

APPENDIX N                    MEMORANDUM OF UNDERSTANDING  
PREFERENTIAL PLACEMENT ARRANGEMENTS

**APPENDIX N**

**MEMORANDUM OF UNDERSTANDING  
PREFERENTIAL PLACEMENT ARRANGEMENTS**

This memorandum explains arrangements under which employees laid off on or after October 22, 1979 as a result of a permanent discontinuance of operations or other reduction in force where the Company and the Union agree there is no reasonable likelihood of recall will be eligible for preferential placement opportunities. Otherwise eligible skilled tradespersons laid off from their trade, but employed by the Company on production work, may apply for preferential placement opportunities in their trade.

**NON-SKILLED PREFERENTIAL  
PLACEMENT HIERARCHY**

**Step 1** After being placed on the preferential placement list(s) in accordance with procedures established by the Company, those employees retaining seniority recall rights shall be given preference for placement on available work, or if none is available, the opportunity to displace probationary employees, on jobs for which they are qualified or could qualify within a reasonable period of time in other plants covered by the Agreement in the same zone, as defined by the parties, or in plants covered by the Agreement in different zones as might be specified by mutual agreement between the Company's Labor Affairs Office and the UAW's National Ford Department. An in-zone area is comprised of all plants listed under a specified zone number as described in Appendix N, Attachment A. Attachment A includes zone definitions for all Company locations. It is understood that these zone definitions may be modified by mutual agreement between the Company's Labor Affairs Office and the UAW's National Ford Department.

- a) When a non-skilled manpower need is identified at a facility, a combined list of employees with rights to that facility will be developed and include:
- Employees on Indefinite Layoff

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- Employees on no-pay/no-benefits status
- Legacy employees (hired or rehired prior to November 19, 2007) who bumped In-Progression employees in-zone as a result of a workforce reduction

Employees on the list will be canvassed for placement in seniority order.

- b) If openings still exist, employees who have Return to Basic Unit (RTBU) rights to the hiring facility will be advised of available opportunities via RTBU canvass for voluntary transfer. Once authorized by the Company's Labor Affairs Office, Local Hourly Personnel Offices at the impacted locations will begin the canvass opportunities for the eligible employees.

Step 2 If openings still exist, in-zone employees who are on Indefinite Layoff and/or defined as surplus will be advised of available in-zone posting opportunities for voluntary transfer. Once authorized by the Company's Labor Affairs Office, Local Hourly Personnel Offices at the in-zone location(s) will post a notice:

- Employees on Indefinite Layoff
- Employees defined as surplus
- Employees on active rolls and are currently working at a facility with employees on Indefinite Layoff or defined as surplus
- Closed Plant Return to Area

All active volunteer transfers will be limited to the number of non-skilled employees on Indefinite Layoff or defined as surplus at that location.

If the in-zone opportunities have not been filled, the openings will be filled through the mandatory transfer of in-zone employees on Indefinite Layoff or those defined as surplus.

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Mandatory placement of these employees will be from lowest-to-highest seniority order:

- **Non-Skilled employees on Indefinite Layoff**
- **Non-Skilled employees on temporary loans**
- **Those defined as surplus**

**Step 3** If openings still exist, out-of-zone employees who are on Indefinite Layoff and/or defined as surplus, and “active” employees at out-of-zone facilities with employees on indefinite layoff will be advised of available out-of-zone posting opportunities for voluntary transfer. Once authorized by the Company’s Labor Affairs Office, Local Hourly Personnel Offices at the out-of-zone location(s) will post a notice for volunteers. Eligible volunteers are employees on Indefinite Layoff, those defined as surplus, and employees who are on active rolls and are currently working at the eligible facility. Volunteers will be limited to the number of non-skilled employees on Indefinite Layoff or defined as surplus at that location.

**Step 4** If openings still exist, active and surplus skilled trade persons with or without production service may volunteer for the available opportunities. Volunteers will be limited to the number of surplus in the identified trade(s) at that location.

**Step 5** If openings still exist, employees will be extended a job offer according to the provisions outlined below:

**The intent of this provision is to ensure that the mandatory decision regarding out-of-zone transfers is presented to the lowest-seniority JSP-eligible employee - active or on Indefinite Layoff – in a zone with surplus. To simplify administration of this provision, out-of-zone offers are to be extended by lowest to highest seniority in zones with surplus until the openings are filled or the surplus is exhausted. In-zone backfills resulting from this process are to be filled by placing the lowest seniority surplus in-zone employees in openings. If there are multiple openings in zone, the surplus employees will be canvassed for their preference in placement opportunities.**

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- If an employee is extended any job offer at an out-of-zone facility, the employee must elect one of the following options:
  - 1) Accept the job offer and report to work at the out-of-zone facility
  - 2) 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 not to extend beyond the employee's seniority or 18 months, whichever is greater)
  - 3) Decline the job offer and bump the lowest service temporary employee in the zone as long as there are still temporary employees working in the zone, if all temporary assignments in zone are exhausted employee will be placed on inactive status with no Company-provided income or benefits (but remain eligible for additional job opportunities for a period of time not to extend beyond the employee's seniority or 18 months, whichever is greater)
- If an employee fails to respond to notification of a job offer at an out-of-zone facility or fails to elect one of the three options above, the employee will be terminated, the employee's seniority will be broken, and the employee's recall rights shall cease.
- To the extent practicable, employees on Indefinite Layoff shall be provided early indications of potential job openings, in order to provide reasonable time for their consideration of such potential job opportunities

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**Step 6** If openings still exist, the Company may place, at its option, surplus skilled trade persons into production jobs at facilities where production openings exist. Placement of surplus skilled trade persons into production jobs under these circumstances shall be accomplished in lowest-to-highest Company seniority order. Skilled trade persons may be placed into production jobs regardless of whether or not they have previously held production jobs within the Company. A skilled trade person placed into a production job shall be paid at the applicable wage rate for the production classification. Skilled trade persons thus placed in production jobs shall retain their applicable rights to return to skilled trade jobs for which they are qualified (by previously held skilled classifications and/or UAW-Ford sponsored reskilling efforts).

**Step 7** An applicant availability list shall continue to be maintained monthly for each plant. A plant after exhausting its recall list (or in the case of a multi-plant location, a common recall list if one exists) shall fill its hiring requirements as determined by the National Job Security, Operational Effectiveness and Sourcing Committee.

**NON-SKILLED PREFERENTIAL PLACEMENT  
HIERARCHY ADMINISTRATION:**

1. It is recognized that the Company has to maintain ability to promptly fill employment requirements and assure that personnel are capable of performing jobs. Accordingly, the Company shall endeavor to place applicants in seniority order, consistent with their prior job experience. It is understood that placement on the basis of seniority will not be feasible in every instance. However, where deviations are contemplated, particularly with respect to evaluation of employment records, the circumstances shall be discussed in advance with the Local Union and disputes shall be subject to immediate appeal to the Company's Labor Affairs Office and the UAW's National Ford Department for resolution. In those instances where preferential placement applicants are not offered employment opportunities, in line with their seniority, based on an

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evaluation of their employment records, the parties have agreed to a process which provides for a joint review of such cases, by representatives of the Company's Labor Affairs Office and the UAW's National Ford Department, to determine the appropriate remedial action. This process is intended to provide a fair evaluation to employees, while concurrently recognizing the parties' joint commitment to quality and efficiency of operations. It is further understood that when preferential placement applicants are available for placement, the Company will not hire new employees for either temporary or permanent positions, without the approval of the UAW's National Ford Department.

2. If employees, who are selected for preferential placement opportunities outside of their zone, are given a re-employment physical examination, such examination shall be given at the plant in which they have basic Unit seniority or if such plant is closed, at another designated plant within the same zone. In cases where this procedure is impractical because of unusual circumstances, alternative procedures may be established to cover such cases by mutual agreement between the Company's Labor Affairs Office and the UAW's National Ford Department.
3. Employees placed in a new plant shall have seniority in that plant in accordance with Article VIII, Section 1(c) of the Agreement. In the event of a subsequent layoff, such employees shall be covered by the terms of Article VIII, Section 1(b) of the Agreement.
4. Employees that voluntarily apply for available in-zone or out-of-zone opportunities will be considered in seniority order.
5. Ford Service Date will be used to determine placement for employees in production classifications. In the case of a tie, the employee whose last four digits of their social security number is the greatest will be determined to have the greater seniority.
6. In a zone in which **In-Progression** employees are employed and a workforce reduction occurs within that zone, which could result in the layoff of **Legacy** employees, the Company will place those surplus **Legacy** employees into jobs held

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by **In-Progression** employees; thus bumping those **In-Progression** employees to layoff. If there are multiple openings in zone, the surplus employees will be canvassed for their preference in placement opportunities.

**SKILLED PREFERENTIAL  
PLACEMENT HIERARCHY**

**Step 1 When a skilled manpower need is identified at a facility;**

- a) A combined list of employees with rights to that facility will be developed and include:
- Employees in the requested trade on Indefinite Layoff
  - Employees in the requested trade on temporary assignment
  - Employees in the requested trade working in production
  - Employees in the requested trade on no-pay/no-benefits status

Employees on this list will be considered in seniority order (Date of Entry), and then will be canvassed for placement in seniority order (Date of Entry).

- b) If openings still exist, employees who have Return to Basic Unit (RTBU) rights to the hiring facility in the requested trade will be advised of available opportunities via RTBU canvass for voluntary transfer. Once authorized by the Company's Labor Affairs Office, Local Hourly Personnel Offices at the impacted locations will begin the canvass opportunities for the eligible employees.

**Step 2** If openings still exist, skilled trade persons with recall rights to the requested trade working in production at the hiring facility with recall rights to another facility, will be recalled in Date of Entry order until the need is filled.

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**Step 3** If openings still exist, in-zone employees who are on Indefinite Layoff and/or defined as surplus will be advised of available in-zone posting opportunities for voluntary transfer. Once authorized by the Company's Labor Affairs Office, Local Hourly Personnel Offices at the in-zone location(s) will post a notice for volunteers. Eligible volunteers are:

- Employees in the requested trade on Indefinite Layoff
- Employees in the requested trade defined as surplus
- Employees on active rolls in the requested trade and are currently working at a facility with employees on Indefinite Layoff or defined as surplus
- **Closed Plant Return to Area**

All active volunteer transfers will be limited to the number of skilled employees in the requested trade on Indefinite Layoff or defined as surplus at that location.

If the in-zone opportunities have not been filled, the openings will be filled through the mandatory transfer of in-zone employees on Indefinite Layoff or those defined as surplus.

Mandatory placement of these employees will be accomplished according to lowest-to-highest seniority order (Date of Entry):

- **Skilled Trade employees on Indefinite Layoff**
- **Skilled Trade employees on temporary loans**
- **Skilled Trade employees working in production**

**Step 4** If openings still exist, out-of-zone employees in the requested trade who are on Indefinite Layoff and/or defined as surplus, and "active" employees in the requested trade at out-of-zone facilities with employees on indefinite layoff will be advised of available out-of-zone posting opportunities for voluntary transfer. Once authorized by the Company's Labor Affairs Office, Local Hourly Personnel Offices at the out-of-zone location(s) will post a notice for volunteers. Eligible volunteers are employees on Indefinite Layoff, those defined as surplus, and employees who are on active rolls and are currently



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working in the requested trade at the eligible facility. Volunteers will be limited to the number of skilled employees in the requested trade on Indefinite Layoff or defined as surplus at that location.

**Step 5** If openings still exist, employees in the requested trade will be extended a job offer according to the provisions outlined below:

**The intent of this provision is to ensure that the mandatory decision regarding out-of-zone transfers is presented to the lowest-seniority JSP-eligible employee in the requested trade -- active or on Indefinite Layoff -- in a zone with surplus. To simplify administration of this provision, out-of-zone offers are to be extended by lowest to highest seniority in zones with surplus until the openings are filled or the surplus is exhausted. In-zone backfills resulting from this process are to be filled by placing the lowest seniority surplus in-zone employees in openings. If there are multiple openings in zone, the surplus employees will be canvassed for their preference in placement opportunities.**

- If an employee in the requested trade, with the exception of skilled trades working in production, is extended any job offer at an out-of-zone facility, the employee must elect one of the following options:
  - 1) Accept the job offer and report to work at the out-of-zone facility
  - 2) Decline the job offer; active Skilled Trade employees who decline the job offer may elect to transfer to a production (non-skilled) classification and maintain their Date of Entry with recall rights to their skilled classification; active, declared surplus, or laid off Skilled Trade employees who decline the

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job offer will be placed on inactive status with no Company-provided income or benefits (but remain eligible for additional job opportunities for a period of time not to extend beyond the employee's seniority or 18 months, whichever is greater)

- If an employee fails to respond to notification of a job offer at an out-of-zone facility or fails to elect one of the two options above, the employee will be terminated, the employee's seniority will be broken, and the employee's recall rights shall cease.
- To the extent practicable, employees on Indefinite Layoff shall be provided early indications of potential job openings, in order to provide reasonable time for their consideration of such potential job opportunities

**Step 6** If openings still exist, the Company will discuss with the UAW the feasibility of **reskilling** surplus trades or utilizing apprentices. If it is not feasible, the Company will proceed with direct hiring.

**Step 7** An applicant availability list shall continue to be maintained monthly for each plant. A plant after exhausting its recall list (or in the case of a multi-plant location, a common recall list if one exists) shall fill its hiring requirements as determined by the National Job Security, Operational Effectiveness and Sourcing Committee.

**SKILLED PREFERENTIAL PLACEMENT  
HIERARCHY ADMINISTRATION:**

1. It is recognized that the Company has to maintain ability to promptly fill employment requirements and assure that personnel are capable of performing jobs. Accordingly, the Company shall endeavor to place applicants in seniority order, consistent with their prior job experience. It is understood that placement on the basis of seniority will not be feasible in every

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instance. However, where deviations are contemplated, particularly with respect to evaluation of employment records, the circumstances shall be discussed in advance with the Local Union and disputes shall be subject to immediate appeal to the Company's Labor Affairs Office and the UAW's National Ford Department for resolution. In those instances where preferential placement applicants are not offered employment opportunities, in line with their seniority, based on an evaluation of their employment records, the parties have agreed to a process which provides for a joint review of such cases, by representatives of the Company's Labor Affairs Office and the UAW's National Ford Department, to determine the appropriate remedial action. This process is intended to provide a fair evaluation to employees, while concurrently recognizing the parties' joint commitment to quality and efficiency of operations. It is further understood that when preferential placement applicants are available for placement, the Company will not hire new employees for either temporary or permanent positions, without the approval of the UAW's National Ford Department.

2. If employees, who are selected for preferential placement opportunities outside of their zone, are given a re-employment physical examination, such examination shall be given at the plant in which they have basic Unit seniority or if such plant is closed, at another designated plant within the same zone. In cases where this procedure is impractical because of unusual circumstances, alternative procedures may be established to cover such cases by mutual agreement between the Company's Labor Affairs Office and the UAW's National Ford Department.
3. Employees placed in a new plant shall have seniority in that plant in accordance with Article VIII, Section 1(c) of the Agreement. In the event of a subsequent layoff, such employees shall be covered by the terms of Article VIII, Section 1(b) of the Agreement.
4. In instances where it is determined that these arrangements are subject to being utilized for purposes beyond the intent of the parties, modifications may be made by mutual agreement

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**between the Company's Labor Affairs Office and the UAW's  
National Ford Department.**

The preferential placement arrangements covered by this appendix have potentially complex administrative implications. The Company at times may not be able to fully conform with these provisions, and accordingly, shall not be liable for back pay on any claims arising from their administration with the remedy for any violation limited to future placement opportunities for aggrieved employees. It is understood that if the aggrieved employee is adjudged by the Committee to have a valid claim for in-zone consideration, he/she will be offered an available opening within two weeks of such decision; if no such opening develops, he/she will be offered the opportunity to bump a junior employee in-zone, as determined by the Committee.

## ATTACHMENT A

PREFERENTIAL PLACEMENT  
ZONE ALIGNMENT

- Zone 1 Michigan – West Side  
Flat Rock Assembly  
Brownstown  
Dearborn Engine (Rouge Site)  
Dearborn Stamping (Rouge Site)  
Dearborn Diversified Mfg. (Rouge Site)  
Dearborn Truck Plant (Rouge Site)  
Dearborn M&C/Transportation Unit (Rouge Site)  
Dearborn T&D Unit (Rouge Site)  
Dearborn Research & Engineering (R&E)  
Detroit Parts / HVC  
Livonia Transmission  
Michigan Assembly – Body Stamping Unit  
Michigan Assembly – Final Assembly  
National Parts  
New Model Product Development Center (Pilot Plant)  
Rawsonville  
Woodhaven Forge  
Woodhaven Hot Metal Forming
- Zone 2 Michigan – East Side  
Highland Park  
Michigan Proving Grounds  
Romeo Engine  
Sterling  
Van Dyke Transmission
- Zone 3 New York HVC
- Zone 4 Ohio – Cleveland Area  
Cleveland Engine #1  
Ohio Assembly
- Zone 5 Illinois  
Chicago Assembly  
Chicago Stamping

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**ATTACHMENT A**

- Zone 6 Kansas City  
Kansas City Assembly  
Kansas City HVC**
- Zone 7 Louisville Area  
Louisville Assembly  
Kentucky Truck**
- Zone 8 Twin Cities  
Twin Cities HVC**
- Zone 9 Atlanta HVC**
- Zone 10 Ohio-Sharonville  
Sharonville**
- Zone 11 Ohio – Lima Engine**
- Zone 12 Buffalo Stamping**
- Zone 13 Denver HVC**
- Zone 14 Fort Worth HVC**
- Zone 15 Greensboro HVC**
- Zone 16 Hartford HVC**
- Zone 17 Houston HVC**
- Zone 18 Lakeland HVC**
- Zone 19 Memphis HVC**
- Zone 20 Ontario HVC**
- Zone 21 Portland HVC**
- Zone 22 Sacramento HVC**
- Zone 23 Washington DC HVC**
- Zone 24 Indianapolis HVC**

**ATTACHMENT B****MULTI-PLANT EMPLOYMENT LOCATIONS**

<b>Employment Location</b>	<b>Facilities Covered</b>
<b>Rouge Area Units</b>	Central Lab Dearborn Engine Dearborn Diversified Manufacturing Dearborn Stamping Dearborn Tool & Die Dearborn Truck Power Utility & Central Maint. Opns. <b>Transportation &amp; Technical Service</b> <b>Vehicle Service Center</b> <b>World Headquarters Grounds</b>
<b>Research &amp; Engineering Center</b>	Eng. Mfg. Devel. Ops (EMDO) NMPDC (Local 245) NMPDC (Local 931) R&E Admin. Garage R&E Central Staff <b>Research &amp; Innovation Center (RIC)</b> Site Management Opns.

**ATTACHMENT C**

**PLACEMENT HIERARCHY**

**Non-Skilled Preferential Placement Hierarchy**

**ADMINISTERED BY THE HIRING LOCATION:**

**STEP 1 a) IN-PLANT RECALL LIST**

- A combined seniority list to include employees who are on indefinite layoff (ILO), and are on no pay/no benefits status and have rights to the hiring facility shall be canvassed for placement.
- Legacy employees (hired or rehired prior to November 19, 2007) who bumped In-Progression employees in-zone as a result of a workforce reduction

**b) RETURN TO BASIC UNIT RIGHTS ELIGIBLE EMPLOYEES**

- Eligible employees with Return to Basic Unit Rights

**ADMINISTERED BY EMPLOYMENT SECURITY PROGRAMS, LABOR AFFAIRS OFFICE:**

**STEP 2 COMBINED IN-ZONE PREFERENTIAL PLACEMENT LIST**

- In-Zone Posting Process offered voluntarily;
  - Employees on Indefinite Layoff
  - Active Employees at locations with employees on Indefinite Layoff
  - Employees defined as surplus
  - Closed Plant Return To Area
- Mandatory Placement



**STEP 3 COMBINED OUT-OF-ZONE PREFERENTIAL PLACEMENT LIST****Out-of-Zone Posting Process**

- Employees on Indefinite Layoff
- Employees defined as surplus
- **Active Employees at locations with employees on Indefinite Layoff or defined as surplus**

**STEP 4 SKILLED TRADES VOLUNTEERS FOR NON-SKILLED (PRODUCTION) OPENINGS****STEP 5 FORMAL JOB OFFERS TO OUT-OF-ZONE EMPLOYEES**

- **Mandatory job offers to lowest seniority employees in a zone with surplus**

**STEP 6 IN-ZONE SKILLED TRADES EMPLOYEES****STEP 7 REHIRE-NEW HIRE**

- **Rehires are considered before hiring new employees**

**Skilled Preferential Placement Hierarchy****ADMINISTERED BY THE HIRING LOCATION:****STEP 1 a) IN-PLANT RECALL LIST**

- **A combined seniority list to include employees in the requested trade who are on indefinite layoff (ILO), temporary assignment, working in production, or are on no pay/no benefits status and have rights to the hiring facility shall be canvassed for placement.**

**b) RETURN TO BASIC UNIT RIGHTS ELIGIBLE EMPLOYEES**

- **Eligible employees with Return to Basic Unit Rights**

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**ADMINISTERED BY EMPLOYMENT SECURITY  
PROGRAMS, LABOR AFFAIRS OFFICE:**

**STEP 2 SKILLED WORKING IN PRODUCTION**

- Skilled trade persons with recall rights to the requested trade working in production at the hiring facility with recall rights to another facility will be recalled in Date of Entry order until the need is filled

**STEP 3 COMBINED IN-ZONE PREFERENTIAL  
PLACEMENT LIST**

- In-Zone Posting Process offered voluntarily;
  - Employees in the requested trade on Indefinite Layoff
  - Employees in the requested trade defined as surplus
  - Active Employees in the requested trade at locations with employees on Indefinite Layoff or defined as surplus
  - **Closed Plant Return To Area**
- Mandatory Placement

**STEP 4 COMBINED OUT-OF-ZONE PREFERENTIAL  
PLACEMENT LIST**

- Out-of-Zone Posting Process
  - Employees in the requested trade on Indefinite Layoff
  - Employees in the requested trade defined as surplus
  - **Active Employees in the requested trade at locations with employees on Indefinite Layoff or defined as surplus**

**STEP 5 FORMAL JOB OFFERS TO OUT-OF-ZONE  
EMPLOYEES**

- **Mandatory job offers to lowest seniority employees in the requested trade in a zone with surplus**

**STEP 6 CONSIDER RESKILLING SURPLUS TRADES OR  
UTILIZING APPRENTICES**

**STEP 7 REHIRE-NEW HIRE**