VEBA funding modified, Ford funded \$15 billion with cash and securities
- Enabling language to implement Skilled Trades Mechanical teams
- Flexibility to implement Alternative Work Schedules after UAW discussion and fourteen days notice.
- Suspension of Protected Status under the Job Security Program (Job Bank)
 - An employee on indefinite layoff is eligible for up to one job placement opportunity either within or outside the employee's Preferential Placement zone
- Transition Assistance Plan (TAP) created to provide additional weekly payments (50% of gross weekly wages) during the life of the 2007 Agreement to employees who exhaust their SUB Regular Benefits
- When production job openings exist at a facility and there are no surplus production employees in that zone, the Company may place surplus skilled tradespersons from that zone into those production job openings
- The Company may place surplus legacy employees facing layoff into jobs held by Entry-Level employees within the same zone, thus bumping the Entry-Level employees to layoff

Appendix – Base Wage Rate Increases

Base Wage Rate Increases for Two Sample Classifications

The table below provides an example of the changes in base rate of pay for two job classification used at many Ford facilities. The Tool & Die Maker is an apprenticeable trade classification and the Major Assembler classification is a typical highly populated production classification.

The base rate changes for the period 1941 through 1975 are shown in five-year increments although rates increased nearly every year. Base rate changes for the years 1981 through 1995 are shown in three-year increments since the base rates were increased only in the first year of the agreement. Base rate changes for the years 2003 through 2006 are shown in two-year increments since the base rate was increased in two-year increments. The base rate in 2007 consisted of a COLA roll-in for all employees and a tool allowance for skilled trades' employees.

Year	Tool & Die Maker	Major Assembler
1941	\$1.450	\$1.15
1945	\$1.600	\$1.15
1950	\$2.075	\$1.575
1955	\$2.690	\$2.005
1960	\$3.285	\$2.455
1965	\$3.825	\$2.905
1970	\$5.610	\$4.25
1975	\$7.010	\$5.43
1976	\$8.660	\$6.885
1977	\$9.020	\$7.09
1978	\$9.290	\$7.305
1979	\$11.130	\$9.085
1980	\$11.465	\$9.36
1981-83	\$11.810	\$9.64
1984-86	\$15.205	\$12.825
1987-89	\$16.470	\$14.02
1990-92	\$18.945	\$16.12
1993-95	\$20.105	\$17.945
1996	\$22.135	\$18.975
1997	\$23.100	\$19.545
1998	\$23.795	\$20.13
1999	\$25.360	\$21.585
2000	\$26.120	\$22.235
2001	\$26.905	\$22.9
2002	\$27.710	\$23.585
2003-04	\$30.100	\$25.585
2005-06	\$30.610	\$26.095
2007-10	\$32.840	\$28.125

(The figures do not include shift, seven-day incentive or overtime premiums.)

Historical Fact: In January 1914, Ford Motor Company established the \$5-a-day base rate. On January 1, 1919 this was increased to \$6, and on December 1, 1929 it was advanced to \$7.

Appendix – Entry Level Rate Increases

Entry Level Rates

Employees, other than skilled trade employees, hired or rehired during the term of the 2007 Agreement are considered Entry Level employees and are paid according to the Entry Level wage schedule. Entry Level employees are initially paid a "Starting Rate". They receive a wage progression increase after every 26 weeks of employment. They reach the "Full Production Rate" after a total of 104 weeks of employment. They were eligible for annual General Wage Increases from 2008 through 2011 based upon percentage increases in certain governmental indices. The entry level wages were last posted on 1/3/2011.

Year	Start Rate	Full Production Wage Rates
2007	\$14.20	\$15.34
2008	\$14.20	\$15.73
2009	\$14.69	\$16.32
2010	\$15.24	\$16.93
2011	\$15.51	\$17.23

Appendix – Cost-of-Living Allowance Changes

Cost-of-Living Allowance Changes

From September 1950 through June 1973, COLA was based on the U.S. Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). A combined U.S. and Canadian Consumer Price Index was used from September 1973 until September 1984, when the parties agreed to again use the U.S. CPI-W. Adjustment was determined quarterly between September 1950 and July 1967 on the basis of index levels for January, April, July and October. From July 1967 through December 1971, the allowance was adjusted annually. Beginning in December 1971, the allowance was adjusted quarterly, based on the average change for the quarter.

Since initiated, at its peak, a total of \$17.37 in hourly wage increases has resulted from increases in the cost-of-living allowance caused by rises in the Consumer Price Index. Of this amount, \$16.38 has been transferred into base rates: 19¢ in July 1953; 15¢ in September 1958; 12¢ in October 1961; 9¢ in September 1964; 18¢ in October 1967; 23¢ in November 1970; 35¢ in November 1973; \$1.09 in October 1976; \$1.32 in October 1979; \$2.99 in October 1984; 81¢ in October 1987; \$1.68 in October 1990; \$1.34 in October 1993; \$1.03 in September 1996; 85¢ in September 1999; \$2.00 in September 2003, and \$2.03 in November 2007. COLA was suspended on March 16, 2009 as part of the 2009 UAW-Ford negotiation modifications.

Following is a year-by-year account of cost-of-living allowance changes:

Year	Change (¢)	Cumulative	Year	Change (¢)	Cumulative
1950	0.03	\$0.11	1981	0.88	\$5.68
1951	0.1	\$0.21	1982	0.15	\$5.83
1952	0.04	\$0.25	1983	0.5	\$6.33
1953	0.02	\$0.27	1984	0.54	\$6.87
1954	-0.02	\$0.25	1985	0.31	\$7.18
1955	0.01	\$0.26	1986	0.12	\$7.30
1956	0.06	\$0.32	1987	0.36	\$7.66
1957	0.06	\$0.38	1988	0.53	\$8.19
1958	0.06	\$0.44	1989	0.61	\$8.80
1959	0.03	\$0.47	1990	0.56	\$9.36
1960	0.04	\$0.51	1991	0.47	\$9.83
1961	0.01	\$0.52	1992	0.47	\$10.30
1962	0.03	\$0.55	1993	0.27	\$10.57
1963	0.03	\$0.58	1994	0.36	\$10.93
1964	0.03	\$0.61	1995	0.35	\$11.28
1965	0.04	\$0.65	1996	0.35	\$11.63
1966	0.11	\$0.76	1997	0.37	\$12.00
1967	0.02	\$0.78	1998	0.23	\$12.23
1968	0.08	\$0.86	1999	0.35	\$12.58
1969	0.08	\$0.94	2000	0.67	\$13.25
1970	0	\$0.94	2001	0.49	\$13.74
1971	0.14	\$1.08	2002	0.33	\$14.07
1972	0.11	\$1.19	2003	0.45	\$14.52
1973	0.22	\$1.41	2004	0.5	\$15.02
1974	0.49	\$1.90	2005	0.94	\$15.96
1975	0.37	\$2.27	2006	0.38	\$16.34
1976	0.19	\$2.46	2007	0.13	\$16.47
1977	0.36	\$2.82	2008	0.90	\$17.37
1978	0.54	\$3.36	2009 (1Q)	-0.99	\$16.38
1979	0.55	\$3.91	2009 (2Q-4Q)	N/A	\$16.38
1980	0.89	\$4.80	2010	N/A	\$16.38

Appendix – Paid Time Off

Paid Holidays

The 2007 UAW-Ford Collective Bargaining Agreement and 2009 Modifications provides for the following paid holidays:

- Martin Luther King, Jr. Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Veteran's Day
- Election Day (2008, 2010)
- Thanksgiving Day
- The Day After Thanksgiving Day

In addition, the following holidays for the years:

- 2007 – December 24, 25, 26, 27, 28, 31
- 2008 – January 1; December 24, 25, 26, 29, 30, 31
- 2009 – January 1, 2; December 24, 25, 28, 29, 30, 31
- 2010 – January 1; December 24, 27, 28, 29, 30, 31

Eligible employees will receive up to two Family Days for the duration of this agreement.

Paid Vacation

Paid vacations are provided as follows:

Seniority (Years)	Amount
3 months but less than 1	56 hours (1 week, 2 days)
1 but less than 3	96 hours (2 weeks, 2 days)
3 but less than 5	100 hours (2.5 weeks)
5 but less than 10	120 hours (3 weeks)
10 but less than 15	140 hours (3.5 weeks)
15 but less than 20	160 hours (4 weeks)
20 or more	200 hours (5 weeks)

- Entry-Level employees are capped at 160 hours

Other

Other paid time off provisions include: bereavement pay, jury duty pay, and short-term military pay.

Appendix – Alternate Work Schedules

In addition to the traditional 5 and 7 day operation schedule, 4 Alternative Work Schedules (AWS) have been established. An AWS may be developed locally should the parties determine that these AWS' do not address the particular needs or circumstances of the parties.

Appendix – Premium Payments

Premium Payments

Shifts	Premium
Afternoon Shift (starts on or after 10:30 a.m. but before 7:00 p.m.)	5%
Midnight Shift (starts on or after 7:00 p.m. but before 5:00 a.m.)	10%

Memo: Employees assigned to necessary continuous 7-day operations are paid a bonus of \$0.35 per hour irrespective of shift premium.

Overtime Premiums – 5-Day Operations

- Daily & Weekly - Time and one-half *
- Saturday - Time and one-half*
- Sunday - Double time*
- Holidays - Double time plus holiday pay (if eligible)

*Daily and weekend overtime premium will be paid once employee reaches the 40 hour threshold.

Overtime Premiums – 7-Day Operations

- Daily & Weekly - Time and one-half for hours worked over 8 per day and 40 per week
- Saturday & Sunday - Time and one-quarter for hours worked on Saturday or Sunday (that are not payable on an overtime basis)
- Holidays - Double time and one-half (it being understood that there will be no pyramiding of holiday pay and holiday premium). If the holiday should fall on one of the employee's regularly scheduled days off, the employee, in addition to holiday pay (if eligible), will be paid double time for the time worked.
- Scheduled days off - Time and one-half for work on first scheduled day off
- Double time for work on second scheduled day off