

LETTER OF UNDERSTANDING401(k) PROGRAM

On October 23, 2017, the Employer officially notified the Automotive Machinists Pension Trust that it would withdraw from the Pension Plan effective November 30, 2017. Per the Agreement between the parties, the Union was provided the opportunity to propose alternative retirement plan options to the Employer.

The parties had lengthy discussions regarding alternative plans and the various components of each option. After extensive review, it was decided that defined contributions directed to a 401(k) plan would be the best alternative. The Employer agreed to the following:

- Defined Contribution payments will be directed to the IAM National 401(k) Plan. The Plan has full fiduciary and administrative responsibility for the Plan contributions.
- An account will be set-up for each covered employee (Active and Layoff) who has seniority as of December 1, 2017.
- The Employer will make an initial, one-time Employer Contribution of \$15,000.00 into the account of each covered employee (Active and Layoff) who has seniority as of December 1, 2017.
- Starting December 1, 2017, the Employer will contribute \$2.00 per eligible hour paid to the account of each employee with a maximum annual contribution limited to the first 2080 hours per calendar year. Eligible hours paid include regular time, overtime, double-time, holiday, vacation, paid sick leave, military leave, paid bereavement leave, and jury duty.
- Additionally, for those employees who have seniority on or before December 1, 2017, the Employer will contribute an additional \$1.50 per eligible hour paid to the account of each employee with a maximum annual contribution limited to the first 2080 hours per calendar year. Eligible hours paid include regular time, overtime, double-time, holiday, vacation, paid sick leave, military leave, paid bereavement leave, and jury duty. This additional hourly contribution will be effective December 1, 2017 thru December 31, 2020.
- Effective January 1, 2021 the Employer agrees to match employee contributions into the IAM National 401(k) Plan \$1 for \$1 up to a maximum of 1% of employee's base wage. Employees must contribute to the IAM National 401(k) Plan to receive the Employer matching contribution.

| Employee Contribution | Employer Match Contribution |
|-----------------------|-----------------------------|
| 0.5% | 0.5% |
| 1.0% | 1.0% |
| 1.5% | 1.0% |
| 2.0% | 1.0% |
| 2.5% | 1.0% |
| 3.0% | 1.0% |