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NEW UNITED MOTOR MANUFACTURING, INC.

nummi **TEAM**

MEMBER

Handbook



Dear Team Members:

I offer you my warmest congratulations. You have joined the finest team of carbuilders in the U.S. automobile industry.

New United Motor Manufacturing, Inc. marks the creation of important new ties. It is the joining of proven management techniques with a top-quality production team. You were chosen for that team because of your sincerity toward cooperativeness and creativeness in addition to your special skills, your know-how, and the contributions you can make to the team.

NUMMI represents the best automotive resources and capabilities of our two nations. I join with you in looking forward to this very successful relationship.

Sincerely,

A handwritten signature in cursive script, reading "Tatsuro Toyoda". The signature is written in dark ink on a light background.

Tatsuro Toyoda
President

New United Motor Manufacturing, Inc.

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TEAM MEMBER HANDBOOK

NUMMI
New United Motor Manufacturing, Inc.
1984

For Division I and Division II Team Members

We must produce superior automobiles, and we can do it with creativity, resourcefulness, and wisdom—plus hard work.

WELCOME

We are pleased to welcome you as a member of our team. This handbook is a summary of our human resource policies, work rules and benefits. We recommend that you read the entire handbook to become acquainted with our policies.

This booklet only highlights NUMMI policies, practices and benefits. It is not a legal document. As circumstances may require that the provisions described in this handbook change from time to time, we reserve the right to revise it. Following any revisions, we will advise you.

OUR COMPANY

Our formal title is New United Motor Manufacturing, Inc. ("NUMMI" for short). NUMMI is a new, independent company established by Toyota Motor Corporation and General Motors. Toyota manages NUMMI and is implementing an innovative production system based on Toyota production methods.

At full production, each year we will produce approximately 200,000 of the highest quality, subcompact cars in the world. The cars are to be sold to the Chevrolet division of General Motors. As a new and independent company, NUMMI's policies and team member relations differ from those that existed when General Motors owned the Fremont facility.

OUR PHILOSOPHY

At NUMMI, we are building an innovative employee relations atmosphere. Our new approach enables union and salaried team members to work together toward a common goal. Our goal is to efficiently produce a quality automobile at the lowest possible cost to the American consumer, while at the same time providing fair wages and benefits. We are a team. We have created a work environment that benefits each member of this team. As a team member you are encouraged to foster and contribute to this environment.

OUR OBJECTIVES

We seek healthy, sustained growth by fostering high morale and motivation among all team members. You are a valuable resource. Your full involvement in the business is essential to our mutual success.

Our objectives are:

- To help you develop to your full potential.
- To recognize the worth and dignity of all team members.
- To establish mutual trust and respect among all team members.
- To provide continuous employment for all team members through productivity improvements.
- To provide fair and equitable wages and benefits.
- To develop team performance as well as individual performance.
- To encourage excellent attendance.
- To encourage your participation in improving the work environment.
- To build the highest quality automobiles in the world.

OUR POLICY

At NUMMI, you will be treated fairly. You will find open lines of communication. And, you will have an active role in determining how best to do your job and improve the working environment.

We are breaking down the barriers that have traditionally separated employee and management. We are all members of a team. Your suggestions will be solicited, and your recommendations will be carefully considered.

The terms and conditions of employment outlined in this handbook were created to support our Human Resources philosophy. They are designed to help you do your job better.

Let each of us strive wholeheartedly to fulfill the trust placed in us in the execution of our duties. Just as a chain is made of many links, so in working together do we possess enormous strength.

WORKING ON THE NUMMI TEAM

EQUAL EMPLOYMENT OPPORTUNITY

The employment practices and policies of NUMMI are designed to comply with all applicable equal employment opportunity laws. We are committed to equality of employment opportunity without regard to race, color, religion, sex, national origin, age or handicap.

This policy applies to all terms and conditions of employment. You should notify your Group Leader or Human Resources department if you feel you have been subjected to discrimination. All complaints will receive a thorough and prompt investigation.

UNION RELATIONS

New United Motor Manufacturing, Inc. (NUMMI) and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) are undertaking an historic endeavor. Together we are building an innovative employee relations environment emphasizing mutual trust and good faith. We recognize this cooperation is essential to producing a quality automobile at the lowest possible cost to the American consumer. Our joint effort also enables us to provide jobs at fair wages and benefits for all team members. The UAW will represent you concerning the exact terms and conditions of employment.

EVALUATION PERIOD

You will be evaluated over a period of 90 calendar days starting with your date of hire. This evaluation period will be used to measure your performance based on your ability to perform required tasks, the quality and quantity of your work, attendance, punctuality, and your ability to work as a team member. Time spent in training outside the U.S. is not counted in the 90-day evaluation period.

You will also have the opportunity to evaluate NUMMI and its philosophy to determine if you wish to continue on and become a permanent member of our team. You'll have regular discussions with your Group Leader during the evaluation period to discuss your performance and any problems you might have. Feel free to talk frankly with your Team Leader, and if necessary, your Group Leader. Upon successfully completing your evaluation period, you will be granted service from your date of hire.

THE TEAM CONCEPT

The NUMMI production system will rely heavily on the team concept. When you begin employment with us you will be assigned to a team consisting of five or more members with a Team Leader. The success of each team is vital to our overall success. All teams will have the following characteristics:

- **Collective Responsibilities**—Each member will share responsibility for the performance of the total team and actively support other members of the team.
- **Meaningful Goals**—Each team member will be expected to help meet team goals and participate in the setting of additional team goals.

Kaizen is a simple but extremely powerful concept. It is your efforts in continually looking for ways to make yourself and NUMMI more efficient—and making your job easier as well.

- Feedback on Performance—The performance of each team will be evaluated on a regular basis. Team members should be thoroughly aware of how they are evaluated and understand the results of their evaluation.
- Team Leadership—Each team will have a Team Leader.
- Each team is a self-contained unit that is responsible for:
 - Working within NUMMI's guidelines and philosophy.
 - Achieving quality goals.
 - Checking and improving quality standards.
 - Meeting production goals and schedules.
 - Training new team members.
 - Housekeeping.
 - Working with other teams.
 - Communicating regularly with team members throughout the company.
 - Maintaining safety standards.
 - Kaizen (continually looking for opportunities to make yourself and the company more efficient and your job easier to perform).

TEAM GROUPS

Team members will be separated into two major groups:

Division I—consisting of hourly paid production team members in such departments as Stamping, Welding & Body Assembly, Painting, Assembly, Inspection and Material Handling Departments.

Division II—consisting of hourly paid team members in General Maintenance, Power House, and Tool & Die Making functions.

Team members in Division I have a single job classification. As a team member, you are expected to be proficient in your own assignment and all other assignments within the group and department and also help other team members. It is important to you and NUMMI that you become as skilled in as many assignments as possible.

Team members in Division II are in one of three job classifications:

- Powerhouse/Facility Control Resource.
- General Maintenance Resource.
- Tool and Die Making Resource.

Each member will be assigned to a team consisting of approximately five to ten team members with a Team Leader. As with team members in Division I, you are expected to be proficient in your own assignment and to become proficient in all other assignments within the team group and department, and also to help other team members.

HOURS OF WORK

The normal work day consists of an eight-hour work day plus a lunch period. The normal work week will consist of five consecutive work days, Monday through Friday (except for necessary seven-day operations). In the event there is a change to the normal workday or workweek, you will be advised by your Group Leader to allow ample time to adjust your schedule.

Initially, NUMMI will operate the facility on the following schedule:

<u>Team Members</u>	<u>Shift</u>	<u>Start Time</u>
Division I	1st shift	6:30 a.m.
Division II	1st shift	6:00 a.m. 6:30 a.m.
	2nd shift	2:15 p.m. 2:30 p.m.
	3rd shift	10:30 p.m.

From time to time it may become necessary for NUMMI to change the above starting times. Should we change shift hours, you will be notified in advance so that you can make necessary arrangements.

SHIFT CHANGES

Team members with six months service at the same position and shift may request a change to another shift assignment. If production considerations and your qualifications permit, your Group Leader will reassign you to your desired shift providing there is an available opening.

From time to time, team members may be assigned by the company to a different shift assignment.

OVERTIME

The nature of our business often requires us to work overtime. For all overtime worked, you will receive an overtime premium (described in the section **Your Pay** in this handbook). When it is necessary to schedule work beyond your regularly scheduled hours, you will be given advance notice so that you can make the

necessary arrangements. All team members are required to work overtime to meet production schedules.

PAID RELIEF

All team members are granted two relief periods—one before lunch and one after lunch.

The relief periods may be scheduled for a shutdown or tag relief. Your Team Leader will advise you of the method of relief (shutdown or tag) and the scheduled time for relief. Where practical, shutdown relief periods will be scheduled near the middle of the first four hours of the shift and near the middle of the last four hours of the shift.

PAID HOLIDAYS

NUMMI observes these paid holidays:

- New Year's Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Day after Thanksgiving
- Christmas holiday break period

Holiday pay is calculated on the basis of eight hours pay at your base hourly rate, plus COLA, shift premium and other applicable premiums. To be eligible for holiday pay, you must work the regularly scheduled work day before and after the holiday.

If you are faced with a difficult problem you must put your mind to it. And just when you think you have exhausted all possibilities, that is when the creative spirit will emerge.

REASSIGNMENTS

Before filling a position with a new hire, NUMMI will consider requests by team members to transfer outside their department to that position.

TO APPLY FOR A TRANSFER

- You must have worked at least twelve months in your current department.
- You must be qualified to perform the work.
- Your transfer must not be detrimental to the efficiency and quality of the overall team effort.

Where two team members have the same qualifications, the one with the greatest length of service will be given priority. Of course, team members who are working in lower production areas will be reassigned to fill vacancies prior to other team members.

You may be reassigned to another department, group, or team as the need occurs. When possible, you will be given advance notice of the reassignment. In the case of an emergency, you may be reassigned without advance notice.

If you request a transfer based on health reasons, the decision to transfer will be made in consultation with a member of the medical staff. There are other provisions which apply to our transfer policy. For more information, see your Group Leader.

There is nothing more important than being faithful to one's trust. If you follow that principle, your heart will always be at rest.

ATTENDANCE AND SERVICE

ABSENCE PROCEDURES

A high attendance rate among all team members is critical to our success. Too many U.S. auto plants have become non-competitive because of high absenteeism. With your help, we will break away from this pattern. To encourage high attendance, we have made attendance a factor in your benefits and promotion opportunities.

Attendance is your responsibility. If you are unable to work, or will be late to work, you must notify the company at least one hour before shift starting time. You should state the reason for your absence or tardiness and when you expect to return to your work. Your call will be logged-in by the company for verification. A failure to notify the company for three consecutive work days will be sufficient cause for your termination.

If you fail to report to work within one hour of the shift starting time, you may be considered absent and not allowed to work that day. If you arrive late but within the one-hour time limit, you will be allowed to work for the remainder of the shift but will not be paid for the time missed.

LEAVES OF ABSENCE

We recognize that some absences are unavoidable. You are eligible for a leave of absence in accordance with the following.

- **Jury Duty Leave.** You are eligible if you have one year of service or more and have been summoned to jury duty. You must notify NUMMI in writing immediately after being summoned and submit satisfactory evidence that jury duty was performed on the days for which you claim payment. You will be given payment equal to the difference between your regular wage at eight hours (base wage plus COLA and team leader premium, if applicable, only, hereinafter "regular wage"), and any payment from the court. Service accumulates during the leave. You are expected to report to work when not actually serving as a juror.
- **Bereavement Leave.** In the case of death in your family, if you have completed the evaluation period, you are eligible for three working days of paid leave of absence. To be eligible, you must take the leave within 10 days of the date of death, and attend the funeral. Also, you must notify NUMMI in writing immediately after the date of death. If the funeral is delayed for any reason, the bereavement leave may be delayed until the date of the funeral. Members of the immediate family for purpose of this leave are the team member's spouse, parent, step-parent, grandparent, child, step-child, grandchild, brother, step-brother, half-brother, sister, step-sister, half-sister, current spouse's parent, current spouse's step-parent, and current spouse's grandparent. You will receive your regular wage for each day you

otherwise would have been scheduled to work. Service accumulates during the leave.

- **Union Leaves of Absence.** Leaves of absence will be granted for union activities on an individual basis.
- **Leave for Public Office.** If you have completed the evaluation period and are elected to public office, you are eligible for an unpaid absence for the duration of the first term of office. You must file the appropriate written application with NUMMI immediately after being elected. This leave may be renewed for successive terms of office at the option of NUMMI. Service accumulates during the leave.
- **Military Leave.** If you leave work to enter the Armed Forces, you are eligible for an unpaid leave of absence of up to the duration of the initial enlistment, or four years, whichever is less, unless additional service is involuntary. You must file the appropriate written application with NUMMI at least 30 days prior to the date of induction. Service accumulates during the leave. Veterans will be reemployed in accordance with the Military Selective Service Act. Failure to report for work within 90 calendar days of the date of discharge or hospitalization which continued after discharge results in NUMMI considering the veteran as having voluntarily quit.
- **Short-Term Military Leave.** If you are called to short-term military duty, you are eligible for a leave of absence for up to 30 days. You must give NUMMI advance notice in writing. If you have at least one year of service, you are eligible for payment equal to the difference between your regular wage on each day you otherwise would have been scheduled to work and the amount of military pay received, (excluding

rations, subsistence, and travel) for ten working days. Service accumulates during the leave.

- **Sick Leave.** If you become ill or disabled, you are eligible for an unpaid leave of absence after five working days away from work. Before your leave is approved, you must be examined by a member of the medical staff, or present evidence (such as a medical certificate), that you are unable to return to work.

Before returning to your job, you must present evidence that you are able to return full-time. You then may return to your former position if circumstances permit. You are required to present such evidence to our medical staff at least one day prior to your anticipated return to work so that appropriate arrangements can be made.

Your sick leave may not exceed your length of service as of the date of illness or disability or 24 months, whichever is less. If your length of service is less than four months and you are disabled on account of pregnancy-related disabilities, your sick leave is up to four months.

In the case of absences caused by conditions which are compensable under applicable workers' compensation laws, you are entitled to an unpaid leave of absence for the full period of your inability to return to work, regardless of your length of service. Service accumulates during the leave except while you are in the evaluation period.

- **Personal Leave.** After successfully completing the evaluation period, you may request an unpaid personal leave of absence for up to 30 days by filing a written application stating the reason for the leave of absence. We will use our discretion in granting such

Progress in the automotive industry, just as progress in any industry, is built upon the dreams and sweat of men, and the perseverance to conquer difficulties that seem, at times, overwhelming even to the strongest.

leaves, limiting eligibility to good cause and times when your services can be spared. Service accumulates during the leave.

LENGTH OF SERVICE

Your length of service is the period of employment with NUMMI that is counted according to the rules described in this section. Length of service is used in computing the amount of your compensation and benefits, vacations, and leaves of absence.

After successfully completing the 90-day evaluation period, your length of service is measured from your date of hire.

In the case of two or more team members with the same length of service, the team member with the lowest Social Security number will be given preference in "tie breaker" situations.

Team members in Division I continue to earn service regardless of where in the plant they work. Division II team members also earn service regardless of plant location but service is counted and accumulates separately within each Division II job classification and department.

Your length of service is broken if:

- You quit.
- You are discharged for proper cause.
- You are absent three or more scheduled work days without notification and authorization.
- You retire.

-
- You are on continuous layoff for a period equal to your total length of service at the commencement of the layoff.
 - You fail to return to work within three scheduled workdays of the expiration of a leave of absence.
 - You are totally and permanently disabled.

Without ensuring its employees a stable livelihood through sound management, the company understands it cannot hope to enjoy growth and prosperity.

YOUR PAY

RATES OF PAY

NUMMI recognizes that high caliber people are necessary to successfully meet the challenge of this competitive industry. We believe that we must pay competitive wages in return for your efforts to constantly seek improvements in quality and productivity.

As a new team member in Division I or II, you will receive a starting base hourly rate that will be increased at various intervals up to the maximum rate. Your Group Leader will be able to discuss in more detail our specific rates of pay.

JOB DESCRIPTIONS

Your Group Leader has a detailed written description of your job duties and the job duties of all other positions within your team. He or she will discuss these descriptions with you so that you know what is expected of you.

AWARDS

Awards for attendance, quality, productivity, etc. may be introduced from time-to-time. As programs are developed, they will be fully explained to all team members.

BASE HOURLY RATE

Your base hourly rate is the rate of pay for your job classification. It does not include cost of living allowance (COLA), overtime pay, shift premium, or Team Leader premium.

COST-OF-LIVING ALLOWANCE

You will receive a cost-of-living allowance (COLA) to help protect you against inflation. The amount of this allowance will change from time to time to reflect changes in the Consumer Price Index. COLA will be included in the calculation of your amount of compensation for overtime premium and shift premium, vacation and holiday pay, and authorized leaves of absence.

WAGE PREMIUMS

Wage premiums take the form of overtime premiums, shift premiums, seven-day operation premiums, and Team Leader premiums.

OVERTIME PREMIUMS

You will receive overtime pay of time and one-half for all hours worked over eight per day or forty per week, and hours worked on a scheduled Saturday shift. A "day" is considered to be a 24 hour period beginning with the start of your shift. Double time will be paid for hours worked on a scheduled Sunday shift, scheduled holiday shift, and all hours in excess of 12 per day.

Team members who work on a necessary, continuous, seven-day operations shift involving work on Saturdays, Sundays, and specified holidays will be treated as exceptions to the above rules. These team members are eligible for seven day operation premiums. Your Group Leader will advise you of the details of your premiums.

SHIFT PREMIUMS

Premiums will be paid depending on the starting time of the shift, as shown below:

<u>Scheduled Shift Starting Times</u>	<u>Shift Premium</u>
On or after 11:00 a.m. but before 7:00 p.m.	5%
On or after 7:00 p.m. but before 4:45 a.m.	10%
On or after 4:45 a.m. but before 6:00 a.m.	10 % until 7:00 a.m.

The shift premium applies to all hours worked including overtime hours. If a team member qualifying for a 5% shift premium is scheduled to work more than nine hours and beyond 2:00 a.m., the team member is paid 10% per hour worked after midnight.

TEAM LEADER PREMIUMS

Team members who become Team Leaders receive a wage premium. The purpose of the premium is to recognize the extra work and responsibility of the Team Leader.

GUIDELINES FOR SELECTION OF TEAM LEADERS

Team Leaders are expected to be proficient at every operation performed within the team. He or she must also be able to instruct team members in the operations of the team, train team members, and develop standards with team members under the instructions of the Group Leader.

In addition, the Team Leader must be proficient at quality control (QC) techniques and “Kaizen”. This includes being able to conduct and monitor a quality audit, complete necessary reports, and coordinate “Kaizen”.

Finally, the Team Leader must have a good attendance record, demonstrate leadership ability, and be able to prepare a clear, concise, written report to the Group Leader.

CALL-IN PAY

If your scheduled shift is cancelled and the company fails to notify you, you will receive a minimum of four hours pay at your base hourly rate for coming to work. This provision does not apply if work was cancelled for conditions beyond NUMMI's control.

PAYROLL DEDUCTIONS

Payroll deductions will be made in accordance with Federal and State income tax withholding requirements. Deductions will also be made for Social Security and other State and Federal mandatory contributory programs. Other deductions will be made for payment of NUMMI-sponsored benefit programs in which you choose to participate. Deductions will also be made for union dues and fees—provided you have signed a valid Dues Deduction Authorization Card.

PAY DAYS

Pay day will be on Friday of each week.

If we are designing a new product, and know there is no room for failure, our attitude certainly must not be just to aim for the average. If we do that, we will surely fail. We must do our all-out best at such times, and allow ourselves no thought of failure.

PAID VACATION ALLOWANCE

You are eligible for paid vacation based on your length of service. The amount of vacation you will receive is based on the following schedule:

<u>Length of Service</u>	<u>Vacation Hours Per Year</u>	
	<u>Below Standard Attendance</u>	<u>Standard Attendance</u>
6 months but less than one year	0 hours	16 hours
1 but less than 3 years	32 hours	40 hours
3 but less than 5 years	48 hours	60 hours
5 but less than 10 years	64 hours	80 hours
10 but less than 12 years	80 hours	100 hours

Your attendance is considered "standard" if you have not missed work more than ten days in the previous twelve months nor more than six days in the previous six months. Certain approved absences are not counted for this purpose: vacation, days you receive a paid absence allowance, holidays, jury duty, bereavement leave, military leave, and union activity leave.

Your vacation allowance is calculated on the basis of your base hourly rate and COLA during the week before you go on vacation.

NUMMI's vacation policy is designed to allow you to use your vacation allowance and to maintain efficient operations by scheduling vacation ahead of time. By a specified date each year, you must give written notice of your desired vacation date, with alternative dates.

In the event NUMMI shuts down for vacation periods or for changeover, team members entitled to vacation must schedule that vacation during the shutdown (unless the team member is scheduled for work during the shutdown).

NUMMI will try to accommodate your schedule. In cases of conflict, team members will be given priority based on length of service. Your Group Leader will supply further information on the NUMMI vacation policy.

Your earned paid vacation allowance is to be used within 12 months of your anniversary date. Any allowance not used will be paid to you or carried over for an additional 12 month period as agreed upon between you and NUMMI.

PAID ABSENCE ALLOWANCE

For **good cause** (e.g., sickness, family problems), you are eligible for a paid absence allowance at your base hourly rate plus COLA.

The amount of paid absence allowance you are entitled to is described in the following schedule:

<u>Length of Service</u>	<u>Paid Absence Hours Per Year</u>		
	<u>Below Standard Attendance</u>	<u>Standard Attendance</u>	<u>Perfect Attendance</u>
6 months but less than one year	0 hours	12 hours	12 hours
One year or more	32 hours	40 hours	48 hours

As in vacation allowance, your attendance is considered "standard" if you have not missed work more than ten days in the previous twelve months nor more than six days in the previous six months. Certain approved absences are not counted for this purpose: vacation, days you receive a paid absence allowance, holidays, jury duty, bereavement leave, military leave, and union activity leave.

You are required to receive authorization from your Group Leader for paid absence allowance. Paid absence hours not used during the eligibility year will be paid to the team member at the end of the anniversary year at the then current base rate plus COLA.

Accept complete responsibility yourself for all matters relating to your company. Defend your company without reliance on others.

MISCELLANEOUS ITEMS

WHEN PROBLEMS ARISE

One of our commitments to you is to provide you with a pleasant and stimulating work environment. In such an environment, there should exist a mutual trust, respect and understanding between us.

Even in the best work environment problems may arise which threaten cooperative relationships and reduce the effectiveness of those involved. We want to solve all problems quickly and close to the source, using a problem solving approach in which you become an active participant.

Your first step is to inform your Team Leader of the problem. It is important that you do this as soon as possible so that the problem can be dealt with in its earliest stages. The Team Leader will bring together the necessary individuals including your Group Leader to solve the problem.

If a disagreement arises over the discharge or discipline of a non-evaluation period team member, the team member should discuss the matter with the Group Leader within the first three working days of the action. If a satisfactory solution is not reached, a procedure has been established between NUMMI and the UAW that will permit further review of the matter up to and including arbitration.

WORKERS' COMPENSATION

Any work related injury must be reported immediately to your Team Leader or NUMMI's medical center. An injury that has occurred on the job should receive immediate medical attention. Our Workers' Compensation program provides for payment of medical expenses and weekly compensation payments as scheduled by the State of California. Failure to report an on-the-job injury may jeopardize your right to benefits under the Workers' Compensation laws.

DRESS AND GROOMING

Our dress code is simple. Use good judgement in all matters of dress, grooming and personal hygiene. In some work areas, due to work conditions and identification purposes, NUMMI-provided clothing and safety equipment must be worn.

HOUSEKEEPING

A clean work area makes work easier, healthier and safer. We would like everyone to feel committed to a good working environment. If you drop any item—especially production material—place it in its proper container. Also, keep aiseways clear at all times.

Food or beverages in restrooms, locker room facilities or work areas are forbidden. Food and beverages should be consumed in designated vending and dining areas. Smoking is only permitted in "Smoking" areas. Personal items are not to be brought to work area.

RULES FOR PERSONAL CONDUCT

NUMMI has faith in the common sense and good judgement of its team members. It is NUMMI's belief that team members possess a natural disposition toward good conduct. While the high personal standards of most team members are sufficient, certain rules and orderly procedures must be established to assure a safe and harmonious working environment for us all.

NUMMI believes that discipline should inspire correct behavior and not be merely punitive. In most cases progressively stiffer disciplinary actions will be imposed in response to unsuitable conduct prior to terminating any individual in an effort to adjust the team member's actions to accepted standards. You will not be disciplined nor discharged without proper cause.

Your Group Leader will discuss the rules of conduct, and specified corrective actions for violation, with you in detail. This way you will be aware of what is expected of you. You will also be given a written copy of the Rules of Conduct.

IDENTIFICATION BADGES

You will be issued an identification picture badge by NUMMI on the first day you report for work. You are required to wear your badge in plain sight on a suitable place on your clothes. Your badge must be worn at all times while on company premises.

Lost badges will be replaced upon payment of the replacement cost to the Security office. A partial refund will be made when you have paid for a replacement badge and have returned the duplicate badge to Security. If you lose, misplace or have your picture badge

stolen, you can gain access to NUMMI by obtaining a temporary badge. A temporary badge can be issued to you for one day only.

SAFETY HAS FIRST PRIORITY

NUMMI is very conscious of safety and has a comprehensive safety promotion program in effect. The safety program guards your health and well-being; it cannot be effective without your cooperation. Specific rules pertaining to each type of job, as well as the more general safety regulations, are found in the Accident Prevention pamphlet.

We strive for an outstanding safety record and each of you is expected to help maintain that record. Failure to comply with safety regulations is cause for disciplinary action, including discharge.

SAFETY EQUIPMENT

NUMMI provides you with the necessary safety equipment such as protective glasses and hearing protection that must be worn in all areas designated. You are responsible for wearing all required safety equipment. Failure to properly wear required safety equipment could lead to serious personal injury and will lead to disciplinary action. If you should lose or damage any required safety equipment see your Group Leader immediately. **DO NOT WORK WITHOUT YOUR SAFETY GLASSES, HEARING PROTECTION OR OTHER NECESSARY SAFETY EQUIPMENT.**

NUMMI also maintains a safety store where you can purchase additional safety equipment, such as safety shoes and prescription safety glasses.

For operation of mobile equipment, special training and licensing procedures are required.

PERSONAL WORK

You are not to do personal work or use company tools, facilities or materials for personal work on company time or property.

PERSONAL MAIL AND PHONE CALLS

You should not receive mail at the plant. Our in-plant mail service is only staffed to handle company correspondence.

Our telephone facilities do not permit handling personal telephone calls, incoming or outgoing. Incoming emergency calls will be received by the company and delivered to you as quickly as possible. In case of an emergency, contact your Group Leader and explain the nature of the emergency.

Pay phones will be provided in centralized areas for your use during break and lunch periods.

LOST AND FOUND PERSONAL PROPERTY

Lost or found personal property should be reported immediately to your Group Leader and to Security. The company will try to return such articles to their owners.

TRAFFIC REGULATIONS

In order to help promote safety and prevent accidents, you are required to observe the traffic signs and special posted speed limit signs. The normal speed limit for vehicles is 15 miles per hour. Emergency vehicles—such as ambulances, fire equipment and so forth have the right-of-way at all times.

Please lock your car. NUMMI is not responsible for loss of or damage to personal property in these areas.

Be considerate of your fellow workers. You must observe all traffic signs and drive carefully. The Security guards who are assigned to traffic control are performing a job for your safety and deserve your respect and cooperation.

PARKING

There is ample parking available so that team members can drive to within walking distance of the facility. This parking is provided by NUMMI free of charge for your convenience and should not be abused. If you park improperly you risk a parking citation and possible discipline. If you park in a fire lane or emergency access your car will be towed away at your expense. Parking will be on a first come, first serve basis. Certain spaces will be reserved for guests.

FOOD SERVICES

Food service is available to all team members for use during the lunch break only. Hot meals, sandwiches, snacks, and beverages are served.

These accommodations are for your convenience and should be used only during meal breaks. In addition, vending machines will be provided in the break areas. The cleanliness of these areas is dependent upon your cooperation in putting trash in provided waste receptacles and returning trays, silverware, and dishes to the proper area.

Safety is the door to all work. Be sure to pass through this door every day.

YOUR NUMMI BENEFITS PROGRAM

You are part of a new and exciting team in the automotive industry. The NUMMI team.

In this new undertaking, you have a key role as an individual team member. The success of the NUMMI team depends on you getting the job done.

To help you do your job effectively, NUMMI equips you with the latest production innovations and techniques in the industry. NUMMI also provides you with financial protection and security while you work. This protection and security comes in the form of benefits.

Benefits enable you to do your job with the peace of mind in knowing you and your family are protected under a variety of circumstances.

PROTECTION FOR TODAY

A number of NUMMI benefits protect you and your family from possible financial hardship in case of illness, disability, death, or unavoidable absence from work. These benefits give you protection for today:

- Medical Plans
- Dental Plans
- Temporary Disability Plan
- Long-term Disability Plan
- Life Insurance Plan

SECURITY FOR THE FUTURE

NUMMI benefits also help you provide future financial security. These benefits help you plan for your retirement and other long-range goals, such as buying a home or paying for your children's education:

- Retirement Plan
- Savings Plan
- Reserve Fund Plan

A TEAM EFFORT

Providing benefit protection and security for you and your family is a shared responsibility between you and the company.

Of course, NUMMI pays the lion's share of the cost of your benefits. Most of your benefit plans are paid for entirely by the company. Some plans require that you share in the cost of benefits.

This way, you and the company team up to provide financial protection and security, just as you both are teaming up to make NUMMI a success.

BENEFIT HIGHLIGHTS

This benefit section of your handbook is a general description of your NUMMI benefit plans. It is designed solely as a guide and an easy reference for your use. Because it is only a summary, it does not cover all of the provisions of the official plan. In the event of an omission or conflict with this handbook, the official plan document will govern.

All provisions of NUMMI benefit plans are subject to Internal Revenue Service approval. If you have a question about your benefits, see your Team Leader or contact the Human Resources Office.

Benefit Plan

When You Become Eligible

Life Insurance Plan	On your first day on the job.
Temporary Disability Plan	First day of the month following three months of service.
Medical Plans	First day of work following three months of service.
Paid Vacation	After six months service if attendance is standard.
Paid Absence Allowance	After six months service if attendance is standard or better.
Savings Plan	First day of the month following six months of service.
Optional and Dependent Life Insurance	First day of the month following six months of service.
Retirement Plan	First day of the month following six months of service.
Dental Plans	First day of the month following six months of service.
Reserve Fund Plan	First day of the month following 12 months of service.
Long-Term Disability Plan	First day of the month following 12 months of service.

It is important for technical people to be able to observe things closely. Use one's own eyes and ears to make direct observations and to perceive fine points that do not always appear in data.

YOUR MEDICAL PLAN

OVERVIEW OF THE PLAN

Medical costs have been rising much faster than prices of other goods and services. NUMMI's Medical Plans buffer you and your family from high medical bills by paying a large part of those bills.

For your first year of medical plan eligibility at NUMMI, you may enroll in one of two qualified Health Maintenance Organizations (HMOs) of your choice. During an annual open enrollment period you can choose coverage from an HMO or from the Comprehensive Medical Plan. No matter what plan you choose, NUMMI will contribute a fixed amount toward your medical coverage premium. NUMMI pays the full cost of the Kaiser-V and Comprehensive Plan premiums.

WHEN YOU ARE ELIGIBLE

If you're a full-time, permanent team member, you become eligible on the first day you are at work following three months' service. Your spouse and unmarried children under age 19 (under age 25 if a full-time student) are also eligible for plan coverage.

NUMMI HEALTH MAINTENANCE ORGANIZATIONS

NUMMI Health Maintenance Organizations are full service health plans.

The two NUMMI-sponsored HMOs are Kaiser Foundation Health Plan (Plan V Coverage) and Lifeguard Health Plan. In both plans, HMO members receive a program of medical services—from prescreening and physical exams to major surgery and hospitalization. Because plan membership is prepaid, nearly all benefits are provided to members at no charge or for a small copayment.

KAISER FOUNDATION HEALTH PLAN

Kaiser is a medical group HMO. The medical group form of an HMO is an arrangement in which a group of physicians offers a coordinated program of health care from a central location. The group of doctors must serve the HMO as its principal professional activity.

LIFEGUARD HEALTH PLAN

Lifeguard Health Plan is an individual practice association HMO. In this form of an HMO, physicians and health professionals, while organized under Lifeguard, continue to practice in their separate offices and are more geographically dispersed around the Fremont area.

BASIC HMO BENEFITS

Both the Kaiser and Lifeguard HMOs offer a basic benefits package that is available to you as needed, with few limitations to time and cost.

PHYSICIAN SERVICES

All basic services provided by physicians are available to you. This includes services of consulting doctors as well as referral services. Some physician-type services may be provided by a non-physician health professional.

INPATIENT AND OUTPATIENT HOSPITAL SERVICES

Inpatient services are provided for as long as you are authorized to be in the hospital.

Outpatient care may be provided at a hospital or in a non-hospital based health care facility. Outpatient services include diagnosis, treatment, and X-ray services. If your doctor prescribes them, short-term rehabilitation services and physical therapy are also available.

PRESCRIPTION DRUGS

The HMO provides all prescribed medications at a cost to you of \$3 per prescription. In most cases, an HMO pharmacy is located at the health care center

EMERGENCY SERVICES

Medically necessary emergency services are available seven days a week, 24 hours a day. In some cases, you may be required to make a copayment. Also, you can receive payment or reimbursement for medically necessary, out-of-area emergency services from providers other than the HMO.

SHORT-TERM MENTAL HEALTH OUTPATIENT CARE

This includes both evaluation and crisis intervention services.

SERVICES FOR ABUSE OF ALCOHOL AND DRUGS

These services include detoxification treatment and referral to both medical and nonmedical services.

PREVENTIVE HEALTH SERVICES

- Periodic health evaluations for adults.
- A broad range of voluntary family planning services.
- Services for infertility.
- Routine care of children following birth.
- Eye and ear examinations through age 17 to determine the need for vision and hearing correction.
- Periodic and adult immunizations.
- Health education.

OTHER SERVICES

HMOs also offer diagnostic laboratory services, diagnostic and therapeutic radiologic services, and home health services.

THE COMPREHENSIVE MEDICAL PLAN

COVERED MEDICAL EXPENSES

The Comprehensive Plan pays for all covered expenses the same way: the plan pays the largest part of expenses and you share in the cost as well.

HOW THE PLAN PAYS BENEFITS

Each year, you pay the first \$125 of any covered charges. This is called the deductible.

Deductibles apply separately to each covered person. However, there is a \$375 limit on what you must pay in deductibles for your family.

After you pay the deductible, the plan pays 80% of covered expenses, you pay 20%. When your annual out-of-pocket expenses for a covered family member total

\$1200, the plan will pay 100% of their remaining covered expenses for that year.

If your doctor prescribes medication for you, the plan pays the cost of your prescriptions over \$3. For each prescribed drug, you pay the first \$3 and the plan pays the additional cost.

USUAL AND CUSTOMARY LIMITS

The plan is not designed to pay medical costs that are above reasonable limits. For any covered expense, the plan's benefits are based on generally accepted fee guidelines for the type of treatment you receive.

*Give full play to your creative inventiveness.
Progress is made only through great effort;
leading people by the hand does not make them
creative.*

YOUR DENTAL PLAN

OVERVIEW OF THE PLANS

Regular, professional dental care is not only essential to good health, but can prevent serious—and costly—problems later on. The NUMMI Dental Plan helps you and your family maintain good dental health by sharing the cost of preventative and remedial dental services. For the first year you're eligible for dental coverage, you'll be covered under the Safeguard Dental Plan. Following one year of eligibility, you can choose coverage under the Safeguard Plan or the NUMMI Dental Plan. No matter which plan you choose, NUMMI pays the cost of your dental coverage.

WHEN YOU ARE ELIGIBLE

If you're a full-time, permanent team member, you become a plan participant on the first day of the month following six months from your date of hire.

SAFEGUARD DENTAL PLAN

Safeguard is a prepaid dental plan. That means that NUMMI pays a monthly premium for you in exchange for a comprehensive range of dental services. You choose a nearby Safeguard dentist and receive full services from that provider. Safeguard has a network of privately-owned, neighborhood dental offices (including specialists) located in Fremont and surrounding areas.

When you are eligible, you enroll in Safeguard dental coverage by choosing a primary dentist from the list of participating Safeguard dentists. Your eligible family members are required to choose the same primary dentist. Your primary dentist provides most dental care and services and coordinates any specialty needs.

Your Safeguard dentist provides treatments such as examinations, X-rays, cleanings, fillings, and simple extractions at no cost to you.

For more complicated procedures, such as root canals, bridges, crowns, dentures, and partials, you must pay an additional fee—or copayment—directly to the dentist. For other types of treatment excluded from benefits under the plan, the dentist provides care on a normal fee-for-service basis.

Good Thinking. Good Products.

YOUR TEMPORARY DISABILITY PLAN

OVERVIEW OF THE PLAN

One of the most serious financial hazards you face is the loss of income due to illness or injury

Besides providing protection through the Medical Plan, NUMMI also gives you two types of protection for non-occupational disabilities—temporary and long-term.

Your temporary disability benefits begin on the eighth day of disability and will continue for a period of up to 26 weeks, depending on your length of service. The amount of your benefit is based on your pay. NUMMI pays the full cost of this coverage.

WHEN YOU ARE ELIGIBLE

If you're a full-time, permanent team member, you become a plan participant on the first day of the month following three months from your date of hire.

HOW THE PLAN PAYS BENEFITS

You are considered disabled under the plan if your physician certifies you are unable to return to work because of an illness or injury. Temporary disability benefits begin on the eighth day you are away from work.

Temporary disability benefits will continue until the earliest of the following occurs:

- You recover.
- 26 weeks.
- The end of a period equal to your length of service prior to your disability.

Benefit Schedule

<u>Your Base Hourly Rate</u>	<u>Your Weekly Benefit</u>
Up to \$6.49	\$145
\$6.50 to \$8.49	\$175
\$8.50 to \$10.49	\$205
\$10.50 to \$12.49	\$250
\$12.50 to \$14.49	\$300
\$14.50 to \$16.49	\$350
\$16.50 and above	Benefits are set according to the same relationship to pay

Your benefit shown in the schedule above includes the amount of any benefit you may receive from a legally-required or government-provided benefit plan (such as State disability benefits or Social Security). It also includes any pay you may be eligible for from NUMMI.

YOUR LONG-TERM DISABILITY PLAN

OVERVIEW OF THE PLAN

Long-Term Disability (LTD) benefits give you an added layer of financial protection in case of a prolonged, serious disability.

LTD benefits begin at the 27th week of disability. The amount of your benefit is based on your pay.

The goal of the plan is to provide income that will help you meet expenses while you are recovering from your disability. The cost of this coverage is entirely company-paid.

WHEN YOU ARE ELIGIBLE

If you're a full-time, permanent team member, you become a plan participant on the first day of the month following 12 months from your date of hire.

HOW THE PLAN PAYS BENEFITS

LTD benefits begin with your 27th week of disability. For you to qualify for benefits, your doctor must certify you are unable to return to your job.

Your benefits will continue until the earliest of the following occurs:

- You recover.
- You reach age 65.
- The end of a period equal to your length of service prior to your disability.

Benefit Schedule

<u>Your Base Hourly Rate</u>	<u>Your Monthly Benefit</u>
Up to \$6.49	\$550
\$6.50 to \$8.49	\$685
\$8.50 to \$10.49	\$825
\$10.50 to \$12.49	\$1,000
\$12.50 to \$14.49	\$1,190
\$14.50 to \$16.49	\$1,380
\$16.50 and above	Benefits are set according to the same relationship to pay

Your benefit shown in the schedule above includes the amount of any benefit you receive from a legally-required or government-provided benefit plan. It also includes any pay you may be eligible for from NUMMI.

YOUR LIFE INSURANCE PLAN

OVERVIEW OF THE PLAN

As a wage earner, you may have others who depend on you financially. Providing for your survivors is an important responsibility—a responsibility that NUMMI shares with you through the Life Insurance Plan.

NUMMI pays the full cost of your basic life insurance coverage. The amount of this basic, company-paid coverage depends on your pay. You or your survivors may also receive benefits from the plan in case of accidental death or dismemberment (AD&D).

Also, you have the option of adding to your basic coverage. You can purchase additional coverage at special rates through convenient, payroll deduction. Optional dependent coverage is also available.

NUMMI also contributes toward your survivor benefit coverage offered through Social Security. These benefits are paid in addition to company-provided benefits.

WHEN YOU ARE ELIGIBLE

If you're a full-time, permanent team member, you are covered by the plan beginning with your first day on the job. You can arrange for additional coverage any time after the first of the month following six months of service (provided you are actively at work).

COMPANY-PAID COVERAGE

In case of your death, the beneficiary you name will receive benefits from the plan according to your level of coverage.

Company-Paid Life Insurance Coverage

<u>Your Base Hourly Rate</u>	<u>Amount of Your Coverage</u>
Up to \$6.49	\$17,000
\$6.50 to \$8.49	\$22,000
\$8.50 to \$10.49	\$27,000
\$10.50 to \$12.49	\$33,000
\$12.50 to \$14.49	\$39,000
\$14.50 to \$16.49	\$45,000
\$16.50 and above	Benefits are set according to the same relationship to pay

ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) COVERAGE

NUMMI also pays the cost of your AD&D coverage. This coverage pays an additional amount equal to your life insurance coverage should you die by accident while on company business. It also pays half the amount of your life insurance coverage for accidental loss of life (non-business related), and loss of limbs, eyesight, speech or hearing.

ADDITIONAL COVERAGE

You can arrange for additional life insurance coverage at special NUMMI group rates. These special rates are subsidized by NUMMI. You can choose either one or two times the amount of your company-paid coverage.

Your payments for this coverage are handled through payroll deduction and are based on a schedule according to age.

DEPENDENT COVERAGE

After six months of service you may purchase dependent life insurance coverage at special NUMMI group rates. You can purchase \$5,000 of coverage for your spouse and \$2,000 of coverage for each child (\$500 for children under 6 months of age).

IF YOU ARE RECEIVING LONG-TERM DISABILITY BENEFITS

NUMMI will continue your company-paid life insurance coverage for as long as you receive LTD benefits. You will also be able to continue additional and dependent coverage for an equal period of time while disabled.

YOUR RETIREMENT PLAN

OVERVIEW OF THE PLAN

NUMMI provides for your retirement by regularly contributing to a retirement account in your name. The amount of NUMMI's contribution is based on your base hourly rate.

While these contributions are in your account, they are invested as you direct—in any of three investment funds. All company contributions and investment earnings are not taxed until benefits are paid to you.

When you receive benefits from the plan, you have a choice of how your benefit is paid to you. In addition to your Retirement Plan benefit, the company also contributes toward your Social Security retirement benefits. Your Social Security benefit is paid in addition to your NUMMI benefits.

WHEN YOU ARE ELIGIBLE

If you're a full-time, permanent team member, you become a plan participant on the first day of the month following six months from your date of hire.

COMPANY CONTRIBUTIONS

Every calendar quarter, NUMMI will make a contribution to your plan account based on your base hourly rate. NUMMI contributes to your account according to the following schedule, up to a maximum of 40 hours per week.

Benefit Schedule

<u>Your Base Hourly Rate</u>	<u>Company Contribution</u>
Up to \$6.49	\$.17
\$6.50 to \$8.49	\$.22
\$8.50 to \$10.49	\$.27
\$10.50 to \$12.49	\$.33
\$12.50 to \$14.49	\$.39
\$14.50 to \$16.49	\$.45
\$16.50 and above	Benefits are set according to the same relationship to pay

For example, if your base hourly rate is \$10 per hour and you work 40 hours per week, your company contribution would be \$10.80 a week or \$561.60 a year.

PLAN INVESTMENT FUNDS

While your company contributions are in your account, they are invested in one or more of the plan's investment funds.

You decide how your contributions are invested. You can choose any or all of the three funds offered by the plan (in increments of 25%).

<u>For example . . .</u>	<u>Your Investment Decision</u>
Money Market Fund	50%
Bond Fund	25%
Stock Fund	<u>25%</u>
	100%

Here's a description of each fund:

- **Money Market Fund** contains short term, "money market instruments" such as U.S. Treasury and Federal agency obligations, and certificates of deposit of major banks.

Since many of these investments are available only in large denominations, this fund enables many smaller investors to take advantage of their combined investment power. The investment earned will vary from month to month in line with short term interest rates.

- **Stock Fund** contains a diversified group of common stocks. This fund's purpose is to gain from the long term growth of the stocks of publicly owned companies. For this reason, the performance of this fund goes up and down with the U.S. stock markets.
- **Bond Fund** consists primarily of U.S. Government bonds, corporate bonds, and similar types of securities, all of which earn interest income. The value of the fund increases when interest rates decline; and decreases when interest rates rise.

You can change your investment decision as often as once each calendar quarter. You must provide 30 days' notice prior to the month the change is to begin.

RECEIVING PLAN BENEFITS

The plan will pay out the full amount of your account at any of the following events:

- **Retirement**—At or after age 65.
- **Early retirement**—As early as age 60 if you have five years' service.
- **Leave NUMMI**—A full payment is due if you have 10 years of service; a partial payment is due after five years of service.
- **Plan Termination**—Should the plan end because of the conclusion of the NUMMI joint venture or for any reason, you'll receive a full payment.
- **Disability**—If you have at least five years of service and become totally and permanently disabled as defined under the Social Security regulations (FICA), you can receive the full value of your account.
- **Death**—Your beneficiary will receive the value of your account.

FORMS OF PAYMENT

- **Monthly Payments.** Your benefits will be paid to you in a monthly check for a period you choose (up to 10 years).
- **Lump Sum.** You can have your entire account balance immediately in cash.

IF YOU LEAVE NUMMI

Over your first ten years with NUMMI, you gradually build up ownership (vesting) in the company contributions and their earnings in your account. Should you leave the company before retirement, you're entitled to the vested portion of your account.

Vesting Schedule

<u>Your Completed Years of Service</u>	<u>Vesting (Percent of ownership in your account)</u>
Beginning	
After 5	50%
6	60%
7	70%
8	80%
9	90%
10 or more	100%

Your account is "portable." That is, if you go to work for another company with a retirement plan, you may be able to transfer your vested account balance to that plan, or to an outside Individual Retirement Account.

If you accept an explanation without question you may have lost the chance to understand. You must learn to say "I don't understand." In effect, this means breaking away from common assumptions.

YOUR SAVINGS PLAN

OVERVIEW OF THE PLAN

The Savings Plan is another way NUMMI rewards your continued contribution to the team as you steadily build a valuable benefit over the years.

The plan offers you an easy, efficient way to put money away for the future—especially for retirement. It gives you an added bonus for saving—when you put your money in the plan, NUMMI contributes to your account too.

Like the Retirement Plan, the Savings Plan enables you to pool your investment power with other NUMMI team members while having the flexibility to choose among a variety of investments. You receive special tax advantages as well—all company contributions and investment earnings are not taxed until you take them out of the plan.

You can use the Savings Plan many different ways— as another source of retirement income, to save for children's education, as a fund for special purchases, or for numerous other reasons.

WHEN YOU ARE ELIGIBLE

If you're a full-time, permanent team member, you can become a plan participant on the first day of the month following six months from your date of hire.

YOUR INDIVIDUAL CONTRIBUTIONS

When you join the plan, your first decision is the amount you wish to contribute. You can contribute up to 12% of your *base hourly rate*. If your base rate changes, so will the dollar amount of your Savings Plan contribution.

You may change—up or down—the percentage of your pay going into the plan as often as once each calendar quarter. Also, you can stop making contributions entirely for a period of time.

COMPANY CONTRIBUTIONS

For up to the first 6% of your pay that you contribute to your account, NUMMI will make a contribution. The amount of this contribution is based on standard on-the-job attendance record and your years of participation in the plan.

Any amount from 7% to 12% of your pay that you save through the plan is *not* eligible for contributions by the company, but it does receive the investment tax advantages of the plan.

Company Contribution Schedule

<u>Your Years of Plan Participation</u>	<u>For each \$1 you contribute, NUMMI will contribute</u>	
	<u>Below Standard Attendance</u>	<u>Standard or Better Attendance</u>
Up to 1	\$.10	\$.20
1 and 2	\$.15	\$.30
3 and 4	\$.20	\$.40
5 and more	\$.20	\$.50

Each month your company contribution is based on your attendance for the previous six months.

Your attendance is considered "standard" if you have not missed work more than six days in the previous six months. Certain approved absences are not counted for this purpose: vacation, days you receive a paid absence allowance, holidays, jury duty, bereavement leave, military leave and union activity leave.

PLAN INVESTMENT FUNDS

Your individual contributions and company contributions are invested in one or more of the plan's investment funds—according to your choice:

- Money Market Fund
- Stock Fund
- Bond Fund

See the description of these funds in the preceding section on the Retirement Plan.

You can choose any or all of the investment funds (in increments of 25%). You can also change your decision once each calendar quarter by providing 30 days' notice prior to the month the change is to begin.

RECEIVING PLAN BENEFITS

You can withdraw all or part of your individual contributions during the quarterly withdrawal period. If you do, you will not be eligible to participate in the plan until six months have passed. Company contributions are not available for withdrawal.

The Savings Plan will pay out the full amount of your account, including all company contributions, at any of the following events:

-
- **Retirement**—At or after age 65.
 - **Early Retirement**—As early as age 60 if you have five years' service.
 - **Leave NUMMI**—A full payment is due if you're fully vested.
 - **Plan Termination**—Should the plan end for any reason, you'll receive a full payment.
 - **Disability**—If you have at least five years of service and become totally and permanently disabled as defined under the Social Security Act, you can receive a full payment.
 - **Death**—Your beneficiary will receive the value of your account.

FORMS OF PAYMENT

- **Monthly Payments.** Your benefit will be paid to you in a monthly check for a period you choose (up to 10 years).
- **Lump Sum.** You can receive your entire account balance immediately in cash.

BORROWING FROM YOUR ACCOUNT

The plan permits you to borrow available funds from your account once every five years. Loans are available only for purposes approved by the Internal Revenue Service for plans such as ours. See the Human Resources Office for details.

IF YOU LEAVE NUMMI

You are always fully vested in the individual contributions you make to the plan. For company contributions, you gradually gain ownership (vesting) in each year's contribution over a five-year period. The year in which

you receive the company contribution, you are immediately vested at 20%.

As each year goes by, your vesting of the original contribution increases to 40%, 60%, 80%, and finally 100% the fifth year after the contribution was made. This cycle repeats for each succeeding year's company contribution you receive.

Company Contribution Vesting Schedule

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Year 1 Contribution	20%	40%	60%	80%	100%
Year 2 Contribution		20%	40%	60%	80%
Year 3 Contribution			20%	40%	60%
Year 4 Contribution				20%	40%
Year 5 Contribution					20%

Although there are advantages in being able to do things with less effort, there is a danger of losing the ability to think. We must remember that in the end it is the individual human being who must solve problems.

YOUR RESERVE FUND PLAN

OVERVIEW OF THE FUND

A major goal of NUMMI is to make every effort to avoid layoffs. We plan to minimize layoffs by emphasizing quality and efficiency in work procedures and by effectively controlling production.

When layoffs are absolutely unavoidable, NUMMI has established a special Reserve Fund to provide you with additional funds. These funds will also be paid to you if you leave the company.

WHEN YOU ARE ELIGIBLE

If you're a full-time, permanent team member, you are eligible on the first day of the month following 12 months of service.

HOW THE PLAN PAYS BENEFITS

Following your evaluation period, for each hour you work up to 40 hours per week, NUMMI contributes 10 cents to a Reserve Fund account in your name. You can draw out up to 70% of your weekly pay from your account. However, the amount you withdraw, when added to any government unemployment benefits, and other forms of unemployment aid, cannot exceed 70% of your weekly base rate plus COLA (after taxes). To withdraw funds from your account, you must take a minimum of \$25 a week.

You can also receive the entire balance of your account should you leave the company. Benefits are not paid as a result of disciplinary action or a work stoppage.

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