

Nexteer Automotive

Prototype Operations Factory

Memorandum of Understanding

Statement of Purpose

Nexteer Automotive and UAW Local 699 both share a common vision to provide our customers with high quality prototypes of our products in the quantity and time frame required that surpass customer expectations. It is recognized that the automobile component business of today places a requirement for larger volumes of high quality prototype components position in the marketplace, thus increasing job security of UAW represented employees; we enter into this Memorandum of Understanding.

Management

The Prototype Operation is managed by the Nexteer Manufacturing Engineering Staff.

Classifications

The following classifications will be utilized in the new Prototype Factory:

Material Support – MS01

Set up Operator – OSA1

Tool & Die Makers – TD61

Work Flow Process

As a guideline, work will transition based on design stability and component readiness. At a minimum, programs (s) must transition to prototype factory based on Product Development Process (P.D.P) milestones and start of production deadlines.

Specifically identified tests, that are not reliability, wear, or durability related, which have been established and set for a particular prototype component will be transitioned to the Prototype Factory based upon an acceptable business case and timeline.

There is a necessity for dedicated and knowledgeable UAW represented employees to participate in the production of quality prototype components. Based on this need four criteria have been developed to select production employees who apply to become employees in the Prototype Factory. Employees interested in becoming a prototype production employee at the Prototype Factory can submit an application. Subsequent to their application and prior to the filling of a job opening in the factory, candidates will be evaluated through the utilization of these four criteria. The selection process is to be administered by a joint committee with the sole objective of promoting the most capable UAW represented employee through the utilization of a fair objective selection process.

Evaluations of employee records and related selection criteria are made with the information from the twelve (12) month period prior to the transfer date, unless otherwise noted. The following categorization details the scoring system and identifies the associated point maximums for each category of criteria. A maximum total of 100 points can be attained.

Prototype Production Employee Selection/Removal Criteria

Reductions in Force (R. I. F.) will be handled in accordance with the Local Agreement.

Reductions in Force –

Agreement.

Production employees within the Prototype Factory will be placed in a seniority group based on their job classification. Production employees will establish full Prototype Factory seniority after one (1) year in the Prototype Factory. Within one year of entry into the Prototype Factory, an employee can choose to return to their previous plant and department (seniority permitting). Movement beyond the one (1) year anniversary will be handled through the seniority provisions of the Local Agreement.

Seniority and Shift Preference Groups –

Selection of production employees will be based upon application to the Prototype Factory. Subsequent additions to the Prototype Factory will be placed in openings after the internal applications have been honored. All applicants will be selected based on the "Selection Criteria Process as stated below".

People Movement

90%-100%	=25 points
80%-90%	=15 points
70%-79%	= 5 points
69% or less	= 0 points

Category 4: Reading and Basic Math Competency Test Max: 25 points

3 or more written infraction notices	=0 points
2 written infraction notices	=4 points
1 written infraction notices	=8 points
0 written infraction notices	=20 points

Category 3: Infraction Record Max: 20 points

The absentee codes utilized to calculate total hours absent will be U (unexcused), 2 (tardy), 3(leave early), 8 (absent unexcused).

81 or more total hours absent	=0 points
61-80 total hours absent	=5 points
41-60 total hours absent	=10 points
25-40 total hours absent	=15 points
0-24 total hours absent	=30 points

Category 2: Attendance (Total Hours Absent) Max: 30 points

Over 25 years of service	= 25 points
21 – 25 years of service	=20 points
16-20 years of service	= 16 points
11-15 years of service	= 12 points
6-10 years of service	= 8 points
0-5 years of service	= 4 points

Category 1: Plant Seniority Max: 25 points

This jointly developed and administered multiple choice test will consist of reading comprehension and basic mathematics competency.

The Breaker –

In the event two (2) or more employees finish with the same number of points, plant seniority will be utilized as the tie breaker.

Removal –

Production employees may be removed from the Prototype Factory if they are unable to attain average proficiency within 90 days from entry into the department. Employees removed within 90 days may be returned to the plant, department, and classification, seniority permitting, in which the employee was working immediately prior to entering the Prototype Factory.

Overtime –

Overtime will follow the local agreement on overtime.

Shift and Start times

Shift and starting times will be done in accordance with the Nexteer Local . Under current operating conditions of the Prototype Factory will have the following start and quit time:

Start	Quit
A shift 7:00am	3:30pm

Any other shift and start times will be discussed by the parties before being established.

Machines – Tools- Maintenance

Mobile equipment –

Under current operating conditions, UAW Local 699 Materials Support Classified employees will move product and parts within the Nexteer Automotive operations.

TD61 Equipment –

There will be a minimum compliment of equipment to perform file, fit, and finish work as necessary. This equipment will be a mill, lathe, drill press, and belt sander.

Maintenance Trades –

Work that has been historically assigned to UAW represented trades such as the installation, movement and maintenance of Nexteer Automotive assembly equipment and machinery utilized by UAW employees to produce prototype components, will be done by UAW trades. Work on the building proper (i.e. roof, cement, etc.) will be the responsibility of the owner. UAW trades will also perform start up installation and movement of Nexteer Automotive assembly equipment necessary to begin production of prototype products.

Trades assignments should follow the suggested method:

3082 – to handle emergency/technical work

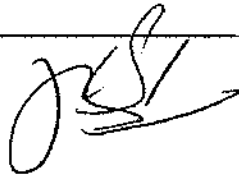
Clean Room Concept

The Prototype Factory will be run under the "Clean Room Concept" (Smoking, eating, drinking and reading of personal material will not be permitted on the factory floor).

Review of the M.O.U.

The provisions of this Memorandum of Understanding may be reviewed on a periodic basis by the joint parties.

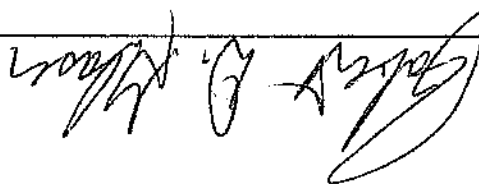
Management



Date

12-3-15

Union



Date

12-3-15

