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Contract Database Metadata Elements (for a glossary of the elements see - <u>http://digitalcommons.ilr.cornell.edu/blscontracts/2/</u>)

Title: Saturn Corporation and International Union, United Automobile Aerospace and Agricultural Implement Workers of America (UAW) Locals 1810 and 1853 (2000)

K#: 4023

Employer Name: Saturn Corporation

Location: TN MI

Union: International Union, United Automobile Aerospace and Agricultural Implement Workers of America (UAW)

Local: 1810, 1853

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MEMORANDUM OF AGREEMENT

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1. PREAMBLE

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MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (Agreement) is entered into between Saturn Corporation (Saturn), a wholly-owned subsidiary of General Motors Corporation (GM) and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (Union). Saturn and the Union have long . recognized the need for a new approach to Union/Management relations and the more effective use of human resources in the manufacture of small cars in the \sim United States. Since GM and the Union first met and: authorized the establishment of a study center and the creation of the Corporation, the parties recognize that the global competitiveness in the auto industry has significantly increased. GM and the Union further recognize the necessity of further developing this of innovative approach to Union/Management relations and the necessary staffing to accomplish our mutual objectives. General Motors, Saturn Corporation and the 22 Union understand fully the necessity to successfully forge a renewed commitment to a cooperative problem solving relationship and demonstrate that a competitive, world class, quality vehicle will be developed and manufactured in the United States with a represented work force. It is in and this renewed spirit of mutual respect and recognition of -each other's stakes and equities that this Agreement is. entered into and agreed upon.

2. RECOGNITION

From the outset, Saturn has been and is, a joint effort of both Union and Management. The success of Saturn is fully dependent on its people. Hiring and retention of experienced, dedicated personnel is essential. It is recognized that the best source of such trained automotive workers is found in the existing GM-UAW workforce. Therefore, to insure a fully qualified workforce, a majority of the full initial complement of operating and skilled technicians in Saturn will come from GM-UAW units throughout the United States.

The UAW is recognized as the bargaining agent for the operating and skilled technicians within Saturn.

3. UNION REPRESENTATION DURING BRIDGING PERIOD

During any bridging period, the Vice President of the GM Department, UAW, will appoint representatives to work jointly with the Saturn organization. The International Union will charter separate Union locals to represent Saturn members.

4. UNION MEMBERSHIP AND CHECK-OFF

To the extent permitted by law, within ten (10) days after the thirtieth (30th) day following hire by Saturn, all bargaining unit members shall become and shall remain members of the Union to the extent of paying an initiation

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fee and membership dues specified by the International Union.

Saturn will agree to provide for check-off of union dues and initiation fees. The Union will agree to indemnify Saturn with respect to any claims arising out of the check-off provisions.

5. CURRENT GM-UAW NATIONAL AGREEMENT

This separate, free-standing, Agreement will cover bargaining unit Saturn members. The provisions of the current or any subsequent GM-UAW National Agreement will have no bearing on Saturn unless adopted by agreement between Saturn and the Union.

6. SATURN PEOPLE PHILOSOPHY SUMMARY STATEMENT

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We believe that all people want to be involved in decisions that affect them, care about their jobs and each other, take pride in themselves and in their contributions $\int_{-\infty}^{\infty}$ and want to share in the success of their efforts.

7. SATURN CORPORATION PHILOSOPHY.

Fundamental to the Saturn philosophy is the shared belief that meeting the needs of people, customers, Saturn members, suppliers, retailers and neighbors is fundamental to fulfilling the Saturn mission.

8. MISSION

The mission of Saturn is to market vehicles developed and manufactured in the United States that are world leaders in <u>quality</u>, cost and customer enthusiasm through the integration of people, technology and business systems.

Consistent with being quality and cost competitive, a goal of Saturn is to utilize American-made components in assembly of its vehicles.

9. SYMBOLS.

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Saturn believes that symbols should be positive to the event promote our philosophy and culture. Saturn and the Union will strive to achieve positive symbols that so that minimize the differentiation between people in the strength elements of a successful organization, such as methods of a successful organization of the degree possible, recognizing the need to remain a transport of treatment for everyone production as (represented and non-represented) will be an important objective for Saturn in the successful of the successful of the successful of the successful organization of the succ

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10. STRUCTURE AND DECISION-MAKING PROCESS

The structure of Saturn reflects certain basic principles, e.g., recognition of the stakes and equities of everyone in the organization; full participation by the Union; use of a consensus decision-making process; placement of authority and decision-making in the most appropriate part of the organization, with emphasis on the Work Unit; and, free flow of information and clear definition of the decision-making process.

As guided by these principles, the organization will be structured in the following way:

Structure:

WORK UNIT MEMBER

The individual Saturn member.

WORK UNIT

An integrated group of approximately 8-12 Work Unit members.

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WORK UNIT MODULE

A grouping of Work Units interrelated as to geography, product or technology.

BUSINESS UNITS

An integrated group of Work Units and Work Unit Modules representing common areas.

MANUFACTURING ACTION COUNCIL (MAC)

An integrated group of Business Units comprising the entire manufacturing and assembly complex, at a given site location.

TECHNICAL DEVELOPMENT ACTION COUNCIL (TDAC)

An Integrated Business Unit comprising the Advanced product and Manufacturing Engineering Functions, at a given site location.

STRATEGIC ACTION COUNCIL (SAC)

Will have particular concern for long range goals and health of Saturn, with particular emphasis on planning and outside interested parties, including retailers, suppliers, communities, stockholders, etc. Composition of the SAC will be determined with appropriate input from Saturn and the Union.

The Structure also provides for:

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UAW WORK UNIT COUNSELOR

Will be elected by the members in the Unit or jointly selected by the Parties and will represent the Union and Saturn in the Work Unit; the current manner and process for such election will remain in effect until a mutually agreed upon selection process is established by the Parties. The Counselor is a working member of the Work Unit.

UAW COORDINATOR

Will be elected; the manner and process determined by the Union. The UAW Coordinator will serve as administrator of the Agreement on behalf of and for the Union.

UAW SKILLED TRADES UNIT ADVISOR

Will be elected; the manner and process determined by the Union. The UAW Skilled Trades Advisor will serve as administrator of the Agreement on behalf of and for the Union.

UAW BUSINESS UNIT ADVISOR

Will be elected at large ; the manner and process for such election to be determined by the Union. The UAW

Business Unit Advisor will serve as administrator of the Agreement on behalf of and for the Union.

UAW MAC ADVISOR

Will be elected at large; the manner and process for such election to be determined by the Union. The UAW MAC Advisor represents the Union and its members as part of the MAC consensus decision-making body. The UAW MAC Advisor serves as the highest local administrator of the Agreement, and as a communication link with the UAW SAC Advisor.

UAW TDAC ADVISOR

Will be elected at large; the manner and process for such election to be determined by the Union. The UAW TDAC Advisor represents the Union and its members as part of the TDAC consensus decision-making body. The UAW TDAC Advisor serves as the highest Local

administrator of the Agreement, and as a communication link with the UAW SAC Advisor.

UAW SAC ADVISOR

There will be Union representation on the SAC selected by the Union. The manner and process of such selection will be determined by the Union.

Function:

Saturn will be unique in the manner in which the basic building blocks, the Work Units, will operate. Consensus decision-making will be utilized with a strong... focus on both current and near term decisions. These Work Units will be self-managed; integrated horizontally in a and reflect synergistic group growth. These Units will have responsibilities to manage such functions as producing to schedule, producing a quality product, performing to budget, housekeeping, health, safety and ergonomics, maintenance of equipment, material and inventory control, training, job assignment, repairs, scrap r. : control and absenteeism. They will hold meetings, obtain, supplies, keep records; seek resources as needed, and beau responsible for their job preparation. They will constantly seek improvement in quality, cost and work environment. • • • • • •

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The Work Unit will also be responsible for the planning and the scheduling of the work and communications within and outside the group.

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by utilizing a hiring team consisting of both represented warms and non-represented module leadership and elected union representation.

The Business Unit will do advanced planning for resources both short and near term. The Business Units ... will be composed of all Work Unit Advisors. The : Business Units will determine the resources needed by the Work Units, including administration, engineering, materials, financial, etc.

The Manufacturing Action Council (MAC) will be responsible for living the Saturn philosophy to insure success of the mission. It will provide the resources needed by the Business Units on a timely and cost a effective basis.

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🙄 👾 The Technical Development Action Council (TDAC) 👉 🏵 will be responsible for living the Saturn philosophy to insure success of the mission. It will provide the ζ_{i+1} resources needed by the Business Unit on a timely and Sec. 4 cost effective basis. ist. And 21-14

a In addition, the TDAC will represent and protect the setting interests, stakes, and equities of the Business Unit and the losse. Work Unit members, coordinate the activities of and

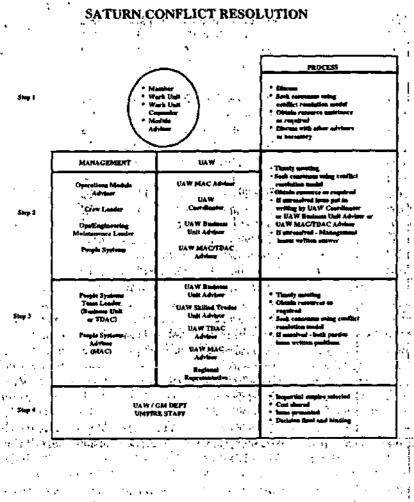
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	the strategic business planning necessary to assur		_	decision. However		
				decision must search i		king the
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	responsive to the needs of the marketplace relative		•			
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13. EQUAL EMPLOYMENT OPPORTUNITY

The philosophy and mission of Saturn are designed to be in full and complete compliance with the tegal and moral principles of equal opportunity in employment. Accordingly, Saturn, the Union, and each and every member of Saturn pledge to treat all persons equally without regard to their race, color, religion, age, sex, national origin, disability or sexual orientation:

14. RECRUITMENT AND SELECTION

The Saturn organization will require people who can fully commit to the philosophy and effectively contribute to its mission..... Both parties recognize the critical importance of a process for recruitment and selection which accurately and objectively assesses candidate qualifications. The complexity of such a process supports the establishment of a joint team to work on the development and ultimate implementation of such a list process in accordance with guidelines to be established by the parties. In this regard, because of the qualifications. and experience of the current GM-UAW workforce, they will be the primary source for the initial complement, up a to full capacity, of operating and skilled trades technicians. The parties will actively recruit GM-UAW (active and inactive), including employees communications emphasizing the exciting and unique opportunities available in the Saturn culture. It is :understood that Saturn membership is conditional on meeting established recruitment and selection criteria.

The Saturn philosophy requires a dedicated and committed workforce. Accordingly, no active or inactive , UAW-represented GM employee will be required to become a Saturn applicant, nor will such employee's refusal of an offer of employment by Saturn impact the employee's benefits under the GM-UAW National-'Agreement.

15. ORIENTATION

The Saturn organization will jointly develop and administer the pre-hire and post-hire orientation programs for prospective and selected members.

16. TRAINING

The success of Saturn in meeting its mission in an internationally competitive environment is dependent upon the continuous development and implementation of new tools, methods and cutting edge technology. Training weeks and and education provide the tools necessary for all Saturn and equivalent team members to meet these ongoing challenges, and programs to meet these goals will be jointly developed and administered. To help assure Saturn's long-term viability; jointly developed competency-based training of all Saturn members is mandatory.

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17. JOB DESIGN

In keeping with the Saturn mission and culture, each Work Unit will have the responsibility and authority to produce quality products to schedule at competitive costs. The Units will have responsibility for both direct and indirect work, including training, housekeeping, provision for relief, etc. Individual jobs will be designed with the appropriate resources to develop the optimum balance between people and technology, taking into account health, safety and ergonomic issues, with ongoing responsibility to determine methods to become more competitive. 🕕

18. PLANNING AND RELIEF

Job content within the Work Units will be designed to include both direct work and indirect work. Therefore, it is expected that Work Units will be able to handle the personal relief needs of individual Saturn members and the second second

19. CLASSIFICATIONS

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the state of the state of the state of the Saturn will have a job classification structure for represented members that has the classification of "Operating Technician" to which other than skilled trades. members will be assigned, and seven additional if classifications to which all skilled trades members will be any assigned as identified below;

LE COPY

Tool & Die

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- Machine Repair
- Electrical

- Stationary Engineer 🛶
- Assembly Layout (TDAC only)
- Model Maker (TDAC only)
- Model Maker Leader (TDAC only)

20. LENGTH OF SERVICE

New Saturn members will establish a Length of Service date by site location effective with their date of hire. Length of service will be used as a tie-breaker in those unusual situations where competing members are equal in all respects; and, as a trigger point for compensation progression or specifically negotiated benefit coverage.

21. JOB SECURITY

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1 · · · Saturn recognizes that people are the most make these systems work in order, to meet Saturn's and the astronaut for the astrocalled by Saturn Length of Service, a start and a start as the second seco mission. Accordingly, those Saturn members who are well as a second seco religible for job security, as defined below, shall not be depute the security and the security as a security as laid off except in situations which the SAC determines are the set of the set due to sunforeseen on catastrophic events, or severe as all where some one burst and providents of a mass of a market economic conditions. In the event former GM employees and the reward's system in Saturn will recognize (active or laid off) who are required to quit to become control of the mission and control of the miss conditions, the parties will discuss the matter in an attempt of the last principle of risk and reward. to effect an equitable solution, such as separation

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payments; return to General Motors or reinstatement of ? GM recall or rehire rights.

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A Saturn member will have permanent job . security eligibility if either of the following applies to that member:

ALL AND AND . . .

The member quit while an active GM-UAW t ð. employee or was hired while on layoff with recall 4. 1 or rehire rights from a GM-UAW unit in the U.S.-÷. to join Saturn as part of the full initial -, complement of operating and skilled technicians ٠. in Saturn; or the second

The member is, at any point in time, among the 80% of Saturn members with the longest Saturn Length of Service by site location. All the second second second second . .

Saturn recognizes the desirability of regular 1998 - were comployment and will attempt to avoid laying off members and valuable asset of the organization . It is people who and the not eligible for inbesecurity. In the unlikely event of a the develop new technologies and systems, and people who end that a site location, members will be laid off and the

press approach

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Three basic elements are recognized: base compensation, risk/reward and benefits.

Base Compensation

Saturn members' base compensation is established on an annual salary basis, and they will be paid semi-monthly on the 15th of the month and the last day of the month. الم الدين ا 1.1

The base compensation for Saturn members was adjusted to 95% of straight time base wages of UAW/GM compensation rates. Base compensation will remain at this level until the complete phase-in of risk/reward, Thereafter, base compensation may be adjusted. periodically based on such factors as the general state of -> the economy, inflation, the competitive situation, etc., by approval of the SAC.

۰. Quarterly Payments 🐃

440 The second second 1 800 5 I.N. In addition, during the phase-in of risk/reward, a sum will be calculated quarterly reflecting the remaining economics received by a comparable GM/UAW employee including the answer COLA. The total sum generated through this calculation (1) will be distributed to members on a quarterly basis. · · · · ·

Risk/Reward

In addition to the base rate, risk will be 5% and will be paid semi-monthly. It will be based on factors such as: 2.A

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Performance to Objectives of Satura and а Individual Business and Work Units;

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Achievement of specific objective productivity targets;

Saturn sharing formula through which profits will Ċ. be shared above a specified level of return to · • Saturn:

Quality bonus based on World Class Levels. d. * ъ.н.,

The risk/reward system will? be designed to provide war attainable goals which, if met, will provide compensation equivalent to that earned by comparable employees in the GM. Performance above or below those goals would with provide greater or lesser compensation than comparable. employees in GM. , , [‡], 1

Hire Rates and Progression

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Operating Technicians 19.-Former GM employees who were hired while on layoff in a with recall or rehire rights at any OM plant(s) or quit to and become Saturn members shall receive an initial base rate 🖓 🎆 at the same relative position to the maximum base rate the employee had attained under the GM-UAW National 1.01 Agreement. Thereafter, they will progress in accordance was "with the Hire Rate and Progression Chart (Attachment" . ' #1). • <u>,</u> •

Former GM employees who did not possess recall or rehire rights at any GM plant as of the date they become Saturn members and new members who have not: 32 previously worked for GM will hire in and progress as reflected in Attachment #1.

23. WORKING HOURS

To fulfill the objectives of the Saturn philosophy and mission, it will be necessary to have flexible hours of ~ 1 work that meet the needs of the individual as well as a set of Saturn:

24. HOLIDAYS

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and the Saturn will observe the following paid holidays and the set and all other Holidays as outlined in the 1999 GM-UAW 279 stores National Agreement and other holidays as determined by the man Sec. 200 yes the SAC:

Martin Luther King Day Good Friday ---- Monday after Easter Friday before Memorial Day States Memorial Day State of a Independence Day www.section.com Friday before Labor Day The Assessment of Labor Day was a subscription of the Same Has a transfer Election Day Veterans Day (Observance) Thanksgiving Day Friday after Thanksgiving Christmas Holiday Period ارائد جواله .1 <u>,</u> ' <u>.</u>:.

25. VACATIONS

Vacation with pay will be based on combined Saturn and GM Length of Service.

Length of Service Vacation Entitlement

Less than 3 years	80 hrs.
Three but less than five years	100 hrs.
Five but less than ten years	120 hrs.
Ten but less than fifteen years	140 hrs.
Fifteen but less than twenty years	160 hrs.
Twenty or more years	200 hrs.

Vacation schedules must be planned ahead and coordinated within each Work Unit.

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Unused vacation balances of 40 hours or less (80 hours or less beginning in 2002) will be paid in lieu. Unused vacation balances in excess will be forfeited.

Saturn may schedule a shutdown of operations for vacation purposes. Saturn members entitled to vacation must schedule their vacation during this shutdown period. It is understood that necessary members may be scheduled to work during the shutdown. 1.11

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26. SHIFT ASSIGNMENTS IN SATURN

The Saturn philosophy emphasizes equality among all members and the shared sense of belonging to a successful operation in which everyone has common needs and goals. Accordingly the rotating shift approach has been implemented by the parties. The feasibility of introducing fixed shifts or other options will be examined by the parties and presented for consideration by the appropriate Action Council.

27. PERSONAL ABSENCE/LEAVES OF ABSENCE

Absenteeism affects the commitment to Saturn and places an unnecessary burden on fellow team members. Accordingly, programs will be developed to discourage absenteeism and to encourage regular attendance. Provision will be made for both paid and unpaid teaves of absence.

28. CODE OF CONDUCT

The code of conduct for Saturn is established in its mission and philosophy statements, which set forth the basic operating principles of the organization. Actions orbehavior that are contrary to these principles may be subject to the Saturn Consultation Process, which will be established by the parties and set out in the Agreement. If counseling and attempts to modify behavior prove ineffective or in instances of severe misconduct, Saturn

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may initiate disciplinary action or discharge. Complaints concerning discipline, or discharge must be filed within three (3) working days of the action to be valid.

29. SATURN CONSULTATION PROCESS

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unit. •

The Consultation Process will include three formal stages: (1) Amber Zone, (2) Red Zone, (3) Decision Day, Members in the Consultation Process will be offered Union Representation to ensure a fair equitable process. In situations where any member's conduct or attitude is adversely affecting the Work Unit, initial corrective action; will concentrate on consultation, guidance and review. Such assistance does not affect the basic principle that the individual member is responsible for his/her behavior. The parties agree to work toward a variety of approaches to be followed in the attempt to encourage the member to become a full participant in the

30. STRIKES, STOPPAGES AND LOCKOUTS

The philosophy and mission of Saturn and the unique culture created in the work environment are opposed to unauthorized lockouts, strikes, work stoppages, sit-downs, slow-downs, curtailment of work, restriction or interference with production or facilities, picketing, or similar activities. Further, the parties hereby pledge that no lockouts or strikes will be authorized without full and complete compliance with the Procedure to Modify the Agreement contained herein.

31. BENEFITS HSMD

The basic approach to HSMD will be provision for a closed panel, either HMO or PPO. Medical, dental, vision, hearing and prescription drugs will be provided at HMO or PPO levels comparable to similar provisions in the current GM-UAW Agreement. Saturn UAW new hires that are not GM-UAW transfers will automatically be enrolled, if available, into an HMO for a minimum of 48 months after date of hire.

Saturn will negotiate coverage with providers to assure quality care at reasonable cost. くなびりょう

There will be a careful review to determine the feasibility of establishing an on-site or adjacent medical/wellness clinic as a provider to deliver services such as:

- In-plant medical service;
- Routine service for Saturn members and dependents;
- Employee/dependent physicals;
- Wellness/rehabilitation programs

All Saturn members would be provided coverage at date of hire.

Retirement Plan

Saturn members will participate in a retirement plan under which individual accounts will be maintained it a for each member. The funding of such retirement accounts will be at the rate of 8% of the 100% straight time wages of comparable UAW/GM compensation rates.

The value of such accounts will be determined by the contributions and earnings on the funds invested by Saturn for each individual member. 1.

Saturn contributions, and earnings thereon, will vest in 5 years. Combined GM and Saturn credited service will be taken into account for purposes of 1 . : determining vesting. 12 5 4 A S S A S S S S

tat anna ta At retirement, Saturn members would be given attended by the choice of receiving their Saturn Account balance in a single cash payment or in the form of a lifetime monthly retirement benefit.

· Former GM⁽ employees will receive benefits Industry a service at the GMI plan for credited service at the time of an obtained transfer to Saturn. Benefits under the GM plan would be 2 + 2 + 3 + 3 + 3 based on pension rates in effect at the time of retirement from Saturn.

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An individual savings plan will be offered under Bissis which any Saturn member can contribute up to 25% of a eligible earnings.

S&A - Extended Disability Benefits

All Saturn members will be eligible for Sickness With Black and Accident benefits the first day after disability of commences. Sickness and Accident benefits percentages are based on Ninety percent (90%) of the straight time wages of comparable UAW/GM compensation rates. For the first 30 days team members will be paid the full rate, 80% for the next 30 days of the same disability; and 60%

thereafter for up to one year from the initial date of the In no event will disability pay exceed . disability. combined GM and Saturn credited service.

Extended Disability Benefits will be paid at a rate of 60% for a period equal to combined GM and Saturn credited service of less than 10 years. Saturn ..., members with 10 or more years of combined credited at a service will be eligible for 60% until they reach eligibility for un-reduced social security benefits. 1. 16 1 -

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Saturn believes it is important to plan for the · . · security of survivors, a responsibility that is shared its 333 through the insurance plan. In the case of death, the state When efficiary named by the Saturn member will, receive, 2. able benefits from the plan according to the level of coverage methods Sulet^{SS} offent as follows: ,

> Saturn will provide 2.0 times the 90% level of straight time wages of comparable UAW/GM2+ compensation rates from the date of employment المرجان الم as a member.

Each member may purchase additional coverage at special rates in multiples up to five (5) times base compensation through payroll deduction the state of the second st Optional dependent coverage of up to \$35,000 % at for spouse and \$14,000 for each dependent child is also available at special group rates.

Shipe - Part 11 32. COMPONENTS MANUFACTURING

Many decisions are yet to be made regarding the integration of the Saturn complex which were reviewed and discussed during the Agreement process. As these'r issues arise in the future, the parties agree to review the :specifics of the component part(s) being considered to ... determine if Saturn can be competitive in quality and cost. . . .

33. PROCEDURE TO MODIFY THE AGREEMENT.

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Stand of Mary i ter Once an Agreement is ratified and becomes; r effective, it will remain in full force and effect unless have modified by the parties. However, in the event the parties with wish 'to conduct' formal inegotiations on an rentire as Agreement once a full complement of members has been, ... hired, such negotiations will be concluded no later than 1.1 six months: after the commencement of steady state as a described herein. The parties are specifically empowered and , as to make mutually satisfactory modifications, additions or call $E_{1,1} \rightarrow \mathbb{R}$ deletions to the Agreement which are in line with the \mathbb{R}^{2} philosophy and mission of Saturn on an ongoing basis. In

the event either party is unable to secure agreement on a secure agreement on a secure agreement of a a da cian modification(s) it (desires; such party may institute this and Procedure to Modify the Agreement.

المواجعة والعالم والأراب المحافظ المحافظ وأراد المراجع والأراب and the Agreement of Request to Modify the Agreement of 1. - 2+4 The party seeking the modification(s) will furnish the 24 other party a written Notice of Request to Modify and Agreement in the form of a letter from the UAW SAC Advisor to the Vice President People Systems in the case

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of the Union, or vice-versa in the case of Management, listing the provision(s) the party wishes to modify or cancel and/or briefly describing any new provisions it may wish to negotiate. Thereafter, the parties will meet on this request and attempt to resolve the issues using the principles of conflict resolution. • *

1.19.11 B. Notice of Intent to Lockout or Strike

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If after thirty (30) calendar days from the date the Request is received, the parties are unable to reach consensus, the initiating party for Saturn Corporation or the UAW SAC Advisor for the Union may serve a written Notice of Intent to Lockout of Strike in the same manner as described in "A" above. Thereafter, if a satisfactory agreement is not reached after negotiations for five (5) 3 working days from receipt of this Notice, the moving party may initiate its action. an an Agus agus

34. RATIFICATION

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COMMITMENT OF PARTIES

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Saturn and the Union acknowledge that the matters set out tratin this memorandum are neither all inclusive nor an inclusive for the state of the same the set of the complete. The parties acknowledge that in arriving at this and the second secon Agreement, additional matters have been extensively discussed and serve as the UAW/Saturn Guiding 1. 1999 Principles for the parties to follow in fulfilling the mission

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of Saturn, and in their relationships with each other. It is the intention of the parties to rely upon those principles to provide guidance for future agreements.

INTERNATIONAL UNION, UAW

a cart e e Stephen P. Yokich " Richard Shoemaker Ken Terry Bobby Lee Thompson Harold Cox Gary Casteel Earnestd Emery A ALLER . . C. LOCAL 1853 UA er gere

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- SATURN CORPORATION And the state of the state of Gary L: Cowger and here 1 Brian G. McClelland • • • Dennis G. Finn
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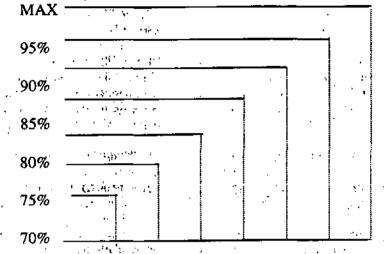
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Attachment #1 Reward System

Hire Rate and Progression **Operating Technician**



24. 30 6 ,42 .18 36. HR MONTHS r. - - - - -. P 11 p. M. . .

December 12, 1999

Ms. Cynthia Trudell

President, Saturn Corporation 100 Saturn Pkwy., P. O. Box 1500 Spring Hill, TN 37174

Dear Ms. Trudell:

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This letter is to reconfirm the support that the International Union, UAW, has for the Saturn Corporation. The parties recognize that the Corporation is marketing vehicles in a highly competitive market. As $\tilde{\mathcal{A}}$ such, the job security of Saturn members is defined by the success that Satum achieves within this market. 1: 1

The Union continues to be fully committed to key fundamental principles which enhance the Corporation's success capabilities. These commitments include a full and active support of the partnershipd maximization of programs that enhance the safety and well being of Saturn members, all efforts to make cost per car reductions to world class levels, and the requirement that continuous improvement be institutionalized and made effective in the day to day manufacturing operations.

102.00 The International Union looks forward to the continued success of the Saturn Corporation, it's UAW members, and above all, enthusiastic customers that become Saturn family members through their ownership of Saturn cars that are world leaders in quality, cost, and customer satisfaction.

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Sincerely,

Richard Shoemaker Vice President and Director . • . UAW General Motors Department . +s *

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International Union Implement Workers of America, UAW Gentlemen: Sec. 1 Sincerely, Brian G. McClelland Vice President People Systems BGM/tlw

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December 9, 1999

United Automobile Aerospace and Agricultural

Attention: Mr. Richard Shoemaker

Vice President and Director General Motors Department

In the spirit of the recent negotiations, the General Motors Corporation, Saturn Corporation and the Union have recognized and agree to and recommit to the Saturn Mission and Philosophy laid down in the Memorandum of Agreement as it pertains to the future marketing, development, and design of product and processes, and the sourcing of , any Saturn components. Further, it is understood all mutual practices, procedures, understandings, staffing and Agreements remain in full effect. Problems or issues arising out the course of these events will be resolved as outlined in the Memorandum of Agreement with the overriding principle of the Mission and Philosophy applying.

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December 14, 1999 International Union, United Automobile Aerospace and Agricultural Implement Workers of America, UAW Mr. Richard Shoemaker ATTENTION: Vice President and Director General Motors Department Gentlemen: During the course of negotiations with the Saturn Corporation, it was agreed that certain General Motors employees who become Saturn ... members during the term of the 1985, and any subsequent Saturn of Agreement and who have 10 or more years of credited service under The General Motors Hourty-Rate Employees Pension Plan will be provided :" Ċ, with post-retirement health care and life insurance coverages under the h. GM-UAW Agreement in effect at the time the employee retires from t Saturn Corporation. . Such post-retirement coverages would be provided if any of the following conditions are met at retirement from Saturn: The Saturn member has attained age 60. 1. The Saturn member has attained age 55 but not age 60, and 2. the total of the member's age and the member's combined years of GM and Saturn service (to the nearest 1/12 in each case) is 85 or more. The Saturn member has 30 or more years of combined GM 3. and Saturn service. -4 Very truly yours, 4 GENERAL MOTORS CORPORATION Gary L. Cowger Vice President

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See. 2

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December 12, 1999	,
Mr. Richard Shoemaker	
Vice President and Director	5.1
UAW General Motors Department	
8000 East Jefferson Avenue	
· Detroit, MI 48214	
Dear Mr. Shoemaker:	
Saturn and the Union recognize the need to have certain within Saturn apprinted by the Union As such appr	

will be identified by the SAC and appointments jointly, selected will be successfully, approved by the International Union SAC officer. Individuals selected a second of the and approved for these positions will be held accountable within their capacities to fulfill the stakes and equities of the UAW and Saturn, where we Partnership, 24.00 e, ۰.

Any problems relating to the implementation of this letter may be raised . . -.... by either Saturn or the Union, and it is understood that any necessary 1.1 modification may be made by consensus agreement between Saturn and -. the Union.

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Sincerely,		:					
Brian G. McCielland Vice President People Systems	•			•	•	1995 1997 - Andrea 1997 - Andr	

December 8, 1999

Mr. Richard Shoemaker Vice President and Director General Motors Department International Union, UAW 8000 East Jefferson Avenue Detroit, Michigan 48214

Dear Mr. Shoemaker: . . .

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Per our discussions, and in accordance with Article 5; current GM/UAW National Agreement of this Memorandum of Understanding. the relocation allowance specified in Paragraph (96a)(2)(b) of the 1999 GM-UAW National Agreement applies to Saturn UAW members who may be employed into Saturn from GM-UAW in the future.

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In addition, Paragraph (96a)(3) (repayment of TRA Benefits) of the 1999 GM-UAW National Agreement applies to said members. ÷.,

Brian G. McClelland Vice President

People Systems

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December 8, 1999

Mr. Richard Shoemaker Vice President and Director General Motors Department International Union, UAW 8000 East Jefferson Avenue Detroit, Michigan 48214

Dear Mr. Shoemaker;

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Effective 1/1/2000, Saturn will establishe a VEBA Trust fund to provide for post retirement health care for non-grandfathered Saturn members. Funding will be established at 2.8% of base salaries of nongrandfathered members for calendar years 2000 and 2001. The funding rate will be increased to 3.0% beginning in calendar year 2002 and to 3.2% beginning in calendar year 2003.

Eligible participants will include non-grandfathered retirees and surviving spouses. Saturn members who were previously employed at GM under the GM/UAW Hourly Pension Plan must meet eligibility requirements as otherwise provided under GM/UAW provisions for retireet health care. Saturn non-grandfathered members who did not previously work at GM under GM/UAW Hourly Pension Plan must retire at age 60 or more with 10 years credited service to be eligible for VEBA Trust retirec health care benefits.

Coverage provided from the VEBA Trust for retiree health care coverages will be comparable to active Saturn members health care provisions including medical, surgical, drug, vision and dental under the traditional, PPO and HMO options.

Saturn and the UAW agree that funds within the Individual Medical Benefit Account, the Group Medical Benefit Account and the VEBA Trust applicable to members who transfer to GM and become eligible for GM retirement health care shall be forfeited and used to offset future or contributions to the VEBA Trust.

The VEBA will be established in a manner satisfactory to both parties, and will be jointly administered as agreed to by the parties.

Sincerely,

Brian G. McClelland Vice President People Systems

July 23, 1985

Mr. Alfred S. Warren, Jr. Vice President General Motors Corporation General Motors Building Detroit, Michigan 48202

Dear Mr. Warren:

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This will confirm that the discussions regarding the proposed Memorandum of Agreement between Saturn Corporation and the International Union, UAW, I advised you of the following:

The UAW views Saturn as a special project designed to maintain small car production with a high degree of domestic content in the United States that will provide jobs having compensation and benefits which will maintain the standard of living now enjoyed by our members.

The UAW considers the proposed Memorandum of Agreement as a "special case" because it is specifically designed as an integral part of the Saturn approach.

Therefore, the UAW does not consider this Memorandum of Agreement as a precedent regarding the Union's policy at any other facility, including those at General Motors.

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Sincerely, Owen Bieber President

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