BENEFIT PLANS

and

AGREEMENTS

•

UAW®

and the

FORD MOTOR COMPANY

•

Volume III

Supplemental Unemployment Benefit Agreement and Plan
Profit Sharing Agreement and Plan
Tax-Efficient Savings Agreement and Plan
UAW-Ford Legal Services Plan

Agreements Dated
November 3, 2007
(Effective November 19, 2007)

Includes Administrative Corrections
NOTE:

This booklet (Volume III) is presented to you so that you may know the terms of certain benefit plans and programs negotiated between the Company and the UAW on November 3, 2007.

Specifically, the following material is presented in the order given:

1. Supplemental Unemployment Benefit Agreement and Plan
2. Profit Sharing Agreement and Plan
3. Tax-Efficient Savings Agreement and Plan
4. UAW-Ford Legal Services Plan

Portions of the Plans and Agreements reproduced here which are new or changed from previous agreements and plans are shown in bold type.

Please note that any gender specific references in the Agreement language shall apply to either sex.

Other agreements and plans reproduced in separate booklets are: Volume I, Collective Bargaining Agreement and Skilled Trades Supplemental Agreement; Volume II, Retirement Agreement and Plan and Insurance Program; and Volume IV, Letters of Understanding.

We hope you will find this booklet helpful.

BOB KING
Vice President and Director
UAW, National Ford Department

MARTIN J. MULLOY
Vice President
Labor Affairs
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AGREEMENT CONCERNING SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

AND
SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

On this 3rd day of November, 2007 at Dearborn, Michigan, Ford Motor Company, a Delaware Corporation, hereinafter designated as the Company, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, an unincorporated voluntary association, hereinafter designated as the Union, agree as follows:

PART A
AGREEMENT CONCERNING SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

Section 1. Continuation and Amendment of the Plan

(a) This Agreement shall become effective on the first Monday immediately following November 19, 2007.

(b) The Supplemental Unemployment Benefit Plan which was attached as Part B to the Agreement Concerning Supplemental Unemployment Benefit Plan between the parties dated September 16, 1996, shall be amended as set forth in Part B, Supplemental Unemployment Benefit Plan, attached hereto, effective as of December 1, 2007 except as otherwise specified in this Agreement and the Plan.

(c) Provision for payment of Benefits and Separation Payments under the Supplemental Unemployment Benefit Plan which was attached as Part B to the 1996 Agreement Concerning Supplemental Unemployment Benefit Plan between the parties dated September 16, 1996 shall continue in full force and effect in accordance with the conditions, provisions, and limitations of such Supplemental Unemployment Benefit Plan, as constituted, for Weeks prior to December 1, 2007.
tion Payments paid or payable (or denied) under the Supplemental Unemployment Benefit Plan for Weeks commencing on or after December 1, 2007 shall reflect amendments to the Supplemental Unemployment Benefit Plan which are provided for in Section 1 of this Agreement and incorporated in Part B hereof. In the event revisions in the Plan are made in accordance with Subsection 5(d) of this Agreement which require adjustments of payments of Benefits and Separation Payments made previously under the Plan incorporated in Part B hereof, such adjustments will be made within a reasonable time. No such adjustments (or payment) will be made in Benefits for Weeks commencing prior to December 1, 2007 or in Separation Payments paid prior to December 1, 2007.

(d) The Company shall maintain the Plan for the duration of this Agreement, except as otherwise provided in, and subject to the terms of, the Plan.

Section 2. Termination of the Plan Prior to Expiration Date

In the event that the Plan shall be terminated in accordance with its terms prior to the expiration date of this Agreement so that the Company’s obligation to contribute to the Plan shall cease entirely, the parties thereupon shall negotiate for a period of sixty (60) days from the date of such termination with respect to the use which shall be made of the money which the Company otherwise would be obligated to contribute under the Plan. If no agreement with respect thereto shall be reached at the end of such period, there shall be a general wage increase in the amount of the basic contribution rate then in effect, but not less than $2.22 per hour to all hourly rated employees then in the Contract Unit, applied in the manner provided in Article IX (Sections captioned “Application of Increases to Spread Rates; Rate Progression Under Merit Increase Agreement”) of the Collective Bargaining Agreement, and effective as of the date of such termination.
Section 3. Obligations During Term of This Agreement

During the term of this Agreement, neither the Company nor the Union shall request any change in, deletion from or addition to the Plan or this Agreement, or be required to bargain with respect to any provision or interpretation of the Plan or this Agreement; and during such period no change in, deletion from or addition to any provision, or interpretation, of the Plan or this Agreement, nor any dispute or difference arising in any negotiations pursuant to Section 2 of this Agreement shall be an objective of, or a reason or cause for, any action or failure to act, including, without limitation, any strike, slowdown, work stoppage, lockout, picketing or other exercise of economic force, or threat thereof, by the Union or the Company.

Section 4. Term of Agreement; Notice to Modify or Terminate

This Agreement and the Plan shall continue in effect until September 14, 2011. They shall be renewed automatically for successive one (1)-year periods thereafter unless either party shall give written notice to the other at least sixty (60) days prior to September 14, 2011 (or any subsequent anniversary date) of its desire to amend or modify this Agreement and the Plan as of one of the dates specified in this Section (it being understood, however, that the foregoing provision for automatic one (1)-year renewal periods shall not be construed as an endorsement by either party of the proposition that one (1) year is a suitable term for such an agreement). If such notice is given, this Agreement and the Plan shall be open to modification or amendment on September 14, 2011, or the subsequent anniversary date, as the case may be. If either party shall desire to terminate this Agreement, it may do so on September 14, 2011, or any subsequent anniversary date by giving written notice to the other party at least sixty (60) days prior to the date involved. Anything herein which might be construed to the contrary notwithstanding, however, it is understood that termination of this Agreement shall not have the effect of automatically terminating the Plan.
SECTION 5 AGREEMENT CONCERNING SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

Any notice under this Agreement shall be in writing and shall be sufficient, if to the Union, if sent by mail addressed to International Union, UAW, 8000 East Jefferson Avenue, Detroit, Michigan 48214, or to such other address as the Union shall furnish to the Company in writing; and if to the Company, to Ford Motor Company, Dearborn, Michigan 48121, or to such other address as the Company shall furnish to the Union in writing.

Section 5. Governmental Rulings

(a) The amendments to the Plan which are provided for in Section 1 of this Agreement and incorporated in Part B hereof and which shall be implemented for Weeks on or after December 1, 2007 shall be subject to subsequent receipt by the Company of rulings satisfactory to the Company, if such rulings are deemed necessary by the Company, from the United States Internal Revenue Service and the United States Department of Labor, holding that such amendments will not have any adverse effect upon the favorable rulings previously received by the Company that: (i) contributions to the Fund established pursuant to the Plan constitute a currently deductible expense under the Internal Revenue Code, (ii) the Fund qualifies for exemption from Federal income tax under Section 501(c) of the Internal Revenue Code, (iii) contributions by the Company to, and Benefits (except Automatic Short Week Benefits) paid out of the Fund are not treated as "wages" for purposes of the Federal Unemployment Tax, the Federal Insurance Contributions Act Tax, or Collection of Income Tax at Source on Wages, under Subtitle C of the Internal Revenue Code (except as Benefits or Separation Payments paid from the Fund are treated as if they were "wages" solely for purposes of Federal income tax withholding as provided in the 1969 Tax Reform Act), and (iv) no part of any such contributions or of any Benefits paid are included for purposes of the Fair Labor Standards Act in the regular rate of any Employee; provided, however, that if the rulings referred to in this Subsection (a) are unfavorable and are unfavorable because of provisions of the
Plan, as amended, regarding Automatic Short Week Benefits, this fact shall not delay the effective date of the other amendments to the Plan.

(b) In the event that any ruling described in Subsection (a) of this Section as to the provisions of the Plan, as amended, regarding Automatic Short Week Benefits is not obtained, or having been obtained shall be revoked or modified so as to be no longer satisfactory to the Company; or in the event that any state, by legislation or by administrative ruling or court decision, in the opinion of the Company: (i) does not permit Supplementation solely because of the provisions of the Plan, as amended, regarding Automatic Short Week Benefits; or (ii) in determining State System “waiting week” credit or benefits for a Week, fails to treat as wages or remuneration, as defined in the law of the applicable State System, the amount of any Automatic Short Week Benefit paid for a Week which has one or more days in common with such State System Week; or (iii) permits an Employee to start a “waiting week” or a benefit week under the law of the State System within a Week for which his Compensated or Available Hours, plus the hours for which an Automatic Short Week Benefit was paid to him, total at least forty (40); then, but in the latter cases only with respect to Employees in such state:

(1) the Supplemental Unemployment Benefit Plan shall be amended to delete such provisions of the Plan which are the subject of such ruling, legislation, or court decision;

(2) Automatic Short Week Benefits which would have been payable in accordance with such deleted provisions of the Plan shall be provided under a separate plan or plans incorporating as closely as possible the same terms as the deleted provisions;

(3) Automatic Short Week Benefits which may become payable under such separate plan or plans shall be paid by the Company.

(c) The Company shall apply promptly to the appropriate agencies for the rulings described in Subsection (a) of this Section.
(d) Notwithstanding any other provision of this Agreement or of the Plan, the Company, with the consent of the National Ford Director of the Union, may, during the term of this Agreement, make revisions in the Plan not inconsistent with the purposes, structure, and basic provisions thereof which shall be necessary to obtain or maintain any of the rulings referred to in Subsection (a) of this Section or in Section 2 of Article VIII of the Plan. Any such revisions shall adhere as closely as possible to the language and intent of the provisions outlined in Part B.

Section 6. Entry Level Employees

Individuals hired on or after September 15, 2007, designated as “Entry Level” employees, as defined in the 2007 UAW-Ford National Agreement, will be eligible for benefits as set forth in the provisions of the Letters of Understanding, UAW-Ford Entry Level Wage & Benefit Agreement, provided in the 2007 National Agreement.
IN WITNESS WHEREOF, this Agreement is executed on behalf of each party by its duly authorized representatives as of the date first appearing above.

FORD MOTOR COMPANY

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<thead>
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<th>Alan R. Mulally</th>
<th>James Brown</th>
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UAW

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ARTICLE I

ELIGIBILITY FOR BENEFITS

Section 1. Eligibility for a Regular Benefit

An Employee shall be eligible for a Regular Benefit for any Week beginning on or after December 1, 2007 if with respect to such Week he:

(a) was on a qualifying layoff, as described in Section 3 of this Article, for all or part of the Week;

(b) received a State System Benefit not currently under protest by the Company or was ineligible for a State System Benefit only for one or more of the following reasons:

(i) he did not have prior to layoff a sufficient period of employment, or sufficient earnings, covered by the State System;

(ii) exhaustion of his State System Benefit rights;

(iii) the period he worked or because his pay (from the Company and from any other employer(s)) for the Week equaled or exceeded the amount which disqualifies him for a State System Benefit or “waiting week” credit; or because he was employed full time by an employer other than the Company;

(iv) he was serving a “waiting week” of layoff under the State System during a period while he had sufficient Seniority to work in the plant but was laid off out of line of Seniority in accordance with the terms of the Collective Bargaining Agreement; provided, that the provisions of this item (iv) shall not be applicable to a layoff under the provisions of Section 16(d) or Section 21 of Article VIII of the Collective Bargaining Agreement;

(v) the Employee was on a qualifying layoff and the week served as a “waiting week” under the State System;
ARTICLE I

ELIGIBILITY FOR BENEFITS

(vi) he refused an offer of work by the Company which he had an option to refuse under an applicable Collective Bargaining Agreement or which he could refuse without disqualification under Section 3(b)(3) of this Article;

(vii) if before the effective date of the 2007 Agreement, he was on layoff because he was unable to do work offered by the Company while able to perform other work in the plant to which he would have been entitled if he had sufficient seniority;

(viii) he failed to claim a State System Benefit if by reason of his pay received or receivable from the Company for the Week such State System Benefit would have amounted to less than $2;

(ix) he was receiving pay for military service with respect to a period following his release from active duty therein; or was on short-term active duty of thirty (30) days or less, for required military training, in a National Guard, Reserve or similar unit, or was on short-term active duty of thirty (30) days or less because he was called to active service in the National Guard, Reserve or similar unit by state or federal authorities in case of public emergency;

(x) he was entitled to benefits for retirement or disability which he received or could have received while working full time;

(xi) because of the circumstances set forth under Section 3(b)(4) of this Article which existed during only part of a week of unemployment under the applicable State System; or

(xii) he was denied a State System Benefit and it is determined that, under the circumstances, it would be contrary to the intent of the Plan to deny him a benefit;

(xiii) he was denied a State System Benefit, and it was determined that he otherwise would have been qualified except that he failed to satisfy the State's claim filing or certification requirements, and is otherwise qualified for a Regular Benefit.
(c) has met any registration and reporting requirements of an employment office of the applicable State System, except that this subparagraph shall not apply to an Employee who was ineligible for a State System Benefit or “waiting week” credit for the Week only because of the reason specified in item (iii) of Subsection (b) of this Section (period of work, amount of pay or full-time employment by an employer other than the Company) or the reason specified in item (viii) of Subsection (b) of this Section (failure to claim a State System Benefit which would have amounted to less than $2) or the reason specified in the second clause of item (ix) of Subsection (b) of this Section (short-term active duty of thirty (30) days or less, for required military training, in a National Guard, Reserve or similar unit, or was on short-term active duty of thirty (30) days or less because he was called to active service in the National Guard, Reserve or similar unit by state or Federal authorities in case of public emergency);

(d) had at least one year of seniority as of his last day worked prior to a qualifying layoff;

(e) did not receive an unemployment benefit under any contract or program of another employer or under any other “SUB” plan of the Company (and was not eligible for such a benefit under a contract or program of another employer with whom he had greater seniority than with the Company);

(f) was not eligible for an Automatic Short Week Benefit;

(g) qualified for a Benefit of at least $2; and

(h) has made a Benefit application in accordance with procedures established by the Company hereunder and, if he was ineligible for a State System Benefit only for the reason set forth in item (ii) of Subsection 1(b) of this Article, is able to work, is available for work, and has not failed (i) to maintain an active registration for work with the state employment service, (ii) to do what a reasonable person would do to obtain work and (iii) to apply for or to accept available suitable work of which he has been notified by the employment service or by the Company.
Section 2. Eligibility for an Automatic Short Week Benefit

(a) An Employee shall be eligible for an Automatic Short Week Benefit for any Week beginning on or after December 1, 2007 if:

(1) during such Week he had less than forty (40) Compensated or Available Hours and
   (i) he performed some work for the Company, or
   (ii) for such Week he received some jury duty pay, bereavement pay or military pay from the Company, or
   (iii) for such Week, he received only holiday pay from the Company and, for the immediately preceding Week, he either received an Automatic Short Week Benefit or had forty (40) or more Compensated or Available hours.

(2) he had at least one year of Seniority as of the last day of such Week (or during some part of such Week he had at least one year of Seniority and broke Seniority by reason of death or of retirement under the provisions of the Retirement Plan established by agreement between the Company and the Union); and

(3) he was on a qualifying layoff, as described in Section 3 of this Article, for some part of such Week or he was ineligible as defined under the Collective Bargaining Agreement for pay from the Company for all or part of a period of jury duty, bereavement or short-term active duty of thirty (30) days or less because he was called to active service in the National Guard, Reserve or similar unit by state or Federal authorities in case of public emergency during the Week and during all or part of such period he would otherwise have been on a qualifying layoff under the Plan.

(b) No application for an Automatic Short Week Benefit shall be required of an Employee. However, if an Employee believes himself entitled to (i) an Automatic Short Week Benefit for a Week which he does not receive on the date when such Benefits for such Week are paid or (ii) an
Automatic Short Week Benefit in an amount greater than he received, he may file written application therefor within sixty (60) calendar days after such date in accordance with procedures established by the Company.

(c) An Automatic Short Week Benefit payable for a Week shall be in lieu of any other Benefit under the Plan for that Week.

Section 3. Conditions With Respect to Layoff

(a) A layoff for purposes of the Plan includes any layoff resulting from a reduction in force or temporary layoff, including a layoff resulting from the discontinuance of a Plant or an operation, and if before the effective date of the 2007 Agreement any layoff occurring or continuing because the Employee was unable to do the work offered by the Company although able to perform other work in the Plant to which he would have been entitled if he had had sufficient Seniority.

(b) An Employee’s layoff for all or part of any Week shall be deemed qualifying for Plan purposes only if:

(1) such layoff was from the Contract Unit;

(2) such layoff was not for disciplinary reasons, and was not a consequence of

(i) any strike, slowdown, work stoppage, picketing (whether or not by Employees), or concerted action, at a Company Plant or Plants, or any dispute of any kind involving Employees, whether at a Company Plant or Plants or elsewhere,

(ii) any fault attributable to the Employee,

(iii) any war or hostile act of a foreign power (but not government regulation or controls connected therewith),

(iv) sabotage (including but not limited to arson) or insurrection,

(v) any Act of God; provided, however, that this Subparagraph (v) shall not apply to any Automatic Short Week Benefit or to the first two (2) consecutive full weeks of layoff for which a
Regular Benefit is payable in any period of layoff resulting from such cause, or

(vi) **act of terrorism**;

(3) with respect to such Week the Employee did not refuse to accept work when recalled pursuant to the Collective Bargaining Agreement, and did not refuse an offer by the Company of other available work, which he had no option to refuse under the provisions of an applicable Collective Bargaining Agreement, at the same Plant or at another Plant in the same labor market area (as defined by the State Employment Security Commission of the state in which the Plant from which he was laid off is located); provided, however, that refusal by skilled Tool and Die, Maintenance and Construction or Power House Employees or apprentices of work other than work in Tool Room Departments, Maintenance Departments and Power House Departments, respectively, shall not result in ineligibility for a benefit;

(4) with respect to such Week the Employee was not eligible for, and was not claiming:

(i) any statutory or Company accident or sickness or any other disability benefit (except a benefit which he received or could have received while working full time, and except a lost time benefit which he received under a Workers’ Compensation law or other law providing benefits for occupational injury or disease, while not totally disabled and while ineligible for an accident and sickness benefit under the Insurance Program), or

(ii) any Company pension or retirement benefit; and

(5) with respect to such Week the Employee was not in military service (other than short-term active duty of thirty (30) days or less, including required military training, in a National Guard, Reserve or similar unit) or on a military leave.

(c) If an Employee is on short-term active duty of thirty (30) days or less, for required military training, in a National
Guard, Reserve or similar unit and is ineligible under the Collective Bargaining Agreement for pay from the Company for all or part of such period solely because he would be on a qualifying layoff but for such active duty, he will be deemed to be on a qualifying layoff, for the determination of eligibility for not more than two Regular Benefits in a calendar year, provided, however, that this two Regular Benefit limitation shall not apply to short-term active duty of thirty (30) days or less because he was called to active service in the National Guard, Reserve or similar unit by state or Federal authorities in case of public emergency.

(d) If an Employee is eligible for a Leveling Week Benefit or is ineligible for a Benefit by reason of Subsection (b)(2) or Subsection (b)(4) of this Section with respect to some but not all of his regular work days in a Week, and is otherwise eligible for a Benefit, he shall be entitled to a reduced Benefit payment as provided in Section 1(b) of Article II.

(e) If an Employee enters the Armed Services of the United States directly from the employ of the Company, he shall while in such service be deemed, for purposes of the Plan, to be on leave of absence and shall not be entitled to any Benefit. This Section shall not affect the payment of Benefits to any Employee referred to in Section 3(c) of Article I.

(f) An Employee who attempts to return to work from medical leave of absence or military leave on or after October 29, 1990 and for whom there is no work available in line with his Seniority and who is placed on layoff status, shall be deemed to have been “at work” on or after October 29, 1990.

(g) If, with respect to a Week, or with respect to any prior Week during the Employee’s same continuous period of layoff from the Company, the Employee willfully misrepresents any material fact in connection with an application by him for Benefits under the Plan, the Employee shall be disqualified for Benefits for all Weeks of layoff thereafter during the same continuous period of layoff from the Company.
Section 4. Disputed Claims for State Systems Benefits

(a) With respect to any Week for which an Employee has applied for a Benefit and for which he:

(1) has been denied a State System Benefit, and the denial is being protested by the Employee through the procedure provided therefor under the State System, or

(2) has received a State System Benefit, payment of which is being protested by the Company through the procedure provided therefor under the State System and such protest has not, upon appeal, been held by the Board to be frivolous,

and the Employee is eligible to receive a Benefit under the Plan except for such denial, or protest, the payment of such Benefit shall be suspended until such dispute shall have been determined.

(b) If the dispute shall be finally determined in favor of the Employee, the Benefit shall be paid to him.

ARTICLE II

AMOUNT OF BENEFITS

Section 1. Regular Benefits

(a) The Regular Benefit payable to an eligible Employee for any Week shall be an amount which, when added to his State Benefit and other compensation, will equal 95% of his Weekly After-Tax Pay, minus $30.00 to take into account work-related expenses not incurred; provided, however, that such benefit shall not exceed $200 for any Week with respect to which the Employee is not receiving State System Benefits because of a reason listed in item (ii) or (vi) of Section 1(b) of Article I and is laid off or continues on layoff by reason of having refused to accept work when recalled pursuant to the Collective Bargaining Agreement or having refused an offer by the Company of other available work at the same Plant or at another Plant in the same labor market area (as defined in Section 3(b)(3) of Article I); except that refusal by
skilled Tool and Die, Maintenance and Construction or Power House Employees or apprentices of work other than work in Tool Room Departments, Maintenance Departments and Power House Departments, respectively, shall not result in the application of the maximum provided for in this Paragraph.

(b) An otherwise eligible Employee entitled to a Benefit reduced because of ineligibility (or eligibility for a Leveling Week Benefit) with respect to part of the Week, as provided in Section 3(d) of Article I (reason for layoff or eligibility for a disability, pension or retirement benefit, for disciplinary reasons or for any of the reasons stated in Section 3(b)(2)(i) of Article I), will receive 1/5 of a Regular Benefit computed under Subsection (a) of this Section for each work day of the Week in which he is otherwise eligible.

Section 2. Automatic Short Week Benefit

(a) The Automatic Short Week Benefit payable to an eligible Employee for any Week beginning on or after December 1, 2007 shall be an amount equal to the product of the number by which forty (40) exceeds his Compensated or Available hours, computed to the nearest tenth of an hour, multiplied by eighty percent (80%) of his Base Hourly Rate (plus eighty percent (80%) of any applicable cost-of-living allowance in effect at the time of computation of the Benefit, but excluding all other premiums and bonuses of any kind).

(b) An Employee, who breaks Seniority during a Week by reason of death or of retirement under the provisions of the Retirement Plan established by agreement between the Company and the Union and is eligible for an Automatic Short Week Benefit with respect to certain hours of layoff during the Week prior to the date his Seniority is broken, will receive an amount computed as provided in Subsection 2(a) of this Section based on the number by which the hours for which the Employee would regularly have been compensated exceeds his Compensated or Available hours with respect to that part of the Week prior to the date his Seniority is broken.
Section 3. State Benefit and Other Compensation

(a) An Employee’s “State Benefit and Other Compensation” for a Week means:

(1) the amount of State System Benefit received or receivable by the Employee for such Week or the estimated amount which the Employee would have received if he had not been ineligible therefore solely because of failure to fully satisfy the State’s claim filing or certification requirements, or because of exhaustion of his State System Benefit rights (or because of insufficient covered employment/earnings prior to layoff), if the Employee had received a State System Benefit for one or more weeks of layoff during the current State System benefit year (or, if no such benefit year is in effect, during the immediately preceding benefit year) for which the Employee did not receive a Regular Benefit. Such estimated amount shall be used in the Regular Benefit calculation for a number of Weeks equal to the number of Weeks for which a State System Benefit was received and for which no Regular Benefit was paid under this Plan or under any other Company SUB plan, during the applicable current, or immediately preceding, State System benefit year; plus

(2) all pay received or receivable by the Employee from the Company (excluding call-in pay for purposes of determining a Regular Benefit only and excluding pay in lieu of vacation), and the amount of any pay which could have been earned, computed, as if payable, for hours made available by the Company but not worked, after reasonable notice has been given to the Employee, for such Week; provided, however, that if the hours made available but not worked are hours which the Employee had an option to refuse under the Collective Bargaining Agreement or which he could refuse without disqualification under Section 3(b)(3) of Article I, such hours shall not be considered as hours made available by the Company; and provided, further, that if wages or
remuneration or any military pay are received or receivable by the Employee from employers other than the Company and are applicable to the same period as hours made available by the Company but not worked, only the greater of (a) such wages or remuneration in excess of the greater of $10 or 20% of such wages or remuneration from other employers, or military pay in excess of $10, or (b) any amount of pay which could have been earned, computed, as if payable, for hours made available by the Company but not worked, shall be included; and provided, further, that all of the pay received or receivable by the Employee for a shift which extends through midnight shall be allocated

(i) to the day on which the shift started if he was on layoff with respect to the corresponding shift on the following day,

(ii) to the day on which the shift ended if he was on layoff with respect to the corresponding shift on the preceding day, or

(iii) according to the pay for the hours worked each day, if he was on layoff with respect to the corresponding shifts on both the preceding and the following days;

and in any such event, the maximum Regular Benefit amount shall be modified to any extent necessary so that the Employee’s Benefit will be increased to offset any reduction in his State System Benefit which may have resulted solely from the State System’s allocation of his earnings for such a shift otherwise than as prescribed in this proviso; plus

(3) all wages or remuneration, as defined under the law of the applicable State System, in excess of the greater of $10 or 20% of such wages or remuneration, received or receivable from other employers for such Week excluding such wages or remuneration which were considered in the calculation under Subsection (a)(2) of this Section; plus

(4) the amount of all military pay in excess of $10 received or receivable for such Week, excluding such
military pay which was considered in the calculation under Subsection (a)(2) of this Section; plus

(5) The weekly equivalent of the monthly retirement benefit and fifty (50) percent of the Social Security old age or disability benefit for eligible employees receiving a retirement benefit from the Company which the Employee is eligible to receive while working full time for the Company.

(b) If the State System Benefit received by an Employee for a state week shall be for less, or more, than a full state week (for reasons other than his receipt of wages or remuneration for such state week):

(1) because he has been disqualified or otherwise deter-

(5) The weekly equivalent of the monthly retirement

(2) because the state week for which the benefit is paid

(3) because of an underpayment or overpayment of a

Section 4. Benefit Overpayments

(a) If the Company or the Board shall determine that any Benefi

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(1) because he has been disqualified or otherwise deter-
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(2) because the state week for which the benefit is paid

(3) because of an underpayment or overpayment of a
(b) If the Employee shall fail to return such amount promptly, the Trustee or Company shall arrange to reimburse the Fund for the amount of overpayment by making a deduction from any future Benefits (not to exceed an amount equal to one-half of any one Benefit, up to a maximum of $100, except that no limit shall apply to the amount of such deductions in cases of fraud or willful misrepresentation) or Separation Payment otherwise payable to such Employee or by requesting the Company to make a deduction from compensation payable by the Company to such Employee (not to exceed $100 from any one paycheck except in cases of fraud or willful misrepresentation), or both. The Company is authorized to make such deduction from the Employee’s compensation and may pay the amount deducted to the Trustee.

(c) If the Company determines that an Employee has received an Automatic Short Week Benefit for any Week for which he has received a State System Benefit, the amount of such Automatic Short Week Benefit, or a portion of such Benefit equivalent to the State System Benefit, whichever is less, shall be treated as an overpayment and deducted in accordance with this Section from future Benefits or compensation payable by the Company.

(d) The Company may adjust for any overpayments or underpayments in the amount of an Automatic Short Week Benefit at the same time as related adjustments are made with respect to any wages for the same Workweek. Such Automatic Short Week Benefit adjustments shall be shown on the paycheck stub or other equivalent record given to the Employee. Such paycheck stub or equivalent record shall constitute a determination which may be appealed as provided in Section 3 of Article V.

Section 5. Withholding Tax

The Trustee or the Company shall deduct from the amount of any Benefit (or Separation Payment) as computed under the Plan any amount required to be withheld by the Trustee or the Company by reason of
any law or regulation, for payment of taxes or otherwise to any federal, state or municipal government. In determining the amount of any applicable tax entailing personal exemptions, the Trustee or the Company shall be entitled to rely on the official form filed by the Employee with the Company for purposes of income tax withholding on regular wages.

Section 6. Deduction of Union Dues
The Trustee or the Company, upon authorization from an Employee, and during any period while there is in effect an agreement between the Company and the Union concerning the maintaining of the Plan, shall deduct monthly Union dues from Regular Benefits paid under the Plan and pay such sums directly to the Union in his/her behalf.

ARTICLE III
DURATION OF BENEFITS

Section 1. Volume Related Layoffs
An Employee, with one or more years of Seniority, at work on or after November 19, 2007 will be granted full job security from volume declines, with the exception of up to forty-eight (48) weeks of qualifying layoff during the term of this Agreement.

Section 2. Non-Volume Related Layoffs
An Employee, with one or more years of Seniority, at work on or after November 19, 2007 and placed on a qualifying, non-volume related layoff thereafter will be eligible for Benefits for the duration of such layoff subject to the provisions of Article I of this Plan.

Section 3. Limitation of Duration of Benefits
If it appears that total expenditures under this Plan will exceed the SUB Maximum Financial Liability Cap during the term of this Agreement, the parties may take appropriate action to reduce the rate of expenditure and extend Benefit duration.
ARTICLE IV

SEPARATION PAYMENT

Section 1. Eligibility

An Employee shall be eligible for a Separation Payment if:

(a) he has been on a layoff from the Contract Unit for a continuous period of at least twelve (12) months (or any shorter period determined by the Company) and such layoff was not the result of any of the circumstances or conditions set forth in Section 3(b)(2) of Article I, provided, however, that an Employee shall be deemed to have been on layoff from the Company for a continuous period if, while on layoff, he accepts an offer of work by the Company and subsequently is laid off again within not more than ten (10) work days from the date he was reinstated;

(b) he was actively at work on or after September 1, 1958 but became totally and permanently disabled on or after such date and does not have the requisite years of credited service for a "disability retirement benefit" under Section 3 of Article IV of the Retirement Plan established by agreement between the Company and the Union and said disability has been found to be total and permanent by the local industrial relations activity (the Plant physician in conjunction with the hourly employment supervisor) at the Company Plant or Plants where the applicant has Seniority; provided, however, that any difference of opinion between the Plant physician and the Employee's personal physician concerning whether the Employee is totally and permanently disabled shall be resolved in accordance with the procedure prescribed in the Topic "Referral-Difference of Opinion Between Personal and Plant Physician" which is included in the Company Medical Guide. An Employee shall be deemed to be totally and permanently disabled only if it is found (i) that he is totally disabled by bodily injury or disease so as to be prevented thereby from engaging in any regular occupation or employment with the Company at the Plant or Plants where he has Seniority and (ii) that
such disability will be permanent and continuous during the remainder of his life; provided, however, that no Employee shall be deemed to be totally and permanently disabled if his incapacity resulted from service in the armed forces of any country except that on or after October 25, 1967, nothing herein shall prevent an Employee from being deemed so disabled under the Plan if he has accumulated at least ten (10) years of Seniority after separation from service in the armed forces and before such incapacity occurs; or

(c) he has had a combination of such lay-off period and disability period which combined period is continuous through the date on which application for a Separation Payment is received by the Company; and in addition to (a), (b) or (c) above;

(d) he had one or more years of Seniority on the last day on which he was on the Active Employment Rolls and such Seniority has not been broken on or prior to the earliest date on which he can make application;

(e) he has not refused an offer of work pursuant to any of the conditions set forth in Section 3(b)(3) of Article I on or after the last day he worked in the Contract Unit and prior to the earliest date on which he can make application; and

(f) he has made application for a Separation Payment within twenty-four (24) months (thirty-six (36) months in the case of an Employee who has ten (10) or more years of Seniority) from the commencement of his layoff or disability period, except that an Employee who meets the requirements of Subsection 1(b) of this Section may make such application on or before the 30th day following the last month for which he was eligible to receive an Extended Disability Benefit under Section 13 of the Group Life and Disability Insurance part of the Insurance Program; provided, however, that in the case of layoff no application may be made prior to the completion of twelve (12) continuous months of layoff from the Company (or any shorter period determined by the Company).
Section 2. Payment

(a) A Separation Payment shall be payable in a lump sum.

(b) Determination of Amount

(1) Except as provided in Paragraphs (2) and (3) of this Subsection (b), the Separation Payment of an Employee shall be an amount determined by multiplying

(i) the Employee’s Base Hourly Rate (plus any applicable cost-of-living allowance in effect on the last day he worked in the Contract Unit but excluding all other premiums and bonuses of any kind) by

(ii) the applicable number of hours’ pay as shown in the following table:

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<tr>
<th>Years of Seniority on Last Day on the Active Employment Rolls</th>
<th>Number of Hours Pay</th>
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<td>1 but less than 2</td>
<td>50</td>
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<tr>
<td>2 but less than 3</td>
<td>70</td>
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24 but less than 25 ..................... 1,455
25 but less than 26 ..................... 1,560
26 but less than 27 ..................... 1,665
27 but less than 28 ..................... 1,770
28 but less than 29 ..................... 1,875
29 but less than 30 ..................... 1,980
30 and over .......................... 2,080

The amount of Separation Payment so computed shall be reduced by the amount of any Benefits paid or payable to an Employee with respect to a Week occurring after the last day he worked in the Contract Unit.

(2) The amount of a Separation Payment computed under this Subsection (b) shall also be reduced by:

(i) the amount of any payment, financed in whole or in part by the Company, received or receivable on or after the last day the Employee worked in the Contract Unit, with respect to any layoff or separation from the Company (other than a Benefit, a State System Benefit or a benefit payable under the Federal Social Security Act);

(ii) the amount of any Moving Allowance payable under Article IX of the Collective Bargaining Agreement; and

(iii) any amount required to be withheld by the Trustee or the Company by reason of any law or regulation, for payment of taxes or otherwise, to any Federal, state or municipal government.

(3) If an applicant has been paid a prior Separation Payment and thereafter was reemployed by the Company within three (3) years from the last day he worked in the Contract Unit:

(i) years of Seniority for purposes of determining the amount of his current Separation Payment shall mean the sum of the years of Seniority used to determine the amount of his prior Separation Payment and the number of years of Seniority acquired by him after he was rehired, and

(ii) there shall be subtracted, from the number of hours' pay based on his years of Seniority deter-
mined as provided in (i) above, the number of hours' pay used to calculate his prior Separation Payment.

Section 3. Effect of Separation Payment on Seniority

An Employee who is issued and accepts a Separation Payment (A) agrees that such Payment is a lump sum payment allocable to an inactive period ("Allocation Period") during which no other pay or benefits or rights of employment shall apply, (B) shall cease to be an Employee and the Employee’s Seniority shall be deemed to have been broken as of the date the Employee’s application for such Separation Payment was received by the Company ("Termination Date") for all purposes, (C) shall not be eligible to receive a special early retirement under any Company retirement plan, (D) shall not be permitted to retire under any Company retirement plan during the Allocation Period following the Termination Date, and (E) cannot grow-in to retirement if ineligible as of the break in Seniority (but without prejudice to any right to a deferred vested benefit). An Employee’s Allocation Period in weeks shall equal the Employee’s Separation Payment divided by one-half the unreduced Regular Benefit the Employee received, or would have received, for the current period of layoff.

An Employee eligible for an immediate pension benefit under the Ford-UAW Retirement Plan, at the time of his/her break in service (due to receipt of a SUB Separation Payment), shall upon completion of the Allocation Period and application for a pension benefit under the Ford-UAW Retirement Plan become eligible for post retirement health care and life insurance on the same basis as other retirees. For purposes of applying the terms of the Ford-UAW Retirement Plan, such Employees shall not be treated as deferred vested by reason of their receipt of a SUB Separation Payment.
Section 4. Overpayments
If the Company or the Board determines, after issuance of a Separation Payment, that the Separation Payment should not have been issued or should have been issued in a lesser amount, written notice thereof shall be mailed to the former Employee and he shall return the amount of the overpayment to the Trustee.

Section 5. Repayment
If a former Employee is re-employed by the Company after he has received a Separation Payment, no repayment (except as provided in Section 4 of this Article) by him of such Separation Payment shall be required or allowed and no Seniority cancelled in connection with such Separation Payment shall be reinstated except for the specific purpose provided in Section 2(b)(3) of this Article.

Section 6. Notice of Application Time Limits
The Company shall provide written notice of the time limit for filing a Separation Payment application to all persons who may be eligible for such payment. Such notice shall be mailed to the person’s last known address according to the Company’s records not later than thirty (30) days prior to both the earliest and the latest dates as of which he may apply pursuant to the provisions of Section 1(f) of this Article.

Section 7. Armed Services
An Employee who enters the Armed Services of the United States directly from the employ of the Company shall, while in such service, be deemed for the purposes of the Plan to be on leave of absence and shall not be entitled to any Separation Payment.
SECTION 1. APPLICATIONS

(a) Filing of Applications
An application for a Benefit or for a Separation Payment may be filed, either in person or by mail, in accordance with procedures established by the Company. No application for a Benefit shall be accepted unless it is submitted to the Company within sixty (60) calendar days after the end of the Week with respect to which it is made; provided, however, that if the amount of the Employee’s State System Benefit is adjusted retroactively with the effect of establishing a basis for eligibility for a Benefit or for a Benefit in a greater amount than that previously paid, he may apply within sixty (60) calendar days after the date on which such basis for eligibility is established.

(b) Application Information
Applications filed for a Benefit or a Separation Payment under the Plan shall include:

(1) in writing, any information deemed relevant by the Company with respect to other benefits received, earnings and the source and amount thereof, Dependents and such other information as the Company may require in order to determine whether the Employee is eligible to be paid a Benefit or Separation Payment and the amount thereof; and

(2) with respect to a Regular Benefit, the exhibition of the Employee’s State System Benefit check or other evidence satisfactory to the Company of either

(i) his receipt of or entitlement to a State System Benefit or

(ii) his ineligibility for a State System Benefit only for one or more of the reasons specified in Section 1(b) of Article I; provided, however, that
ARTICLE V APPLICATION, DETERMINATION OF ELIGIBILITY AND APPEAL PROCEDURES FOR BENEFITS AND SEPARATION PAYMENTS

in the case of State System Benefit ineligibility by reason of the period worked in the Week, pay received from the Company or from any other employer(s), or because of full time employment with an employer other than the Company (item (iii) of Section 1(b) of Article I), State System evidence for such reason of ineligibility shall not be required.

State System Benefits shall be presumed to have been received by the Employee on the date of the check as set forth on the check or on the satisfactory evidence referred to in the preceding Paragraph.

Section 2. Determination of Eligibility

(a) Application Processing by Company

When an application is filed for a Benefit or Separation Payment under the Plan, and the Company is furnished with the evidence and information required, the Company shall determine the Employee's entitlement to such Benefit or Separation Payment.

(b) Notification to Trustee to Pay

If the Company determines that a Benefit, other than an Automatic Short Week Benefit, or Separation Payment is payable from the Fund, it shall deliver prompt written notice thereof to the Trustee to pay such Benefit or Separation Payment.

(c) Notice of Denial of Benefits or Separation Payment

If the Company determines that an Employee is not entitled to a Benefit or to a Separation Payment, it shall notify him promptly, in writing, of such determination, including the reasons therefor.

(d) Union Copies of Applications and Determinations

The Company shall furnish promptly to the Union members of the Local Committee copies of all applications for Separation Payments and all Company determinations of Benefit or Separation Payment ineligibility or overpayment.
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Section 3. Appeals

(a) Applicability of Appeals Procedure

(1) The appeals procedure set forth in this Section may be employed only for the purposes specified in this Section.

(2) No question involving the interpretation or application of the Plan shall be subject to the Grievance Procedure provided for in the Collective Bargaining Agreement.

(b) Procedure for Appeals

(1) First Stage Appeals

(i) An Employee may appeal from the Company’s written determination (other than determinations made in connection with Section 1(b)(xii) of Article I) with respect to the payment or denial of a Benefit or a Separation Payment by filing a written appeal with the Local Committee on a form provided for that purpose.

   If there is no Local Committee at any Plant because of a discontinuance of such Plant, the appeal may be filed directly with the Board. Appeals concerning determinations made in connection with Section 1(b)(xii) of Article I shall be made directly to the Board.

(ii) Such written appeals shall be filed with the designated Company representative within thirty (30) days following the date of mailing of the determination appealed. With respect to appeals that are mailed, the date of filing shall be the postmarked date of the appeal. No appeal shall be valid after such thirty (30) day period.

(iii) The Local Committee shall advise the Employee, in writing, of its resolution of or failure to resolve his appeal. If the appeal is not resolved within ten (10) days after the date thereof (or such extended period as may be agreed upon by the Local Committee), the Employee or any two (2) members of the Local Committee, at the request of the Employee, may refer the matter to the Board for disposition.
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(2) Appeals to the Board of Administration

(i) An appeal to the Board shall be considered filed with the Board when filed with the designated Company representative with respect to the Plant at which the First Stage appeal was considered by the Local Committee.

(ii) Appeals shall be in writing, shall specify the respects in which the Plan is claimed to have been violated, and shall set forth the facts relied upon as justifying a reversal or modification of the determination appealed from.

(iii) Appeals by the Local Committee to the Board with respect to Benefits or Separation Payments shall be made within twenty (20) days following the date the appeal is first considered at a meeting of the Local Committee, plus such extension of time as the Local Committee shall have agreed upon. Appeals by the Employee to the Board with respect to Benefits or Separation Payments shall be made within thirty (30) days following the date notice of the Local Committee’s decision is given or mailed to the Employee. With respect to appeals that are mailed, the date of filing shall be the postmarked date of the appeal.

(iv) The handling and disposition of each appeal to the Board shall be in accordance with regulations and procedures established by the Board. Such regulations and procedures shall provide that in situations where a number of Employees have filed applications for Benefits or Separation Payments under substantially identical conditions, an appeal may be made from the Local Committee to the Board with respect to one of such Employees, and the decision of the Board thereof shall apply to all such Employees.

(v) The Employee, the Local Committee or the Union members of the Board may withdraw any appeal to the Board at any time before it is decided by the Board.
ARTICLE V  APPLICATION, DETERMINATION OF ELIGIBILITY AND APPEAL PROCEDURES FOR BENEFITS AND SEPARATION PAYMENTS

(vi) There shall be no appeal from the Board’s decision. It shall be final and binding upon the Union, its members, the Employee or former Employee, the Trustee, and the Company. The Union shall discourage any attempt of its members to appeal, and shall not encourage or cooperate with any of its members in any appeal, to any Court or Labor Board from a decision of the Board, nor shall the Union or its members by any other means attempt to bring about the settlement of any claim or issue on which the Board is empowered to rule hereunder.

(vii) The Local Committee shall be advised, in writing, by the Board of the disposition of any appeal previously considered by the Local Committee and referred to the Board. A copy of such disposition shall be forwarded to the Employee.

(c) Benefits Payable After Appeal

In the event that an appeal with respect to entitlement to a Benefit is decided in favor of an Employee, the Benefit shall be paid to him.

(d) Meaning of Term Employee With Respect to Appeal Provisions

With respect to the appeal provisions set forth under this Section 3 only, the term Employee shall include any person who received or was denied the Benefit or Separation Payment in dispute.
ARTICLE VI
ADMINISTRATION OF THE PLAN

Section 1. Powers and Authority of the Company

(a) Company Powers

The Company shall have such powers and authority as are necessary and appropriate in order to carry out its duties under the Plan, including, without limitation, the power:

(1) to obtain such information as it shall deem necessary in order to carry out its duties under the Plan;

(2) to investigate the correctness and validity of information furnished with respect to an application for a Benefit or Separation Payment;

(3) to make initial determinations with respect to Benefits or Separation Payments;

(4) to establish reasonable rules, regulations and procedures concerning
   (i) the manner in which and the times and places at which applications shall be filed for Benefits or Separation Payments, and
   (ii) the form, content and substantiation of applications for Benefits and Separation Payments.

In establishing such rules, regulations and procedures, the Company shall give due consideration to recommendations from the Board;

(5) to designate an office or department at each Plant, or in the alternative, a location in the general area of such Plant, where Employees laid off from such Plant may appear for the purpose of complying with the requirements of the Plan (it being understood that a single location may be established to serve a group of Plants within a single area);

(6) to establish appropriate procedures for giving notices required to be given under the Plan;

(7) to establish and maintain necessary records; and
(8) to prepare and distribute information explaining the Plan.

(b) **Company Authority**

Nothing contained in the Plan shall be deemed to qualify, limit, or alter in any manner the Company's sole and complete authority and discretion to establish, regulate, determine, or modify at any time levels of employment, hours of work, the extent of hiring and layoff, production schedules, manufacturing methods, the products and parts thereof to be manufactured, where and when work shall be done, marketing of its products, or any other matter related to the conduct of its business or the manner in which its business is to be managed or carried on, in the same manner and to the same extent as if the Plan were not in existence; nor shall it be deemed to confer either upon the Union or the Board any voice in such matters.

(c) **Named Fiduciary and Allocation of Responsibilities**

Pursuant to ERISA, the Company shall be the sole named fiduciary with respect to the Plan and, except as otherwise stated with respect to the powers and authority of the Board of Administration in Section 2 of this Article VI, below, shall have authority to control and manage the operation and administration of the Plan.

The Board of Directors shall have the authority on behalf of the Company to determine major funding policy under the Plan, to appoint and remove trustees under the Plan, to approve policies relating to the allocation of contributions and the distribution of assets among trustees, and to approve Plan amendments except that the Vice President-General Counsel and Secretary, Vice President-Human Resources and Vice Chairman and Chief Financial Officer are designated to approve Plan additions, deletions and modifications on behalf of the Company to the extent deemed necessary or appropriate under ERISA or the Internal Revenue Code.

The Vice Chairman and Chief Financial Officer shall be authorized on behalf of the Company to carry out a funding policy and method with respect to the Plan, to contract with the trustees under the Plan and to deter-
mine the form and terms of the trust agreements to be entered into with such trustees and to allocate contributions and distribute assets among trustees, and shall have authority to designate other persons to carry out specific responsibilities in connection therewith provided, however, that such actions shall be consistent with ERISA, the policy of the Board of Directors and the Plan.

Except as otherwise provided in this Subsection or elsewhere in the Plan, the Vice President-Human Resources and the Vice Chairman and Chief Financial Officer are designated to carry out the Company’s responsibilities with respect to the Plan. The Vice President-Human Resources and the Vice Chairman and Chief Financial Officer may allocate responsibilities between themselves and may designate other persons to carry out specific responsibilities on behalf of the Company.

In the event of a change in a designated officer’s title, the officer or officers with functional responsibility for the Plan shall have the authority to the extent described in this subsection.

Any Company director, officer or employee who shall have been expressly designated pursuant to the Plan to carry out specific Company responsibilities shall be acting on behalf of the Company. Any person or group of persons may serve in more than one capacity with respect to the Plan and may employ one or more persons to render advice with regard to any responsibility such director, officer or employee has under the Plan.

Section 2. Board of Administration of the Plan

(a) Composition and Procedure

(1) There shall be established a Board of Administration of the Plan consisting of six (6) members, three (3) of whom shall be appointed by the Company (hereinafter referred to as the Company members) and three (3) of whom shall be appointed by the Union (hereinafter referred to as the Union members). Each member of the Board shall have an alternate appointed in the same way. In the event a member is
absent from a meeting of the Board, such member's alternate may attend, and, when in attendance, shall exercise the powers and perform the duties of such member. Either the Company or the Union at any time may remove a member appointed by it and may appoint a member to fill any vacancy among the members appointed by it. The Company and the Union each shall notify the other in writing of the members and alternates respectively appointed by it before any such appointment shall be effective.

(2) The members of the Board shall appoint an Impartial Chairperson, who shall serve until requested in writing to resign by three (3) members of the Board. In the event that the members of the Board are unable to agree upon such Chairperson, the Umpire under the Collective Bargaining Agreement shall make the appointment; provided, however, that the Company and Union members may, by agreement, request such Umpire to serve as the Impartial Chairperson of the Board.

The Impartial Chairperson shall be considered a member of the Board, and shall vote only in matters within the Board's authority to determine where the other members of the Board shall have been unable to dispose of a matter by majority vote, except that the Impartial Chairperson shall have no vote concerning determinations made in connection with Section 1(b)(xi) of Article I.

(3) At least two (2) Union members and two (2) Company members shall be required to be present at any meeting of the Board in order to constitute a quorum for the transaction of business. At all meetings of the Board the Company members shall have a total of three (3) votes and the Union members shall have a total of three (3) votes, the vote of any absent member being divided equally between the members present appointed by the same party. Decisions of the Board shall be by a majority of the votes cast.

(4) Neither the Board nor any Local Committee established pursuant to Subsection (b) of this Section shall maintain any separate office or staff, but the
Company and the Union shall be responsible for furnishing such clerical and other assistance as its respective members of the Board and the Local Committees shall require. Copies of all appeals, reports and other documents to be filed with the Board pursuant to the Plan shall be filed in duplicate, one (1) copy to be sent to the Company members at the address designated by them and the other to be sent to the Union members at the address designated by them.

(b) Powers and Authority of the Board

(1) It shall be the function of the Board to exercise ultimate responsibility for determining whether an Employee is eligible for a Benefit or Separation Payment under the terms of the Plan, and, if so, the amount of such Benefit or Separation Payment. The Board shall be presumed conclusively to have approved any initial determination by the Company unless the determination is appealed as prescribed in Section 3(b) of Article V.

(2) The Board shall be empowered and authorized and shall have jurisdiction:

(i) to hear and determine appeals by Employees pursuant to Article V;

(ii) to obtain such information as the Board shall deem necessary in order to determine such appeals;

(iii) to prescribe the form and content of appeals to the Board and such detailed procedures as may be necessary with respect to the filing of such appeals;

(iv) to direct the Company to pay Automatic Short Week Benefits or to notify the Trustee to make payments of other Benefits or Separation Payments pursuant to determination made by the Local Committee or by the Board;

(v) to prepare and distribute, on behalf of the Board, information explaining the Plan;
(vi) to rule upon disputes as to whether any Short Workweek resulted from an Act of God as defined in Article IX, Definition (43); and

(vii) to perform such other duties as are expressly conferred upon it by the Plan.

(3) In ruling upon appeals, the Board shall have no authority to waive, vary, qualify, or alter in any manner the eligibility requirements set forth in the Plan, the procedure for applying for Benefits or Separation Payments as provided therein, or any other provision of the Plan; and shall have no jurisdiction other than to determine, on the basis of the facts presented and in accordance with the provisions of the Plan,

(i) whether the first stage appeal and the appeal to the Board were made within the time and in the manner specified in Section 3(b) of Article V,

(ii) whether the Employee is an eligible Employee with respect to the Benefit or Separation Payment claimed and, if so,

(iii) the amount of any Benefit or Separation Payment payable, and

(iv) whether a protest of an Employee’s State System Benefit by the Company is frivolous.

(4) The Board shall have no jurisdiction to act upon any appeal not made within the time and in the manner specified in Section 3(b) of Article V.

(5) The Board shall have no power to determine questions arising under the Collective Bargaining Agreement, even though relevant to the issues before the Board. All such questions shall be determined through the regular procedures provided therefor by the Collective Bargaining Agreement, and all determinations made pursuant to such Agreement shall be accepted by the Board.

(6) Nothing in this Article shall be deemed to give the Board the power to prescribe in any manner internal procedures or operations of either the Company or the Union.
(7) The Board shall provide for a Local Committee at each Plant of the Company to handle appeals from determinations as provided in Section 3(b)(1) of Article V except determinations made in connection with Section 1(b)(xii) of Article I. The Local Committee shall be composed of two (2) members or their alternates designated by Company members of the Board and two (2) members or their alternates designated by Union members of the Board. Either the Company or Union members of the Board may remove a Local Committee member appointed by them and fill any vacancy among the Local Committee members appointed by them.

(8) The Board shall have full power and authority to administer the Plan and to interpret its provisions. Any decision or interpretation of the provisions of the Plan shall be final and binding upon the Company, the Union, the Employees and any other claimants under the Plan, and shall be given full force and effect, subject only to an arbitrary and capricious standard of review.

Section 3. Determination of Dependents

In determining an Employee’s dependents for purposes of Regular Benefit determinations, the Company (and the Board) shall be entitled to rely upon the official form filed by the Employee with the Company for income tax withholding purposes; and the Employee shall have the burden of establishing separately with respect to each of his benefit years under the State System that he is entitled to a greater number of withholding exemptions than he shall have claimed on such form.

Section 4. To Whom Benefits and Separation Payments Are Payable in Certain Conditions

Benefits and Separation Payments shall be payable hereunder only to the Employee who is eligible therefor, except that if the Board shall find that such an Employee is deceased or is unable to manage his affairs for any reason, any such Benefit or Separation Payment payable
to him shall be paid to his duly appointed legal representative, if there be one, and if not, to the spouse, parents, children or other relatives or dependents of such Employee as the Board in its discretion may determine. Any Benefit or Separation Payment so paid shall be a complete discharge of any liability with respect to such Benefit or Separation Payment. In the case of death, no Benefit shall be payable with respect to any period following the last day of layoff immediately preceding the Employee's death.

Section 5. Nonalienation of Benefits and Separation Payments

No Regular Benefit, Leveling Week Benefit, Alternate Benefit or Separation Payment shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution, or encumbrance of any kind other than an Assignment and Authorization for Check-Off of Membership Dues, and any attempt to accomplish the same shall be void. In the event that the Board shall find that such an attempt has been made with respect to any such Benefit or Separation Payment due or to become due to any Employee, the Board in its sole discretion may terminate the interest of such Employee in such Benefit or Separation Payment and apply the amount of such Benefit or Separation Payment to or for the benefit of such Employee, his spouse, parents, children or other relatives or dependents as the Board may determine, and any such application shall be a complete discharge of all liability with respect to such Benefit or Separation Payment.

Section 6. Applicable Law

The Plan and all rights and duties thereunder shall be governed, construed and administered in accordance with the laws of the State of Michigan, except that the eligibility of a person for, and the amount and duration of, State System Benefits shall be determined in accordance with the state laws of the applicable State System.
ARTICLE VII

FINANCIAL PROVISIONS AND REPORTS

Section 1. Establishment of Fund

The Company shall establish, in accordance with the Plan, a Fund with a qualified bank or banks or a qualified trust company or companies selected by the Company as Trustee. The Company’s contributions shall be made into the Fund, the assets of which shall be held, invested and applied by the Trustee, all in accordance with the Plan. Automatic Short Week Benefits shall be payable by the Company. All other Benefits and Separation Payments shall be payable only from the Fund. The Company may provide in the trust agreement that the assets of the Fund may be held in cash or invested only in:

(i) general obligations of the United States Government and obligations of any agency or instrumentality of the United States Government or of any United States Government sponsored private corporation, or obligations of any other organization which are backed by the full faith and credit of, or are contractual obligations of the United States; and/or

(ii) prime quality short-term obligations such as commercial paper, bankers acceptances, certificates of deposit, or similar investments, and/or

(iii) a common, collective or commingled investment fund consisting of any combination of the investments under (i) and (ii) above; irrespective of the rate of return, or the absence of any return, thereon, and without any absolute or relative limit upon the amount that may be invested in any one or more types of investment. The Trustee shall not be liable for the making or retaining of any such investment or for realized or unrealized loss thereon whether for normal or abnormal economic conditions or otherwise.

Notwithstanding anything in this Plan to the contrary, beginning on or after October 1, 2007, the Company may pay any Benefits and Separation Payments directly from Company assets.
Section 2. Company Contributions

(a) General
As of December 1, all Company contribution provisions and requirements under the 1987, 1990, 1993, 1996, 1999, and 2003 Plans shall cease and no further contributions as previously required shall be placed into the Fund. The Fund balance or Company funds shall be used to pay Regular Benefits and Separation Payments due and payable under this 2007 Plan.

(b) Fund Level and Required Contributions
The Company will make periodic weekly contributions to the Fund to maintain the Fund or provide Company funds at a level sufficient to pay the Regular Benefits and Separation Payments then due and payable.

(c) Combined JSP/SUB Maximum Financial Liability Cap
Any amounts determined under Section 2(b) above (excluding any Separation Payments), plus the amount of all Automatic Short Week Benefits and payments under the Letter Agreements attached to this Plan paid by the Company (excluding any VTEP payments), plus amounts chargeable under the JSP Program, are subject to, and limited by, in the aggregate, the Combined JSP/SUB Maximum Financial Liability Cap of $1.862 billion as applicable to the SUB Plan, plus any additional amount (not to exceed $200 million) generated by the formula under Section 3 (d) of this Article VII. If the SUB Maximum Financial Liability Cap, as adjusted by any amount shifted between the JSP and SUB accounts, and including any additional amount generated by the formula (which cannot exceed $200 million) under Section 3 (d) of this Article VII, is exhausted during the term of this Agreement, the provisions of the 1987 SUB Plan will be reactivated.

(d) If the Company at any time shall be required to withhold any amount from any contribution to the Fund on behalf of Regular Benefits by reason of any federal, state or local law or regulation, the Company shall have the right to charge such amount against the amount of the Combined JSP/SUB Maximum Financial Liability Cap as defined under subsection (c) above.
Section 3. Liability

(a) The provisions of these Articles I through IX, together with the provisions of any Alternate Benefit plans established and maintained pursuant to the Plan, constitute the entire Plan. The provisions of this Article VII express, and shall be deemed to express, completely each and every obligation of the Company with respect to the financing of the Plan and providing for Benefits and Separation Payments. The Company shall not be obligated to make up, or to provide for making up, any depreciation, or loss arising from depreciation, in the value of the securities held in the Fund; and the Union shall not call upon the Company to make up, or to provide for making up, any such depreciation or loss.

(b) The Board, the Company, the Trustee, and the Union, and each of them, shall not be liable because of any act or failure to act on the part of any of the others, and each is authorized to rely upon the correctness of any information furnished to it by an authorized representative of any of the others.

(c) Notwithstanding the above provisions, nothing in this Section shall be deemed to relieve any person from liability for willful misconduct or fraud or from responsibility or liability for any obligation or duty under ERISA.

(d) The Company’s total financial liability for the cost of the Plan, including Company contributions to the Fund for the payment of Regular Benefits (including amounts owed to the Company or trustees of other Company plans or programs, as applicable, which were offset against Regular Benefits), Automatic Short Week Benefits and payments under the Letter Agreements attached to this Plan paid by the Company, shall be limited to the amount of the SUB Maximum Financial Liability Cap. Such Cap shall be established at $918 million on the effective date of the Agreement. If and when that amount is spent, the Company’s total remaining financial liability during the term of the Agreement shall be equal to the greater of (a) the average monthly expenditure up to that point in the Agreement or (b) the average monthly expenditure for the 12 full months immediately following the effective date of the Agreement.
prior thereto, times the lesser of (a) the number of months, and fraction thereof, remaining until expiration of the Agreement, or (b) 12. Notwithstanding the foregoing, the Company’s total remaining financial liability after such calculation shall not exceed $200 million, except as modified by the provisions of the letter dated November 3, 2007 regarding “Exhaustion of SUB Cap”.

The parties will monitor the Fund on a regular basis and if it appears that the Combined JSP/SUB Maximum Financial Liability Cap, as related to the SUB Plan, will be reached before the end of the Agreement, the parties, by mutual agreement, will have the prerogative to shift funds from JSP to SUB or SUB to JSP and/or to reduce the amount or duration of SUB to provide for an equitable means for distribution of the Company’s remaining obligation.

**Section 4. No Vested Interest**

No person shall have any right, title or interest in or to any of the assets of the Fund or in or to any Company contribution thereto.

**Section 5. Company Reports**

(a) Not later than the third Tuesday following the first Monday of each month the Company shall furnish a statement to the Union showing:

(1) The amount of contributions the Company shall have made to the Fund, if applicable, in accordance with Section 2(a), (b), (c), and (d) of this Article VII.

(2) Benefits and Separation Payments Paid

(i) Leveling Week Benefits.

(ii) The number and amount of Regular Benefits paid during each week of the preceding month to Employees who were on volume related layoffs.

(iii) The number and amount of Regular Benefits paid during each week of the preceding month to Employees who were on non-volume related layoffs.

(iv) The number and amount of Separation Payments during each week of the preceding month.
(3) Automatic Short Week Benefits Paid by Company
The number and amount of Scheduled and Unscheduled Automatic Short Week Benefits, if any, paid by the Company during each week of the preceding month.

(4) Average Employment Levels
The number of employees on the active employment rolls receiving pay and the number of persons not on the active employment rolls and laid off from work with SUB entitlements shown separately by permanent and temporary layoffs, for the most recently available fifty-two (52) consecutive weeks through the end of the preceding month, and the total number of employees for each week.

(b) The Company or the Trustee shall furnish annually to each Employee who received Benefits or a Separation Payment, or both, during the year a statement showing the total amount received and any amount of tax withheld therefrom.

(c) On or before April 30 of each year, the Company shall furnish to the Union a statement showing the number of Employees receiving Regular Benefits during the preceding year, distributed according to the number of such Benefits received.

(d) On or before April 30 of each year, the Company shall furnish to the Union a statement showing the average State System Benefit received by Employees for Weeks with respect to which they received Regular Benefits paid without reduction for Other Compensation as defined in Section 3(a) of Article II during the preceding year.

(e) The Company will comply with reasonable requests by the Union for other statistical information on the operation of the Plan which the Company may have compiled.

Section 6. Costs of Administering the Plan
(a) Expenses of Trustee
The costs and expenses incurred by the Trustee under the Plan, and the fees charged by the Trustee, shall be charged to the Fund.
(b) **Expenses of the Board of Administration**
The compensation of the Chairperson of the Board, which shall be in such amount and on such basis as may be determined by the other members of the Board, shall be shared equally by the Company and the Union. The Company members and the Union members of the Board and of Local Committees shall serve without compensation from the Fund. Reasonable and necessary expenses of the Board for forms and stationery required in connection with the handling of appeals shall be borne by the Company.

(c) **Cost of Services**
The Company shall be reimbursed each year from the Fund for the cost to the Company of bank fees and auditing fees for services performed in connection with the Plan and the Fund.

**Section 7. Benefit and Separation Payment**

**Drafts Not Presented**
If the Trustee has segregated any portion of the Fund in connection with any determination that a Benefit or Separation Payment is payable under the Plan and the amount of such Benefit or Separation Payment is not claimed within a period of two (2) years from the date of such determination, such amount shall revert to the Fund.

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**ARTICLE VIII**

**MISCELLANEOUS**

**Section 1. Purpose of Plan and Status of Employees Receiving Benefits and Separation Payments**

(a) **Purpose of Plan**
It is the purpose of the Plan in respect of payment of Regular Benefits and Separation Payments to supplement State System Benefits and not to replace or duplicate them.
(b) Status of Employees Receiving Benefits and Separation Payments

Neither the Company’s contributions nor any Regular Benefit or Separation Payment paid under the Plan shall be considered a part of an Employee’s wages for any purpose (except as Separation Payments, paid under Article IV, Section 1(a), and Regular Benefits are treated as if they were “wages” solely for purposes of Federal income tax withholding). No Employee who receives any Regular Benefit or Separation Payment shall for that reason be deemed an Employee of the Company during such period, and he shall not thereby accrue any greater right to participate in, accrue credits or receive Benefits under any other employee benefit plan to which the Company contributes than he would if he were not receiving such Regular Benefit or Separation Payment.

Section 2. Effect of Revocation of Federal Rulings

In the event that any rulings or determination letters which have been or may be obtained by the Company holding

(a) that contributions to the Fund shall constitute currently deductible expenses and that the Fund shall be exempt from income taxes under the Internal Revenue Code, or under any other applicable Federal income tax law, or

(b) that no part of any such contributions or of any Benefits paid shall be included for purposes of the Fair Labor Standards Act in the regular rate of any Employee, shall be revoked or modified in such manner as no longer to be satisfactory to the Company, all obligations of the Company under the Plan shall cease and the Plan shall thereupon terminate and be of no further effect (without in any way affecting the validity or operation of the Collective Bargaining Agreement), except for the purposes of disposing of the assets of the Fund as set forth in Section 4(b) of this Article.

Section 3. Alternate Benefits

With respect to any state in which Supplementation is not permitted, the parties shall endeavor to negotiate an
agreement establishing a plan for Alternate Benefits not inconsistent with the purposes of the Plan. Any agreement so reached shall not apply to Employees in such states who are ineligible to receive State System Benefits for any of the reasons stated in Section 1(b) of Article I of the Plan. Such Employees, if otherwise eligible, may apply for and receive a Regular Benefit under the Plan. Automatic Short Week Benefits will be payable to eligible Employees in such state.

Section 4. Amendment and Termination of the Plan

(a) So long as the Agreement Concerning Supplemental Unemployment Benefit Plan shall remain in effect, the Plan shall not be amended, modified, suspended, or terminated, except as may be proper or permissible under the terms of the Plan or such Agreement. Upon the termination of such Agreement, the Company shall have the right to continue the Plan in effect and to modify, amend, suspend, or terminate the Plan, except as may be otherwise provided in any subsequent agreement between the Company and the Union.

(b) Upon any termination of the Plan, the Plan shall terminate in all respects except that the assets then remaining in the Fund shall be used to pay expenses of administration and to pay Benefits to eligible Employees for a period of one (1) year following termination, if not sooner exhausted. At the expiration of such 1 year period, the parties shall endeavor to negotiate a program for the orderly disposition of any remaining assets of the Fund for employee benefits not inconsistent with the purposes of the Plan.

Section 5. Cancellation of Credit Units Upon Transfer of Fund Assets

If the Company and the Union agree to transfer to a successor employer’s supplemental unemployment benefits plan assets and liabilities attributable to Employees transferred to the successor employer, any Credit Units under the Plan attributable to the transferred Employee shall be cancelled as of the effective date of the asset transfer.
Thereafter, such Employee shall not be entitled to receive any Benefits or Separation Payments under the Plan. Each such person who subsequently becomes employed by the Company shall be entitled to count for purposes of Credit Units under the Plan only his/her service with the Company from and after the date he/she becomes reemployed. If a transferred Employee has a right to return to the Company pursuant to an agreement between the Company and the Union which provides for transfer to the Company of Credit Units and related SUB assets, the Credit Units attributable to the Employee in the successor employer’s plan on the date immediately preceding the Employee’s rehire shall be credited to the Employee’s Credit Unit account in the 1987 SUB Plan provided that the successor employer transfers to the Fund the assets and liabilities attributable to such Credit Units.

ARTICLE IX
DEFINITIONS

As used herein:
(1) “Active Employment Rolls” shall have the same meaning as it has under the Retirement Plan established by agreement between the Company and the Union;
(1A) “Advance Credit Account” means the amount provided under the 1987 SUB Plan;
(2) “Alternate Benefit” means a Benefit payable under a plan established pursuant to Section 3 of Article VIII (See definition of “Benefit”);
(3) “Automatic Short Week Benefit” means the Benefit payable under Section 2 of Article II (See definition of “Benefit”);
(4) “Base Hourly Rate” (exclusive of cost-of-living allowance) means:
   (a) with respect to a Regular Benefit or Separation Payment, the straight-time hourly rate of an Employee on his last day of work in the Contract Unit; except that
   (i) if he was paid at a higher straight-time hourly rate by the Company while in the Contract Unit
and within ninety (90) calendar days immediately preceding his last day worked, Base Hourly Rate shall be such higher rate; or

(ii) if he worked under an incentive plan in at least four (4) Pay Periods in the Contract Unit within ninety (90) calendar days immediately preceding his last day worked, Base Hourly Rate shall be the Employee's average earned hourly rate for the last four (4) Pay Periods in which he worked in the Contract Unit and for which he had any incentive earnings or, if higher, the Employee's average earned hourly rate for the first four (4) Pay Periods in which he worked in the Contract Unit and for which he had any incentive earnings subsequent to the 90th calendar day immediately preceding his last day worked; provided, however, that if it is established that during the 90-calendar-day period the Employee worked in less than four (4) Pay Periods but during each such Pay Period worked he worked on incentive work, the Employee's Base Hourly Rate shall be his average earned hourly rate for such Pay Periods.

Such average earned hourly rate shall be computed by dividing the total straight-time hourly earnings (excluding all premiums and bonuses of any kind) for all hours worked during the applicable Pay Periods by the total number of straight-time hours worked during such Pay Periods.

(b) with respect to an Automatic Short Week Benefit, the highest straight-time hourly rate paid the Employee while in the Contract Unit and during the Pay Period in which the Short Workweek occurs or, in the case of an Employee who worked under an incentive plan at any time during the Pay Period in which the Short Workweek occurs, the average earned hourly rate (computed as provided in the preceding paragraph) for his last Pay Period worked in the Contract Unit immediately preceding the week in which the Short Workweek occurs.
(c) with respect to a Regular Benefit or Automatic Short Week Benefit, the Base Hourly Rate as determined in Subsection (a) or (b) above shall be adjusted to reflect the amount of the improvement factor increase, if any, which became effective (pursuant to the Collective Bargaining Agreement) after the day or period (or during the period) used to establish his Base Hourly Rate. In such event, the amount of improvement factor increase shall be the amount applicable to the job classification in which the Employee worked either on the day, or the last day of the period, whichever is applicable, for which his Base Hourly Rate was determined under Subsection (a) or (b) above. The adjusted Base Hourly Rate shall be effective with respect to Benefits which may be payable for and subsequent to the Week in which such improvement factor increase became or becomes effective;

(5) “Benefit” means an Alternate Benefit, an Automatic Short Week Benefit, a Leveling Week Benefit, a Regular Benefit or any two (2) or more as indicated by the context:

(a) “Alternate Benefit” means the Benefit payable to an eligible Employee in certain circumstances in a state which does not permit Supplementation;

(b) “Automatic Short Week Benefit” means the Benefit payable to an eligible Employee for a Short Workweek;

(c) “Leveling Week Benefit” means the Regular Benefit payable to an eligible Employee because, with respect to the Week, he was serving a State System “waiting week” during a period while he had sufficient Seniority to work in the plant but was laid off out of line of Seniority in accordance with the terms of the Collective Bargaining Agreement (but not including a layoff under the provisions of Section 16(d) or Section 21 of Article VIII of the Collective Bargaining Agreement);

(d) “Regular Benefit” means the Benefit payable to an eligible Employee for a Week of layoff in which he performed no work for the Company and received no
jury duty pay, bereavement pay or military pay from the Company, or for which he received holiday pay from the Company if he was not eligible for an Automatic Short Week Benefit for such Week;

(6) “Board” means the Board of Administration under the Plan;

(7) “Break in Seniority” means break in or loss of Seniority pursuant to the Collective Bargaining Agreement;

(8) “Collective Bargaining Agreement” means the collective bargaining agreement between the Company and the Union which is in effect at the particular time;

(9) “Combined JSP/SUB Maximum Financial Liability Cap” means the amount available for JSP and SUB Benefits as described under Article VII, Section 2(c);

(10) “Company” means Ford Motor Company and AAI Employee Services Company, L. L. C. effective March 24, 1997;

(11) “Compensated or Available Hours” shall include:

(a) all hours for which an Employee receives pay from the Company with each hour paid at premium rates to be counted as one (1) hour (excluding pay in lieu of vacation and overtime hours, if before a layoff of an employee during a Week, notice of intent, which shall include without limitation either notice of the overtime schedule which would be applicable to the Employee or an offer of work to the Employee, had not been given to Employees by the Company);

(b) all hours scheduled or made available by the Company but not worked by the Employee, after reasonable notice has been given to the Employee (including any period on leave of absence); provided, however, if the hours made available but not worked were:

(i) straight-time hours, which the Employee had an option to refuse under the Collective Bargaining Agreement or which he could refuse without disqualification under 3(b)(3) of Article I, or

(ii) overtime hours which the Employee was prohibited from working due to written restrictions
concerning the number of hours that the Employee could work on a given day or in a given Week, imposed by the Employee’s personal physician and concurred in by the Plant Physician such hours are not to be considered as hours made available by the Company;

(c) all hours not worked by the Employee because of any of the reasons disqualifying an Employee from receiving a Benefit under Section 3(b)(2) of Article I;

(d) all hours not worked by the Employee which are in accordance with a written agreement between the local management and the local union or which are attributable to absenteeism of other employees; and

(e) with respect to a Part Time Employee, or an Employee on a three (3)-shift operation on which eight (8) hour shifts of work are not scheduled, or an Employee on any shift of work on which less than forty (40) hours of work per Week are regularly scheduled, the number of hours by which the number of hours for which such Employee is regularly compensated during a Workweek are less than forty (40);

(12) “Contract Unit” means the unit of Employees covered at the particular time by the Collective Bargaining Agreement;

(13) “Covered Employee” means an Employee in a state in which the provisions of the Plan relating to Benefits are in effect;

(14) “Dependent” means a spouse or a person qualifying for exemption as a dependent under the Internal Revenue Code;

(15) “Employee” means an hourly rated Employee in the Contract Unit;

(16) “Effective Date” means November 19, 2007;

(17) “Fund” means a trust fund established under the Plan to receive and invest Company contributions and to pay Benefits and Separation Payments;

(18) “Guaranteed Benefit Account” means the amount provided under the 1987 SUB Plan;
(19) “Insurance Program” means the insurance program referred to in Section 27 of Article IX of the Collective Bargaining Agreement;

(20) “Local Committee” means the Committee established by the Board with respect to each Plant to handle Employee appeals from Company determinations;

(21) “Plan” means the amended Supplemental Unemployment Benefit Plan as set forth in this Part B;

(22) “Part Time Employee” means an hourly rated Employee in the Contract Unit, excluding Employees on three (3)-shift operations on which eight (8) hour shifts of work are not scheduled, who, on a regular and continuing basis, performs jobs having definitely established working hours, but the complete performance of which requires fewer hours of work than the regular Workweek, provided that the services of such Employee are normally available for at least half of the employing unit’s regular Workweek;

(23) “Plant” shall be deemed to include any manufacturing or assembly plant, works, parts depot, or other Company activity at which there are Employees;

(24) “Regular Benefit” means a weekly benefit payable under Section 1 of Article II (See definition of “Benefit”);

(25) “Scheduled Short Workweek” and “Unscheduled Short Workweek” mean:

1. A Scheduled Short Workweek with respect to an Employee is a Short Workweek which management schedules in order to reduce the production of the Plant, department or other unit in which the Employee works to a level below the level at which the production of such Plant, department or unit would be for the Week were it not a Short Workweek, but only where such reduction of production is for the purpose of adjusting production to customer demand.

2. An Unscheduled Short Workweek with respect to an Employee is any Short Workweek:

(i) which is not a Scheduled Short Workweek as defined in Paragraph (1) of this Subsection;
(ii) in which an Employee returns to work from layoff to replace a separated or absent Employee (including an Employee failing to respond or tardy in responding to recall), or returns to work, after a full Week of layoff, in connection with an increase in production, but only to the extent that the Short Workweek is attributable to such cause; or

(iii) in which an Employee last works at the beginning of, or in which he first works at the end of, a model change period as defined under Article VIII, Section 21(a) of the Collective Bargaining Agreement.

(3) For any Short Workweek which includes both Scheduled and Unscheduled Short Workweek circumstances with respect to an Employee;

(i) the number of hours by which forty (40) exceeds the Compensated or Available Hours shall be deemed to be hours for which a Benefit for a Scheduled Short Workweek is paid to the extent that such hours do not exceed the hours not worked for reasons set forth in Paragraph (1) of this subsection; and

(ii) any remaining hours shall be deemed to be hours for which a Benefit is paid for an Unscheduled Short Workweek.

(26) “Seniority” means seniority status under the Collective Bargaining Agreement;

(27) “Separation Payment” means a lump sum amount payable to an eligible Employee by reason of qualified layoff and certain separations from the Company;

(28) “Short Workweek” means a Workweek during which an Employee has less than forty (40) Compensated or Available Hours and (a) during which he performs some work for the Company or (b) for which he receives some jury duty pay, bereavement pay or military pay from the Company, or (c) for which he receives only holiday pay from the Company and, for the immediately preceding Workweek, he either received an Automatic Short Week Benefit or had forty (40) or more Compensated or Available Hours;
(29) "State Benefit and Other Compensation" means a State System Benefit and other compensation or benefits for unemployment as defined in Section 3 of Article II;

(30) "State System" means any system or program established pursuant to any state or federal law for paying benefits to persons on account of their unemployment under which an individual's eligibility for benefit payments is not determined by application of a "means" or "disability" test. State System also includes:
(a) any such system or program established by law to supplement, replace or extend the benefits available under any state or federal laws for paying benefits to persons on account of their unemployment (such as the Trade Readjustment Allowances provided under the Federal Trade Expansion Act of 1962, as amended, and the Trade Act of 1974), or
(b) any such system or program established for the primary purpose of education or vocational training where such programs may provide for training allowances;

(31) "State System Benefit" means a benefit payable under a State System, including any dependency allowances and training allowances but excluding any allowances for transportation, subsistence, equipment or other cost of training and excluding any “back-to-work” payment for a week made, in addition to the regular State System Benefit otherwise payable for such week, to an applicant who has been on layoff for a prescribed number of weeks and returns to full-time work within a prescribed period, and also shall mean a lost time benefit which an Employee received under a Workers' Compensation law or other law providing benefits for occupational injury or disease, while not totally disabled and while ineligible for an accident and sickness benefit under the Insurance Program. If an Employee receives a Workers' Compensation benefit while working full-time and a higher Workers' Compensation benefit while on layoff from the Company, only the amount by which the Workers’ Compensation benefit is increased shall be included;
(32) “Supplementation” means recognition of the right of a person to receive both a State System Benefit and a Regular Benefit under the Plan for the same week of layoff at approximately the same time and without reduction of the State System Benefit because of the payment of a Regular Benefit under the Plan;

(33) “Trustee” means the trustee or trustees of the Fund established under the Plan;

(34) “Union” means International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW;

(35) “Unscheduled Short Workweek” means a Short Workweek as described in Definition 25 above;

(36) “Week” when used in connection with eligibility for and computation of Benefits with respect to an Employee means:

(a) a period of layoff equivalent to a Workweek, or

(b) a Workweek for which the total pay received or receivable by a Covered Employee from the Company (excluding payments in lieu of vacation) and any amount of pay which could have been earned, computed as if payable, for hours made available by the Company but not worked (excluding, however, hours not worked which the Employee had an option to refuse under the Collective Bargaining Agreement or could refuse without disqualification under Section 3(b)(3) of Article I), is less than 95% of his Weekly After-Tax Pay, minus $30.00 to take into account work-related expenses not incurred; or

(c) a Short Workweek.

“Week of layoff” shall include any such Week; provided, however, that if there is a difference between the starting time of a Workweek and of a Week under an applicable State System, the Workweek shall be paired with the Week under the State System which corresponds most closely thereto in time; and provided, further, that if an Employee is ineligible for a State System Benefit because of any of the reasons set forth in Section 1(b) of Article I (excluding the reasons under items (iii) and (iv) thereof) for the entire continuous
period of layoff, the Week under the State System shall be deemed to be the same as the Workweek. If an Employee becomes ineligible for a State System Benefit because of any of the aforementioned reasons during a continuous period of layoff the Week under the State System shall continue to mean, for the duration of the layoff period during which he so remains ineligible for a State System Benefit, the seven (7) day period for which a State System Benefit was last paid to the Employee during such continuous period of layoff. Each Week within a continuous period of layoff does not constitute a new or separate layoff. Notwithstanding the foregoing provisions of this definition, if an Employee is ineligible for a State System Benefit because of the reason set forth in item (iii) of Section 1(b) of Article I, the Week under the State System shall mean the seven (7) day period which would have been used by the State System if the Employee had applied for a State System Benefit on the first day of partial or full layoff in the Workweek and had been eligible otherwise for such State System Benefit;

(37)“Weekly Straight-Time Pay” means an amount equal to an Employee’s Base Hourly Rate (plus any applicable cost-of-living allowance in effect at the time of computation of the Regular Benefit, but excluding all other premiums and bonuses of any kind) multiplied by forty (40); provided, however, that for a Part Time Employee such Base Hourly Rate (plus any applicable hourly cost-of-living allowance in effect at the time of computation of the Regular Benefit, but excluding all other premiums and bonuses of any kind) shall be multiplied by the number of hours such Employee is regularly scheduled to work during a Workweek;

(38)“Weekly After-Tax Pay” means the amount of an Employee’s Weekly Straight-Time Pay reduced by the sum of all federal, state and municipal taxes and contributions which would be required to be collected, deducted, or withheld by the Company from a regular weekly wage of such amount if paid to him for the last Pay Period he worked in the Contract Unit;
(39) “Workweek” or “Pay Period” means a period commencing with the No. 1 shift Monday and ending 168 hours thereafter;
(40) “ERISA” means the Employee Retirement Income Security Act of 1974 as amended;
(41) The “Board of Directors” means the Board of Directors of Ford Motor Company; and
(42) “Internal Revenue Code” or “Code” means the Internal Revenue Code of 1986, as amended; and
(43) The term “Act of God” means an occurrence or circumstance directly affecting a Company Plant or Plants which results from natural causes exclusively and is in no sense attributable to human negligence, influence, intervention or control; the result solely of natural causes and not of human acts.
On this 3rd day of November, 2007 at Dearborn, Michigan, Ford Motor Company, a Delaware corporation, hereinafter referred to as the Company, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, an unincorporated voluntary association, hereinafter referred to as the Union, agree as follows:

PART A

AGREEMENT CONCERNING
PROFIT SHARING PLAN
AND
FORD MOTOR COMPANY
PROFIT SHARING PLAN
FOR HOURLY EMPLOYEES
IN THE UNITED STATES

Section 1. Establishment of Plan

Subject to receipt by the Company of a ruling or determination, satisfactory to the Company, from the United States Department of Labor, if such ruling is deemed necessary by the Company, holding that no part of any payments under the Plan are included for purposes of the Fair Labor Standards Act in the regular rate of any Employee, the Company will establish an amended Profit Sharing Plan for Hourly Employees in the United States (herein referred to as the Plan), a copy of which is attached as Part B hereof. In the event that the Company deems such a ruling by the Department of Labor to be necessary and such ruling satisfactory to the Company is not obtained, the Company within five (5) working days after such disapproval, will give written notice thereof to the Union, and the Company, with the consent of the Director of the National Ford Department of the Union, may, during the term of this Agreement, make revisions in the Plan not inconsistent with the purposes, structure and basic provisions thereof which shall be necessary to obtain or maintain such ruling. Any such revision shall adhere as closely as possible to the
language and intent of the provisions in Part B hereof. In the event of any conflict between the provisions of the Plan and the provisions of this Agreement, the provisions of this Agreement will supersede the provisions of the Plan to the extent necessary to eliminate such conflict.

Section 2. Obligations During Term of This Agreement

During the term of this Agreement, neither the Company nor the Union shall request any change in, deletion from or addition to the Plan or this Agreement, or be required to bargain with respect to any provision or interpretation of the Plan or this Agreement; and during such period no change in, deletion from or addition to any provision, or interpretation, of the Plan or this Agreement, nor any dispute or difference arising in considering any revision under Section 1 of this Agreement, shall be an objective of, or a reason or cause for, any action or failure to act, including, without limitation, any strike, slowdown, work stoppage, lockout, picketing or other exercise of economic force, or threat thereof, by the Union or the Company.

Section 3. Nonapplicability of Collective Bargaining Agreement Grievance Procedure

No matter respecting the Plan as supplemented by this Agreement or any difference arising thereunder shall be subject to the Grievance Procedure established in the Collective Bargaining Agreement between the Company and the Union.

Section 4. Resolution of Disputes

Any disagreement between the Company and the Union over the interpretation of any of the terms of this Agreement or the Plan (including any disagreement concerning the corporate entities to be taken into account in calculating “Sales” and “Profits” under the Plan, but not a disagreement over the dollar amount of sales, profits or losses certified for such entities by the independent public accountants) may be submitted to a mutually acceptable impartial person for resolution at
The request of either party. In the event the parties are unable to agree upon a mutually acceptable impartial person, the Umpire under the Collective Bargaining Agreement shall make the appointment. The impartial person selected hereunder shall have no power to determine questions arising under the Collective Bargaining Agreement. Any effect of the impartial person's decision shall be limited to profit sharing amounts allocated or distributed during the year the decision is made and subsequent plan years. There shall be no appeal from the impartial person's decision; it shall be final and binding upon the Union, its members, the participants and the Company. The compensation of the impartial person, which shall be in such amount and on such basis as may be determined by the Company and Union, shall be shared equally by the Company and Union.

Section 5. Effective Dates and Duration
The Plan as amended will become effective January 1, 2008, except as otherwise provided therein, and this Agreement and the Plan will continue in effect until the termination of the Collective Bargaining Agreement dated November 3, 2007, between the Company and the Union. Except as otherwise provided in such Plan the Agreement dated September 15, 2003 and the Plan incorporated therein shall remain in effect until December 31, 2007 and shall govern distributions in 2008 based on any profits in 2007. Notwithstanding termination of this Agreement and the Plan, any Total Profit Share that otherwise would accrue for Plan Year 2011 will be allocated, distributed and administered in accordance with the provisions of the Plan.

Section 6. Notice
1. Any notice under this Agreement shall be in writing and shall be sufficient, if sent by mail addressed, if to the Union, to International Union, UAW, 8000 East Jefferson Avenue, Detroit, Michigan 48214, or to such other address as the Union shall furnish to the Company in writing, and if to the Company, to Ford Motor Company, Dearborn, Michigan 48121, Attention: Group Vice President, Human Resources and
Labor Affairs, or to such other address as the Company shall furnish to the Union, in writing.

2. In the event of a change in a Company designated officer’s title, the officer or officers with the functional responsibility for the Plan shall have the authority to the extent described in this Section.
IN WITNESS WHEREOF, this Agreement has been executed on behalf of each party by its duly authorized representatives as of the date first appearing above.

FORD MOTOR COMPANY

William Clay Ford, Jr.  
Alan R. Mulally  
Mark Fields  
Joe W. Laymon  
Martin J. Mulloy  
Joe Hinrichs  
William P. Dirksen  
Livio Mezza  
Keith A. Kleinsmith  
Jack L. Halverson  
Ken Macfarlane  
Ken Williams  
Anu C. Goel  
Elizabeth A. Peacock

Jim Larese  
James E. Brown  
Richard J. Krolkowski  
Ted A. Stawikowski  
Greg M. Stone  
Gregory M. Aquinto  
Richard D. Freeman  
Stephen M. Kulp

UAW

International Union  
Ron Gettelfinger  
Bob King  
Wendy Fields-Jacobs  
Garry Mason  
Dave Curson  
Chuck Browning  
Joseph Carter  
Dan Brooks  
Joe Gafa

National Ford Council  
Joel Goddard, Subcouncil #6  
Mike Abell, Subcouncil #2  
Jeff Washington, Subcouncil #2  
Bernie Ricke, Subcouncil #1  
Davine El-Amin Wilson, Subcouncil #1  
Dave Berry, Subcouncil #2  
Chris Crump, Subcouncil #3  
Chris Visconi, Subcouncil #3  
Charlie Gangarossa, Subcouncil #4  
Tim Levandusky, Subcouncil #4  
Jeff Terry, Subcouncil #5  
Johnny Verellen, Subcouncil #5  
Jodey Dunn, Subcouncil #6  
Dave Rogers, Subcouncil #7
The purpose of this Plan is to make provision for profit sharing distributions by the Company to eligible hourly employees, thus affording them a means of participating in the growth and success of the Company resulting from improved productivity and operating competitiveness as well as providing new sources of income for such employees.

I. Definitions

As used in this Plan:

1. “Affiliate” shall mean, for any Plan Year, a corporation (i) whose financial results are included on an equity basis in the item captioned “Equity in Net Income of Unconsolidated Subsidiaries and Affiliates” in the Consolidated Statement of Income of Ford for such Plan Year and (ii) which is not an Unconsolidated Subsidiary.

2. “Allocated Profit Share” shall mean, for any Plan Year, the amount determined pursuant to Article III of this Plan.

3. “Automotive Related” shall mean, with respect to any Subsidiary or Affiliate, any such Subsidiary or Affiliate that derives more than fifty (50) percent of its revenues from the manufacture or assembly of motor vehicles or components for motor vehicles.

4. “Beneficiary” shall mean a person who is designated as such pursuant to Article X.

5. “Company” shall mean Ford and the Subsidiaries whose operations are included in U.S. Operations, individually or collectively, as indicated by the context in which such term is used herein.

6. “Consolidated Subsidiary” shall mean (subject to the provisions of Article XIII hereof), for any Plan Year, any Subsidiary the accounts of which are consolidated with those of Ford in the Consolidated State-
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ment of Income and Consolidated Balance Sheet of Ford for such Plan Year.

7. "Date of Participation" shall mean, with respect to any person, the later of (a) the date on which such person became a full-time hourly employee, (b) the first day of the first full pay period beginning on or after the date on which any such person who was employed on a temporary part-time basis became a full-time hourly employee, or (c) the date on which this Plan first became applicable to the unit in which such person was employed.

8. "Domestic" shall mean, with respect to any Consolidated Subsidiary, Unconsolidated Subsidiary or Affiliate, any such Subsidiary or Affiliate that is incorporated, and derives more than 50% of its revenue from activities carried on or located, within the states of the United States.

9. (a) "Eligible Hourly Employee" or "Participant" shall mean, with respect to any Plan Year, any person who met all of the following requirements at any time during such Plan Year:

(i) such person was employed full-time at an hourly rate in U.S. Operations on the active employment rolls maintained by the Company in the United States (except that any such person who was so employed on a temporary part-time basis shall be excluded from the definition of "Eligible Hourly Employee" and "Participant"); and

(ii) such person, if represented by a Union, was covered by an agreement making this Plan applicable to such person or, if such person was not represented by a Union, such person was employed in a unit to which the Company had made this Plan applicable;

including any person who met such requirements at any time during such Plan Year and (1) was on layoff or approved leave, including expired medical leave, at the end of such Plan Year, or (2) retired during such Plan Year, (3) died
I. PROFIT SHARING PLAN FOR HOURLY EMPLOYEES IN THE UNITED STATES

during such Plan Year, or (4) was terminated by the Company during such Plan Year as a result of the sale by the Company of the operation, or a controlling interest in the operation, in which such person was employed; provided, however, that any person who terminated during such Plan Year (without being reinstated at the end of such Plan Year), for any reason other than death, retirement, sale of an operation, or a controlling interest in an operation, or any voluntary termination of employment program developed under the Job Security Program - GEN (Appendix M of the Agreement) shall be excluded from the definition of “Eligible Hourly Employee” and “Participant”.

(b) Notwithstanding the foregoing, any person who would otherwise be an “Eligible Hourly Employee” as defined above and who is on a leave of absence under Article VIII, Section 31 (a) of the Collective Bargaining Agreement dated November 3, 2007 between the Company and the UAW, or under a similar provision of any other collective bargaining agreement, shall be an “Eligible Hourly Employee” and “Participant” for purposes of this Plan if such leave was granted for the purpose of permitting such person to engage in the business of or to work for the Local Union and if such person is involved in the in-plant administration of the provisions of such collective bargaining agreement, provided such person meets the requirements of such leave, and provided further that, immediately prior to such leave, such person met the requirements of Subparagraphs (i) and (ii) of Paragraph 9(a) of this Article I.

10. “Eligible Pay” shall mean compensation in the following categories paid to any Eligible Hourly Employee for employment as an Eligible Hourly Employee in U.S. Operations during any Plan Year on or after the Date of Participation applicable to such Eligible Hourly Employee:
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All other categories of compensation, including incentive pay, moving allowance, supplemental unemployment benefit payments under the Company's Supplemental Unemployment Benefit Plan (including automatic short-week benefit payments), suggestion awards, tool allowances, any imputed income as may be designated by law (including, but not limited to, the cost to the Company of providing Legal Services, and Group Life Insurance and Survivor Income Benefit coverages in excess of $50,000) and distributions of Participants' Profit Shares under this Plan shall be excluded from the definition of "Eligible Pay".

An Eligible Hourly Employee who is eligible under this Plan at any time during a Plan Year pursuant to Paragraph 9(b) of this Article I shall have his or her Eligible Pay credited, for each calendar week or part thereof, on or after the Date of Participation applicable to such Eligible Hourly Employee, while on Local Union leave, with an amount up to the straight time hourly base wages and straight time Cost-of-Living Allowance (for a maximum of forty (40) hours) such Eligible Hourly Employee would have earned if employed during such calendar week or part thereof of such leave at the classification held by such Eligible Hourly Employee immediately prior to such leave.

* For straight time hours and overtime hours (i.e., excludes overtime, Saturday, Sunday and holiday premium payments).

** Includes grievance awards paid during a Plan Year that represent back pay for any Plan Year; provided, however, that for persons covered by Article VI hereof, any back pay award in connection with reinstatement shall constitute Eligible Pay only for the Plan Year for which it is awarded.
Eligible Pay shall include, for an Eligible Hourly Employee who otherwise would be eligible to receive a distribution for a Plan Year, for each complete calendar week during such Plan Year that the Eligible Hourly Employee is on an approved medical leave and for such complete calendar week has received workers' compensation payments from the Company as the result of a totally disabling occupational injury or disease under any workers' compensation law or act or any occupational disease law or act, the straight time hourly base wages and straight time Cost-of-Living Allowance (for up to forty (40) hours) such Eligible Hourly Employee would have earned if employed for such calendar week; provided:

(i) the Eligible Hourly Employee otherwise would have been scheduled to work all hours during such complete calendar week(s); and

(ii) the Eligible Hourly Employee is actively at work for the Company during at least one complete calendar week in the Plan Year; and

(iii) during the Plan Year or prior thereto the Company has for such calendar week(s) either voluntarily paid workers' compensation benefits or failed to appeal the adverse determination of an applicable state agency or court awarding payment of workers' compensation benefits.

Eligible Pay for an Eligible Hourly Employee who otherwise would be eligible to receive a distribution for a Plan Year and who, following an occupational injury or disease resulting from employment by the Company which is compensable under any applicable worker's compensation law or act, participates during such Plan Year in a Gradual Return to Work Program approved by a Company physician for the employee, shall be credited with the amount described below.

During each calendar week in which such Eligible Hourly Employee participating in an approved Gradual Return to Work Program works less than the number of hours such Eligible Employee was otherwise scheduled to work because of the compensable occupational injury or
disease, his or her Eligible Pay shall be credited with an amount equal to the straight time hourly base wages and straight time Cost of Living Allowance multiplied by the number of hours (not to exceed forty (40) hours) for which the Eligible Employee was unable to work during that week because of the medically required reduced work week.


13. “Participant’s Profit Share” shall mean, for any Plan Year, the amount, for any Eligible Hourly Employee, determined by multiplying such Employee’s Eligible Pay for such Plan Year by the Percentage Factor for such Plan Year.

14. “Percentage Factor” shall mean, for any Plan Year, the percentage determined by dividing (x) the Allocated Profit Share for such Plan Year by (y) the total of the Eligible Pay of all Eligible Hourly Employees for such Plan Year.


16. “Profits” shall mean, for any Plan Year, the Income (Loss) Before Income Taxes of Ford and its Consolidated Subsidiaries (excluding Ford Motor Credit Company and its partially or wholly-owned subsidiaries) for such Plan Year, less the sum of the following:

(a) the Income (Loss) Before Income Taxes for such Plan Year of (i) all Domestic Consolidated Subsidiaries that are not included in U.S. Operations, and (ii) all Consolidated Subsidiaries that are not Domestic Consolidated Subsidiaries;

(b) Ford’s equity in the Net Income (Loss) (after taxes) for such Plan Year of (i) all Domestic Unconsolidated Subsidiaries and Domestic Affiliates that are not included in U.S. Operations, and (ii) all Unconsolidated Subsidiaries and Affiliates.
that are not Domestic Unconsolidated Subsidiaries or Domestic Affiliates;

(c) the portion of the Income (Loss) Before Income Taxes of Ford and its Consolidated Subsidiaries for such Plan Year attributable to branches, located outside the continental United States, Alaska and Hawaii, of Ford and its Domestic Consolidated and Unconsolidated Subsidiaries (other than all Domestic Subsidiaries that are not included in U.S. Operations); and

(d) Ford's equity in the portion of the Net Income (Loss) (after taxes) for such Plan Year of all Domestic Unconsolidated Subsidiaries and Domestic Affiliates, other than all Domestic Unconsolidated Subsidiaries and Domestic Affiliates that are not included in U.S. Operations, attributable to gains or losses from the disposal of business segments and extraordinary items of income or loss (determined under generally accepted accounting principles);

plus

(e) the amount by which the provisions for incentive compensation under the Ford Motor Company Annual Incentive Compensation Plan, and for profit sharing that would have been paid to eligible Salaried Employees under the Ford Motor Company Profit Sharing Plan for Salaried Employees in the United States had such plan not been terminated, and for profit sharing (under this Plan and all other plans) for such Plan Year decreased (increased) (i) the Income (Loss) Before Income Taxes of Ford, (ii) the Income (Loss) Before Income Taxes of each of the Domestic Consolidated Subsidiaries other than all Domestic Consolidated Subsidiaries that are not included in U.S. Operations, and (iii) Ford's equity in the Net Income (Loss) of each of the Domestic Unconsolidated Subsidiaries other than all Domestic Unconsolidated Subsidiaries that are not included in U.S. Operations;
(f) for any Plan Year in which there shall be a disposal of a business segment included in U.S. Operations, the income (loss) (before taxes) from the operations of such business segment for the portion of such Plan Year prior to the date of such disposal; and

(g) for any Plan Year in which there shall be an extraordinary item of income or loss (determined under generally accepted accounting principles) in U.S. Operations, the income (loss) (before taxes) from operations, if any, included in such extraordinary item;

all as shown by or included in the Consolidated Statement of Income of Ford and its Consolidated Subsidiaries for such Plan Year as certified by Ford's independent certified public accountants. It is understood that the references herein to the term "Income (Loss) Before Income Taxes" refer to such term as used in the Consolidated Statement of Income of Ford and its Consolidated Subsidiaries for the fiscal year ended December 31, 1983 or in the financial statements of certain Subsidiaries for such fiscal year. In the event that, for any subsequent fiscal year, a different term shall be used in place thereof in such Consolidated Statement of Income or in any such financial statement (e.g., in order to reflect extraordinary items of income or loss), the relevant reference or references to such term in this definition shall be deemed to refer to such different term.

17. "Salaried Employee" shall mean, with respect to any Plan Year, any person who met all of the following requirements at any time during such Plan Year:

(a) such person was employed at a salary in U.S. Operations at a salary grade level below the minimum level included in Ford's Supplemental Compensation Roll;

(b) such person is covered by and is eligible to receive a share of profits for such Plan Year under a profit sharing plan similar to this Plan (and having similar eligibility rules) or, if such person is not covered by such a plan, he or she
would have been eligible thereunder if such person had been covered by such a plan for such Plan Year; and

(c) such person is counted under clause (x) or (y) of Paragraph 1 of Article III of the Ford Motor Company Profit Sharing Plan for Salaried Employees in the United States, as amended, in the determination of the Allocated Profit Share for the Plan Year under such plan.

18. “Sales” shall mean, for any Plan Year, the Sales of Ford and its Consolidated Subsidiaries (excluding Ford Motor Credit Company and its partially or wholly-owned subsidiaries) for such Plan Year, less the sum of the following (to the extent included in such Sales):

(a) the Sales for such Plan Year of (i) all Domestic Consolidated Subsidiaries that are not included in U.S. Operations, and (ii) all Consolidated Subsidiaries that are not Domestic Consolidated Subsidiaries; and

(b) the portion of the Sales of Ford and its Consolidated Subsidiaries for such Plan Year attributable to branches, located outside the continental United States, Alaska and Hawaii, of Ford and its Domestic Consolidated Subsidiaries (other than all Consolidated Subsidiaries that are not included in U.S. Operations);

plus

(c) the Sales for such Plan Year of Ford to Subsidiaries and branches not included in U.S. Operations;

all as shown by or included in the Consolidated Statement of Income of Ford and its Consolidated Subsidiaries for such Plan Year as certified by Ford's independent certified public accountants.

19. “Subsidiary” shall mean (i) a corporation a majority of the voting stock of which is owned, directly or indirectly, by Ford or (ii) a limited liability company a majority of the membership interest of which is owned, directly or indirectly, by Ford.
II. PROFIT SHARING PLAN FOR HOURLY EMPLOYEES IN THE UNITED STATES

20. “Total Profit Share” shall mean, for any Plan Year, the amount determined pursuant to Article II of this Plan.

21. “UAW” shall mean the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW.

22. “Unconsolidated Subsidiary” shall mean (subject to the provisions of Article XIII hereof), for any Plan Year, any Subsidiary which is not a Consolidated Subsidiary for such Plan Year.

23. “Union” shall mean the UAW and any other labor organization representing hourly employees participating in this Plan.

24. “U.S. Operations” shall mean operations carried on in one or more states of the United States by Ford and its Domestic Consolidated and Unconsolidated Subsidiaries (other than Ford Land, and Ford Motor Credit Company and their subsidiaries) and any Subsidiaries established or acquired by the Company between February 13, 1982 and October 1, 1984, and any Subsidiaries established or acquired by the Company on or after October 1, 1984 which are not Automotive Related) and by AAI Employee Services Company, LLC, a Delaware limited liability company.

II. Determination of Total Profit Share

For any Plan Year in which there are Profits, the Total Profit Share for such Plan Year shall be determined as hereinafter provided. Such Total Profit Share shall be the sum of the following:

(a) 6.0% of the portion of the Profits for such Plan Year which does not exceed 1.8% of such Sales;

(b) 8% of the portion of the Profits for such Plan Year which exceeds 1.8% of Sales for such Plan Year but does not exceed 2.3% of such Sales;

(c) 10% of the portion of the Profits for such Plan Year which exceeds 2.3% of Sales for such Plan Year but does not exceed 4.6% of such Sales;

(d) 14% of the portion of the Profits for such Plan Year which exceeds 4.6% of Sales for such Plan Year but does not exceed 6.9% of such Sales; and
(e) 17% of the portion of the Profits for such Plan Year which exceeds 6.9% of Sales for such Plan Year; provided; however, that the Total Profit Share for any Plan Year in which there are Profits shall in no event be less than the amount determined by multiplying (x) $50 by (y) the sum of (i) the number of Eligible Hourly Employees for such Plan Year, (ii) the number of persons who would have been Eligible Hourly Employees for such Plan Year except for the fact that they were employed in a unit which was represented by a Union that had not agreed with Ford or a Subsidiary that this Plan shall apply to such unit, and (iii) the number of Salaried Employees for such Plan Year.

III. Determination of Allocated Profit Share

1. A portion of the Total Profit Share, if any, for each Plan Year shall be allocated to this Plan as hereinafter provided. The portion to be so allocated shall be determined by multiplying such Total Profit Share by a fraction, the numerator of which is the sum of (x) the number of Eligible Hourly Employees for such Plan Year, and (y) the number of persons who would have been Eligible Hourly Employees for such Plan Year except for the fact that they were employed in a unit to which the Company had not made this Plan applicable or employed in a unit which was represented by a Union that had not agreed with Ford or a Subsidiary that this Plan shall apply to such unit, and the denominator of which is the sum of (a) the numerator, and (b) the number of Salaried Employees for such Plan Year. The amount determined pursuant to this Paragraph for any Plan Year is hereinafter called the "Allocated Profit Share" for such Plan Year.

2. If any person shall come within the definition both of "Eligible Hourly Employee" and "Salaried Employee" for any Plan Year, such person shall be treated, for all purposes of this Plan, as both an Eligible Hourly Employee and a Salaried Employee.
V. PROFIT SHARING PLAN FOR HOURLY EMPLOYEES IN THE UNITED STATES

IV. Certification by Independent Public Accountants

Ford shall respond as soon as practicable to reasonable requests from the Union for information supporting the computation of the Total Profit Share and the Allocated Profit Share for any Plan Year.

The Company will compute Profits and Sales (as defined in Sections I, 16 and I, 18, respectively) in accordance with generally accepted accounting principles and then calculate the Total Profit Share and the allocation of Total Profit Share among the plans in accordance with the provisions of this Plan. Such computations and calculations, when certified by the opinion of a firm of independent certified public accountants (selection of which shall be made by the Company), to be prepared consistent with the methodology described in the Plan, shall be final and binding on Participants; the collective bargaining representation of such Participants, if any; Beneficiaries and the Company.

V. Determination and Distribution of Participants’ Profit Shares

1. As soon as practicable after the end of each Plan Year, the Company shall determine the Participant’s Profit Share for each Eligible Hourly Employee for such Plan Year. All such Participants’ Profit Shares shall be distributed to Eligible Hourly Employees (or to the Beneficiaries of any deceased employees as provided in Article X hereof) by check, unless an election is made pursuant to Paragraph 2 of this Article V, not later than two and one-half months following the end of such Plan Year; provided, however, that the Company shall deduct from the amount of any such distribution to an Eligible Hourly Employee (or Beneficiary) any amount required to be deducted, by reason of any law or regulation, for payment of taxes or other payments to any federal, state or local government. Each such distribution shall be accompanied by a statement showing the
V. PROFIT SHARING PLAN FOR HOURLY EMPLOYEES IN THE UNITED STATES

computation of such Participant’s Profit Share. Withholding tax obligations of the Company with respect to any such distribution will be satisfied as determined by the Company. In determining the amount of any applicable tax the computation of which takes personal exemptions into account, the Company shall be entitled to rely on the official form filed with the Company for purposes of income tax withholding. No interest shall be payable with respect to any such distribution.

2. In lieu of receiving a distribution pursuant to Paragraph 1 of this Article V, each Participant entitled to a distribution for any Plan Year, other than a Participant whose employment terminated prior to such distribution, may elect to have the Company (a) contribute to the Participant’s account under the Ford Motor Company Tax-Efficient Savings Plan for Hourly Employees (“TESPHE”) provided such Participant is otherwise eligible to make contributions under the TESPHE, an amount up to 100%, in multiples of 1%, of such distribution, but not in excess of the maximum amount permitted under the Internal Revenue Code or (b) deposit to the Participant’s account under the Ford Interest Advantage Account an amount up to 100%, in multiples of 1%, of such distribution. An employee may elect any combination of (a), (b), or payment by check in multiples of 1%. Such election shall be made by signing and filing an election form provided by the Company or in such other manner as the Company shall determine including, without limitation, use of an automatic voice response system provided by the Company. Such election shall be made at such time as the Company shall determine. If the Company does not receive a properly completed election from a Participant on or before the date established by the Company for submission of such election for the applicable distribution, such distribution shall be paid to the Participant in accordance with Paragraph 1 of this Article V.

Any amounts elected to be contributed to TESPHE by a Participant pursuant to this Paragraph 2 of
V. PROFIT SHARING PLAN FOR HOURLY EMPLOYEES IN THE UNITED STATES

Article V which cannot be so contributed as a result of the application of the Internal Revenue Code shall be distributed to the Participant by check.

No option for distribution under Paragraph 1 shall apply if the average profit sharing payment is $250 or less. In this event, distribution will be made to Participants by check.

3. The determination of the amounts of the Total Profit Share and the Allocated Profit Share for any Plan Year, as certified by independent certified public accountants pursuant to Article IV hereof, shall be final and binding on the Company, the Union, all Participants and all other persons for all purposes.

4. In the event that it shall be determined that an error in excess of $3.00 was made in the computation of any Participant’s Profit Share for any Plan Year, such error shall be dealt with as follows:

(a) If such Participant’s Profit Share (correctly determined) was greater than the amount paid to such Participant by an amount in excess of $3.00, the deficiency shall be paid to such Participant within 60 days after such determination.

(b) If such Participant’s Profit Share (correctly determined) was less than the amount paid to such Participant by an amount in excess of $3.00, written notice thereof shall be mailed to such Participant receiving such Profit Share and he or she shall return the amount of such overpayment to the Company; provided, however, that no such repayment shall be required if notice has not been given within 120 days from the date on which the overpayment was made. If such Participant shall fail to return such amount promptly, the Company shall make a deduction from compensation payable by the Company to such Participant; provided, however, that any such deduction shall not exceed $30 from any one paycheck, but any such deduction from subsequent payments under this Plan shall not be limited.
VI. Payments Made for Prior Plan Years

1. Notwithstanding any other provision of this Plan, any person who was terminated during a Plan Year for discharge, failure to report or overstaying leave, and who is reinstated through the Grievance Procedure in a later Plan Year, shall receive after such reinstatement a payment for the Plan Year in which such person was terminated equal to the Participant’s Profit Share that would have been payable, based on the Eligible Pay received by such person for such Plan Year multiplied by the Percentage Factor for such Plan Year.

2. Notwithstanding any other provision of this Plan, any person who was on an approved medical leave for one or more complete calendar weeks during any Plan Year after 1984 and who receives workers’ compensation payments from the Company in a later Plan Year shall receive a payment equal to the straight time hourly base wages and straight time Cost-of-Living Allowance (for up to forty (40) hours per week) such person would have earned if employed for such calendar week(s) in such prior Plan Year multiplied by the Percentage Factor for such Plan Year provided:

   (i) the person otherwise would have been scheduled to work all hours during such complete calendar week(s),

   (ii) the person was actively at work for the Company during at least one (1) complete calendar week in each such prior Plan Year,

   (iii) such workers’ compensation benefits were paid, either voluntarily or because the Company failed to appeal the adverse determination of an applicable state agency or court, as the result of a totally disabling occupational injury or disease under any workers’ compensation law or act or any occupational disease law or act, and

   (iv) the person was an Eligible Hourly Employee during each such prior Plan Year.

3. The amount of each payment made pursuant to Paragraph 1 or 2 of this Article VI shall be deducted
in determining the Allocated Profit Share for the first Plan Year ending after the date of such payment in which there are Profits.

VII. Operation and Administration

1. Ford shall have the authority to control and manage the operation and administration of this Plan.

2. The Vice President - Human Resources and the Vice Chairman and Chief Financial Officer are designated to carry out the Company’s responsibilities with respect to this Plan. The Vice President - Human Resources and the Vice Chairman and Chief Financial Officer may allocate responsibilities between themselves and may designate other persons to carry out specific responsibilities on behalf of the Company.

3. Any director, officer or employee of the Company who shall have been expressly designated pursuant to this Plan to carry out specific Company responsibilities shall be acting on behalf of the Company. Any person or group of persons may serve in more than one capacity with respect to the Plan and may employ one or more persons to render advice with regard to any responsibilities such person has under this Plan.

4. Ford shall have full power and authority to administer this Plan and to interpret provisions except as otherwise specifically provided in any Agreement between the Company and any Union with respect to resolution of disputes under this Plan.

5. Each director, officer or employee of the Company who is or shall have been designated to act on behalf of the Company under this Plan shall be indemnified and held harmless by the Company against and from any and all loss, cost, liability or expense that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit or proceeding to which such person may be a party or in which such person may be involved by reason of any action taken or failure to act under this Plan and against and from any and all amounts paid by such person in settlement thereof (with the Company’s written approval) or paid by such person
in satisfaction of a judgment in any such claim, action, suit or proceeding, except a judgment in favor of the Company based upon a finding of such person’s lack of good faith; subject, however, to the condition that, upon the assertion or institution of any such claim, action, suit or proceeding against him or her, such person shall in writing give the Company an opportunity, at its own expense, to handle and defend the same before such person undertakes to handle and defend it on such person’s own behalf. The foregoing right of indemnification shall not be exclusive of any other right to which such person may be entitled as a matter of law or otherwise, or any power that the Company may have to indemnify such person or hold such person harmless.

6. In the event of a change in a designated officer’s title, the officer or officers with functional responsibility for the Plan shall have the authority to the extent described in this Article.

VIII. Notice of Denial

The Company shall provide adequate notice in writing to any Participant or Beneficiary whose request for a distribution or for a distribution in a greater amount under this Plan has been denied, setting forth the specific reason or reasons for such denial. The Participant or Beneficiary shall be given an opportunity for, and advised how to obtain, a full and fair review by the Company of the decision denying the request. The Participant or Beneficiary shall be given a reasonable period of time, to be established by the Company from the date of the notice denying such request, within which to request such review. The Union shall be advised of the results of such review.

IX. Notices, etc.

1. All notices, statements and other communications from the Company to a Participant or Beneficiary required or permitted hereunder shall be deemed to have been duly given, furnished, delivered or trans-
mitted, as the case may be, when delivered to (or when mailed by first-class mail, postage prepaid and addressed to) such Participant or Beneficiary at his or her address last appearing on the books of the Company or, in the case of a Participant, delivered to the Participant at his or her normal work station.

2. All notices, instructions and other communications from a Participant to the Company required or permitted hereunder (including, without limitation, designations of Beneficiaries and revocations and changes thereof) shall be in the respective formats from time to time prescribed therefor by the Company, shall be mailed by first-class mail or delivered to such location as shall be specified in regulations or upon the forms prescribed by the Company and shall be deemed to have been duly given and delivered upon receipt by the Company at such location.

X. Designation of Beneficiaries

1. A Participant shall be deemed to have designated as beneficiary or beneficiaries (a “Beneficiary”) under this Plan the person or persons who receive the Participant’s life insurance proceeds under the Company Group Life and Disability Insurance program unless such Participant shall have assigned such life insurance or shall have filed with the Company a written designation of a different Beneficiary or Beneficiaries (subject to such limitations as to the classes and number of beneficiaries as the Company from time to time may prescribe) to receive distribution of the Participant’s Profit Share in the event of the death of such Participant. A Participant may from time to time revoke or change any such designation of Beneficiary. Any such designation of Beneficiary shall be controlling over any testamentary or other disposition. In the event of the death of a Participant, the Participant’s Profit Share shall be distributed to such Beneficiaries who shall survive such Participant, in accordance with such designation (to the extent effective and enforceable at the time of such Participant’s death) and the provisions of this Plan, subject to such regulations as the
Company from time to time may prescribe in respect of distributions to minors; provided, however, that, if the Company shall be in doubt as to the right of any such Beneficiary to receive any such Profit Share, the Company may deliver the same to the estate of such Participant, in which case the Company shall not be under any further liability to anyone.

2. Except as hereinabove provided, in the event of the death of a Participant, the Profit Shares of such Participant shall be delivered to such Participant’s estate.

XI. Nonalienation
Subject to the provisions of Section 4 of Article V, no right or interest of any Participant under this Plan shall be assignable or transferable, in whole or in part, either directly or by operation of law or otherwise, including, without limitations, by execution, levy, garnishment, attachment, pledge or in any other manner, but excluding devolution by death or mental incompetency; no attempted assignment or transfer thereof shall be effective; and no right or interest of any Participant under this Plan shall be liable for, or subject to, any obligation or liability of such Participant.

XII. Incapacity
If the Company deems any person incapable of receiving any distribution to which such person is entitled under this Plan because he or she has not yet reached the age of majority, or because of illness, infirmity, mental incompetency or other incapacity, it may make payment, for the benefit or the account of such incapacitated person, to any person selected by the Company, whose receipt thereof shall be a complete settlement thereof. Such payments shall, to the extent thereof, discharge all liability of the Company, and each other fiduciary with respect to this Plan.
XIII. Change in Accounting Principles or Practices

Any Subsidiary which, prior to Plan Year 1988, would have been unconsolidated, in the absence of the change in generally accepted accounting principles requiring, with certain exceptions, the consolidation of all majority-owned subsidiaries, shall be deemed to be or remain unconsolidated for all purposes of this Plan. In order to give effect to the preceding sentence, and without limiting the generality thereof, the certified Consolidated Statement of Income of Ford and its Consolidated Subsidiaries for any given Plan Year used in determining Profits, Sales, Total Profit Share and Allocated Profit Share shall be appropriately adjusted.
SECTION 1 AGREEMENT CONCERNING TAX-EFFICIENT SAVINGS PLAN FOR HOURLY EMPLOYEES

AGREEMENT CONCERNING TAX-EFFICIENT SAVINGS PLAN FOR HOURLY EMPLOYEES

AND

FORD MOTOR COMPANY

TAX-EFFICIENT SAVINGS PLAN

FOR HOURLY EMPLOYEES

On this 3rd day of November, 2007, at Dearborn, Michigan, Ford Motor Company, a Delaware corporation, hereinafter designated as the Company, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, an unincorporated voluntary association, hereinafter designated as the Union, agree as follows:

AGREEMENT CONCERNING TAX-EFFICIENT SAVINGS PLAN FOR HOURLY EMPLOYEES

Section 1. Continuation of Plan

Subject to the approval of the Company’s Board of Directors and receipt by the Company of approval by the Internal Revenue Service as meeting the requirements of Sections 401(a) and 401(k) of the Internal Revenue Code, the Company will continue the Tax-Efficient Savings Plan for Hourly Employees (hereinafter referred to as the Plan) in the form that has been agreed to by the parties, as provided in Section 5 herein. In the event that an Internal Revenue Service ruling acceptable to the Company is not obtained, the Company, within 30 days after such disapproval, will give written notice thereof to the Union and this Agreement shall thereupon have no force or effect. In that event, the matters covered by this Agreement shall be the subject of further negotiation between the Company and the Union with respect to adopting a program adhering as closely as possible to the language and intent of the provisions outlined in the Plan for which a favorable ruling may be obtained.
SECTION 4 AGREEMENT CONCERNING TAX-EFFICIENT SAVINGS PLAN FOR HOURLY EMPLOYEES

Section 2. Administration
The Plan will be maintained under provisions of Sections 401(a) and 401(k) of the Internal Revenue Code of 1986, as amended. In the event of any conflict between the provisions of the Plan and the provisions of the Agreement, the provisions of this Agreement will supersede the provisions of the Plan to the extent necessary to eliminate such conflict.

Section 3. Obligations During Term of This Agreement
During the term of this Agreement, neither the Company nor the Union shall request any change, deletion from or addition to the Plan or this Agreement, except as required to maintain qualification of the Plan under Sections 401(a) and 401(k) of the Internal Revenue Code, and for compliance with ERISA and any other legislation governing such plans, or be required to bargain with respect to any provision or interpretation of the Plan or this Agreement; and during such period no change in, deletion from or addition to any provision, or interpretation, of the Plan or this Agreement, nor any dispute or difference occurring in any negotiations pursuant to Section 1 of this Agreement shall be an objective of, or a reason or cause for, any action or failure to act, including without limitation, any strike, slowdown, work stoppage, lockout, picketing or other exercise of economic force, or threat thereof, by the Union or the Company.

Section 4. Nonapplicability of Collective Bargaining Agreement Grievance Procedure
No matter respecting the Plan as supplemented by this Agreement or any difference arising thereunder shall be subject to the Grievance Procedure established in the Collective Bargaining Agreement between the Company and the Union.
Section 5. Term of Agreement; Notice to Modify or Terminate

This Agreement and the Plan will continue in effect until the termination of the Collective Bargaining Agreement dated November 3, 2007 between the Company and the Union. The Plan shall be renewed automatically for successive one-year periods thereafter unless either party shall give written notice to the other at least 60 days prior to September 14, 2011, (or any subsequent anniversary date) of its desire to amend or modify the Plan as of one of the dates specified in this Section (it being understood, however, that the foregoing provision for automatic one-year renewal periods shall not be construed as an endorsement by either party of the proposition that one year is a suitable term for such a Plan). If such notice is given, the Plan shall be open to modification or amendment on September 14, 2011, or the subsequent anniversary date, as the case may be.

If either party shall desire to terminate this Agreement, it may do so on September 14, 2011, or any subsequent anniversary date, by giving written notice to the other party at least 60 days prior to the date involved. Anything herein which might be construed to the contrary notwithstanding, however, it is understood that termination of this Agreement shall not have the effect of automatically terminating the Plan.

Notwithstanding termination of this Agreement and the Plan, any profit sharing distributions pursuant to the Ford Motor Company Profit Sharing Plan for Hourly Employees in the United States that otherwise would be contributed to the trust fund under this Plan with respect to calendar year 2011 shall be contributed and administered in accordance with the provisions of this Agreement and the Plan.

Any notice under this Agreement shall be in writing and shall be sufficient, if sent by mail addressed, if to the Union, to International Union, UAW, 8000 East Jefferson Avenue, Detroit, Michigan 48214, or to such other address as the Union shall furnish to the Company in
writing, and if to the Company, to Ford Motor Company, Dearborn, Michigan 48121, Attention: Group Vice President-Human Resources and Labor Affairs, or to such other address as the Company shall furnish to the Union, in writing.

IN WITNESS WHEREOF, this Agreement is executed on behalf of each party by its duly authorized representatives as of the date first appearing above.

FORD MOTOR COMPANY

William C. Ford, Jr.
Alan R. Mulally
Mark Fields
Joe W. Laymon
Martin J. Mulloy
Joseph R. Hinrichs
William P. Dirksen
Livio Mezza
Keith A. Kleinsmith
Jack L. Halverson
Ken Macfarlane
Ken Williams
Anu C. Goel
Elizabeth A. Peacock

Jim Lareshape
James E. Brown
Richard J. Krollikowski
Ted A. Stawikowski
Greg M. Stone
Gregory M. Aquino
Richard D. Freeman
Stephen M. Kulp
Brian L. Warren
Mary R. Anderson
William J. Rooney, Jr.
Bridgette M. Morehouse
Eric E. Cuneo

UAW

International Union
Ron Gettelfinger
Bob King
Wendy Fields-Jacobs
Garry Mason
Chuck Browning
Joseph Carter
Dan Brooks
Joe Gafa

National Ford Council
Joel Goddard, Subcouncil #6
Mike Abell, Subcouncil #2
Jeff Washington, Subcouncil #2
Bernie Riche, Subcouncil #1
Dave El-Amih Wilson,
Subcouncil #1
Dave Berry, Subcouncil #2
Chris Crump, Subcouncil #3
Chris Visconi, Subcouncil #3
Charlie Gangarossa,
Subcouncil #4
Tim Levandusky, Subcouncil #4
Jeff Terry, Subcouncil #5
Johnny Verellen, Subcouncil #5
Jodey Dunn, Subcouncil #6
Dave Rogers, Subcouncil #7
FORD MOTOR COMPANY TAX-EFFICIENT SAVINGS PLAN FOR HOURLY EMPLOYEES

This Plan has been established by the Company to enable employees to save and invest in a systematic manner and to provide them with an opportunity to become stockholders of the Company.

The Plan is intended to constitute a plan described in Section 404(c) of the Employee Retirement Income Security Act, and Title 29 of the Code of Federal regulations Section 2550.404c-1. The fiduciaries of the Plan may be relieved of the liability for any losses which are the direct and necessary result of investment instructions given by a participant or beneficiary.

I. Definitions

As hereinafter used:

1. “Account” shall mean, as appropriate, any one of a Member's Tax-Efficient Savings Account, After-Tax Savings Account, Catch-Up Contributions, rollover contributions or any combination of such accounts and contributions.

2. “After-Tax Savings Contributions” shall mean amounts contributed by an Employee to the Plan from the Employee's Wages, as provided in Paragraph IV hereof.

3. “After-Tax Savings Account” shall mean an Account of a Member under the Plan to which are credited After-Tax Contributions made by such Employee and Earnings thereon.

4. “Bond Index Fund” shall mean that portion of the trust fund under the Plan consisting of investments made by the Trustee in accordance with Subparagraph 3 of Paragraph XIII hereof.

5. “Bond Index Fund Units” shall mean the measure of a member's interest in the Bond Fund as described in Subparagraph 3 of Paragraph XIII hereof.

6. “Cash value of assets” shall mean the value of the assets, expressed in dollars, in a member's account under any investment election under the Plan or the total thereof, as the case may be, at the close of
business on the date such cash value is to be determined.

7. “Catch-Up Contributions” shall mean amounts contributed by an Employee to the Plan from the Employee’s paycheck as provided in Subparagraph 2 of Paragraph IV hereof.


10. “Committee” shall mean the Committee created by the Company pursuant to the provisions of Paragraph XX hereof.

11. “Common Stock Index Fund” shall mean that portion of the trust fund under the Plan consisting of investments made by the Trustee in accordance with Subparagraph 2 of Paragraph XIII hereof.

12. “Common Stock Index Fund Units” shall mean the measure of a member’s interest in the Common Stock Index Fund as described in Subparagraph 2 of Paragraph XIII hereof.


15. “Composite Quotation Listing” shall mean a composite listing of market prices of securities supplied by a reputable financial statistical service selected by the Trustee, which listing includes the prices at which securities are traded on national securities exchanges located in the United States.

16. “Current market value” shall mean, with reference to Company stock, the closing market price on the New York Stock Exchange on the day in question or, if no sales were made on that date, at the closing market price on the next preceding day on which sales were made.
17. "Earnings", with reference to Tax-Efficient Savings Contributions, After-Tax Savings Contributions, Catch-Up Contributions and any rollover contributions shall mean earnings resulting from the investment and any reinvestment of such contributions and any increment thereof and shall include interest, dividends and other distributions on such investments.

18. “Employee” shall mean each person who is employed at an hourly rate by a Participating Company and is enrolled on the active employment rolls of such Participating Company maintained in the United States.


20. "Ford Stock Fund" shall mean that portion of the trust fund under the Plan consisting of investments made by the Trustee in accordance with Subparagraph 1 of Paragraph XIII hereof.

21. “Ford Stock Fund Units” shall mean the measure of a member’s interest in the Ford Stock Fund as described in Subparagraph 1 of Paragraph XIII hereof.

22. “Interest Income Fund” shall mean that portion of the trust fund under the Plan consisting of investments made by the Trustee in accordance with Subparagraph 4 of Paragraph XIII hereof.

23. “Interest Income Fund Manager” shall mean one or more persons or companies, corporations, or other organizations appointed by the Company to manage the assets of the Interest Income Fund. The Trustee may be designated an Interest Income Fund Manager by the Company.

24. “Investment Process Committee” shall mean the committee created by the Company pursuant to the provisions of Article XX of the Plan.

25. “Investment Process Oversight Committee” shall mean the committee created by the Company pursuant to the provisions of Article XX of the Plan.
26. “Member” shall mean and include (a) an employee who shall have elected to participate in the Plan and, in the case of an employee of a Participating Company, shall have filed a Tax-Efficient Savings agreement then outstanding under the Plan, and (b) a person who has assets under the Plan.

27. “Participating Company” shall mean and include the Company, AAI Employee Services Company, LLC, and each Subsidiary of the Company that shall have elected to participate in the Plan with the consent of the Company. “Subsidiary of the Company” shall mean a domestic corporation not less than a majority of the voting stock of which is owned directly or indirectly by the Company.

28. “Performance Bonus Payments” shall mean payments to Members pursuant to Article IX, Section 2 (b)(1) of the Collective Bargaining Agreement.

29. “Plan Administrator” shall mean the Company, or such other person or committee of persons designated by the Company to administer the Plan on behalf of the Company, including a person or entity unrelated to the Company, hereinafter referred to as the "third party plan administrator".

30. “Plan Year” shall mean, prior to the Plan Year beginning in December 1999, a twelve-month period starting on the first day of the first pay period beginning in a calendar year and ending on the last day of the last pay period beginning in such calendar year. Notwithstanding the foregoing, the 1999 Plan Year shall end on December 30, 1999. Thereafter, the Plan Year shall be a twelve-month period beginning December 31 and ending the following December 30. For the Plan Year beginning December 31, 2004, the Plan Year shall be a one-day period ending on December 31, 2004. Thereafter, the Plan Year shall be a calendar year beginning January 1 and ending the following December 31.

31. “Profit sharing distributions” shall mean amounts distributed to hourly employees under profit sharing plans of a Participating Company.
32. “Subsidiary” or “Affiliate” shall mean (a) all corporations that are members of a controlled group of corporations within the meaning of Section 1563(a) of the Internal Revenue Code (determined without regard to Section 1563(a)(4) and Section 1563(e)(3)(c) of the Internal Revenue Code) and of which the Company is then a member and (b) all trades or businesses, whether or not incorporated, that, under the regulations prescribed by the Secretary of the Treasury pursuant to Section 414(c) of the Internal Revenue Code, are then under common control with the Company.

33. “Tax-Efficient Savings account” shall mean an account of a member under the Plan to which are credited Tax-Efficient Savings Contributions on behalf of such employee and earnings thereon.

34. “Tax-Efficient Savings election” shall mean an agreement between an employee and the Participating Company to have the employee’s wages or profit sharing distributions reduced by an amount specified by the employee and to have an amount equal to such reduction contributed by the Participating Company to the Plan on behalf of the employee, pursuant to Section 401(k) of the Internal Revenue Code and Paragraph IV hereof.

35. “Tax-Efficient Savings Contributions” shall mean amounts contributed by the Company to the Plan on behalf of an employee, pursuant to a Tax-Efficient Savings agreement, as provided in Paragraph IV hereof.

36. “Trustee” shall mean the trustee or trustees appointed by the Company pursuant to the provisions of Paragraph XVI hereof.

37. “Wages” shall mean the regular base pay for straight time hours, including holiday pay and vacation pay (including the related excused absence allowance), and incentive pay, bereavement pay, jury duty pay, and short-term military duty pay, and the straight time portion of any overtime hours paid, up to a total of 40 hours in a week for all such payments, cost of living allowance applicable to the foregoing, and
Performance Bonus Payments to which an employee of a Participating Company is entitled prior to giving effect to any Tax-Efficient Savings election. Performance Bonus payments shall qualify as wages irrespective of the 40 hour maximum. **Wages shall also include contributions made on behalf of the Member that are not includible in the gross income of the Member by reason of the application of Code Sections 125, 132(f), 129, or 402(e)(3).**

“Wages” shall not include any other category of compensation (e.g., overtime premium pay, Saturday and Sunday premium pay, cost-of-living allowance not applicable to the foregoing, call-in pay, shift premium pay, seven-day premium pay, holiday premium pay, grievance awards, moving allowances, supplemental unemployment benefit payments under the Company’s Supplemental Unemployment Benefit Plan (including automatic short-week benefit payments), suggestion awards, tool allowances, apprentice training incentives, the cost to the Participating Company of providing Group Life Insurance and Survivor Income Benefit coverages in excess of $50,000 (or any other imputed income as may be designated by law), pension or retirement plan payments, any Christmas bonus, or any other special remuneration).

In addition, effective January 1, 1995, wages for purposes of determining the amount of contributions that may be made to the Plan by employees whose regularly scheduled hours are less than 40 hours as a result of the establishment of a three-shift operation at the discretion of the Company shall be determined by

(i) multiplying the excess of 40 hours over the regularly scheduled hours by a rate equal to the sum of the regular straight-time rate and the applicable cost-of-living allowance and
II. **TAX-EFFICIENT SAVINGS PLAN FOR HOURLY EMPLOYEES**

(ii) adding thereto straight-time pay and applicable cost-of-living allowance for hours worked, up to a total of 40 hours in a week for all such payments.

For years beginning after December 31, 1988, the annual compensation of each employee taken into account for determining all benefits provided under the Plan for any determination period shall not exceed the amount specified in Section 401(a)(17) of the Internal Revenue Code.

II. **Eligibility**

Except as hereinafter provided, each employee of a Participating Company shall be eligible for membership in the Plan and to make After-Tax Savings Contributions and to have Tax-Efficient Savings Contributions made to the Plan three months after such employee's initial date of hire (eligibility date).

The Company may in its discretion determine, in the event of the acquisition by a Participating Company (by purchase, merger or otherwise) of all or part of the assets of another corporation, that the service of a person as an employee of such other corporation shall be included in ascertaining whether he or she has had such service as required above for eligibility, provided that he or she shall have become an employee of a Participating Company in connection with such acquisition.

Leased employees are not considered employees and are therefore excluded from eligibility for membership in the Plan. The term "leased employee" includes any person (other than an employee of the Company) who pursuant to an agreement between the Company and any other person ("leasing organization") has performed services for the Company (or for the Company and related persons determined in accordance with Section 414(n)(6) of the Internal Revenue Code) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction or control by the Company. For purposes of this subparagraph, the term Company shall include the Company and its subsidiaries.
III. Membership

Membership of any employee in the Plan shall be entirely voluntary except as otherwise provided in Paragraph XXVI hereof.

An eligible employee may elect membership in the Plan as of any pay period commencing after such employee’s eligibility date or as of the date of any profit sharing distribution by delivering a notice of election to participate and a Tax-Efficient Savings election in accordance with Paragraph IV hereunder.

A newly-hired employee of a Participating Company may elect membership in the Plan prior to the date on which such employee would otherwise become eligible for membership in the Plan for the limited purpose of making a rollover contribution to the Plan as hereinafter provided.

IV. Contributions

1. Tax-Efficient Savings Contributions

Each eligible employee, by making a Tax-Efficient Savings election in such form and in such manner and at such time as the Committee may prescribe, may elect to have contributed to the Plan on his or her behalf:

(a) for each pay period, a Tax-Efficient Savings Contribution in such amount as he or she may authorize at a rate of not less than one percent nor more than twenty (20) percent for the period following the first pay period after January 1, 1997 through the first pay period after January 1, 1998, twenty-five (25) percent through March 31, 2002, forty (40) percent from April 1, 2002 through the end of the pay period including March 31, 2004, and fifty (50) percent following the first pay period after April 1, 2004 and thereafter in increments of one percent, of his or her wages for such pay period, such amounts to be rounded down to the nearest cent, and
(b) for each profit sharing distribution, a Tax-Efficient Savings Contribution in such amount as he or she may authorize at a rate of not less than one percent nor more than 100 percent, in increments of one percent, of such profit sharing distribution.

Subject to the foregoing provisions of this paragraph IV, the rate of Tax-Efficient Savings Contributions with respect to wages authorized by the employee may be decreased, increased or stopped by him or her by delivering notice of such change in such form and in such manner and at such time as the Committee shall specify. If an employee shall become ineligible to have Tax-Efficient Savings Contributions made to the Plan, his or her Tax-Efficient Savings election shall terminate forthwith. If the Tax-Efficient Savings election of an employee shall terminate for any reason, the employee thereafter may, subject to the eligibility provisions of the Plan, resume the making of Tax-Efficient Savings Contributions to the Plan, as of the first day of any pay period by giving notice in such form and in such manner and at such time as the Committee shall specify.

The Company shall contribute to the Plan each pay period, out of current or accumulated earnings and profits, an amount equal to the aggregate of the amounts of Tax-Efficient Savings Contributions to be contributed by the Company on behalf of employees pursuant to such employees’ elections under Tax-Efficient Savings agreements with respect to such pay period.

2. Catch-Up Contributions
For Plan Years commencing December 31, 2001 and thereafter, all members who are eligible to make Tax-Efficient Savings Contributions and who have attained age 50 before the close of the Plan Year shall be eligible to make Catch-Up Contributions in accordance with, and subject to the limitations of Section 414(v) of the Code. Such Catch-Up Contributions shall not be taken into account for purposes of the
provisions of the Plan implementing the required limitations of Section 402(g) and 415 of the Code. The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Section 401(k)(3), 401(k)(11), 401(k)(12), 410(b) or 416 of the Code, as applicable, by reason of the making of such Catch-Up Contributions. Each eligible employee, by delivering notice in such form and in such manner and at such time as the Committee shall specify, may elect to have Company contributions allocated on his or her behalf as Catch-Up Contributions for each pay period not in excess of fifty (50) percent of his or her wage for such pay period designated in whole percentage amount of wage.

The rate of Catch-Up Contributions with respect to wages authorized by the employee may be decreased, increased or stopped by him or her by delivering notice of such change in such form and in such manner and at such time as the Committee shall specify. If the Catch-Up Contribution election of an employee shall terminate for any reasons, the employee thereafter may, subject to the eligibility provisions of the Plan, resume the making of Catch-Up Contributions to the Plan.

3. After-Tax Savings Contributions

Beginning January 1, 2000, or as soon as practicable thereafter, in lieu of all or part of the contributions an employee may authorize in accordance with Subparagraph 1 of Paragraph IV, an employee may elect in the manner prescribed by the Committee to contribute an equivalent amount to the Plan on an after-tax basis. Such contributions shall be allocated to the employee’s After-Tax Savings Account. The Committee may require employees of a Participating Company who elect to make After-Tax Savings Contributions to the Plan to contribute by payroll deductions or by such other method as the Committee may designate. If the Committee shall designate a method other than payroll deductions, the Committee shall adopt rules applying, as nearly
as practicable, the provisions of this Paragraph IV relating to payroll deductions to such method of making After-Tax Savings Contributions.

4. Limitation on Contributions

(a) Definitions. As hereinafter used in this Paragraph IV:

"Average Tax-Efficient Savings Contribution percentage" means the average of the Tax-Efficient Savings Contribution percentages of the eligible employees in a group.

"Tax-Efficient Savings Contribution percentage" means the ratio (expressed as a percentage) of Tax-Efficient Savings Contributions under the Plan on behalf of the eligible employee for the year to the eligible employee’s compensation for the year. “Compensation” for this purpose means compensation paid by the Company to the employee during the year which is required to be reported as wages on the employee’s Form W-2, plus Tax-Efficient Savings Contributions. The determination of the Tax-Efficient Savings Contribution percentage and the treatment of Tax-Efficient Savings Contributions shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury pursuant to the Internal Revenue Code.

The Tax-Efficient Savings Contribution percentage for any eligible employee who is a highly compensated employee for the year and who is eligible to have Tax-Efficient Savings Contributions allocated to his or her account under two or more plans described in Section 401(a) of the Internal Revenue Code or arrangements described in Section 401(k) of the Internal Revenue Code that are maintained by the Company or an Affiliate shall be determined as if all such contributions were made under a single plan.

“Average After-Tax Contribution percentage” means the average of the After-Tax Savings Contribution percentages of the eligible employees in a group.
“After-Tax Contribution percentage” means the ratio (expressed as a percentage) of After-Tax Savings Contributions under the Plan on behalf of the eligible employee for the year to the eligible employee’s compensation for the year. “Compensation” for this purpose means compensation paid by the Company to the employee during the year which is required to be reported as wages on the employee’s Form W-2, plus Tax-Efficient Savings Contributions. The determination of the After-Tax Contribution percentage and the treatment of After-Tax Savings Contributions shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury pursuant to the Internal Revenue Code. The After-Tax Contribution Percentage for any eligible employee who is a highly compensated employee for the year and who is eligible to make After-Tax Savings Contributions to his or her accounts under two or more plans described in Section 401(a) of the Internal Revenue Code or arrangements described in Section 401(m) of the Internal Revenue Code that are maintained by the Company or an Affiliate shall be determined as if all such contributions were made under a single plan.

The term “highly compensated employee” includes highly compensated active employees and highly compensated former employees.

A highly compensated active employee includes any employee who performs service for the Company and who (i) was a 5 percent owner at any time during the look-back year or determination year, which terms are defined below, or (ii) for the look-back year, received compensation from the Company in excess of $80,000 (as adjusted pursuant to the Internal Revenue Code).

For this purpose, the determination year shall be the Plan Year. The look-back year shall be the twelve-month period immediately preceding the determination year.
A highly compensated former employee includes any employee who separated from service (or was deemed to have separated) prior to the determination year, performs no service for the Company during the determination year, and was a highly compensated active employee for either the separation year or any determination year ending on or after the employee’s 55th birthday.

The determination of who is a highly compensated employee, including the determinations of the number and identity of employees in the top-paid group, and the compensation that is considered, will be made in accordance with Section 414(q) of the Internal Revenue Code and the regulations thereunder. For this purpose, for the Plan Year beginning in 1997, “compensation” shall mean compensation within the meaning of Section 415(c)(3) of the Internal Revenue Code determined without regard to Section 402(e)(3) and 402(h)(1)(B) of the Internal Revenue Code, and for Plan Years beginning after January 1, 1998, shall mean compensation as defined in Section 415(c)(3) of the Internal Revenue Code. For limitation years beginning on and after January 1, 2001, for purposes of applying the limitations described in Article XXV of the Plan, compensation paid or made available during such limitation years shall include elective amounts that are not includible in the gross income of the employee by reason of Section 132(f)(4) of the Code.

(b) Limits on Tax-Efficient Savings Contributions

The total amount of Tax-Efficient Savings Contributions allowable under Tax-Efficient Savings elections for any employee for any year beginning on or after January 1, 1988 shall not exceed the lesser of 1) prior to January 1, 2000, $7,000 multiplied by the cost-of-living adjustment factor prescribed by the Secretary of the Treasury under Section 415(d) of the Internal Revenue
IV. TAX-EFFICIENT SAVINGS PLAN FOR HOURLY EMPLOYEES

Code and after January 1, 2000, the maximum allowed by Sections 401(a) (30) and 402(g) of the Code as from time to time in effect or as provided by any successor provisions; or 2) twenty (20) percent for the period following the first pay period after January 1, 1997 through the first pay period after January 1, 1998, twenty-five (25) percent through March 31, 2002, forty (40) percent from April 1, 2002 through the end of the pay period including March 31, 2004, and fifty (50) percent following the first pay period after April 1, 2004 and thereafter of the employee's wages for that year plus 100 percent of the profit sharing distributions payable to the employee during that year.

(c) Limitations on Tax-Efficient Savings Contributions Applicable to Highly Compensated Employees

For each employee who is a highly compensated employee for the year the total amount of Tax-Efficient Savings Contributions available shall not exceed the percent of the employee's wages and profit sharing distributions for the year determined as follows. There first shall be determined, under the following table, an average allowable tax-efficient savings percentage, for the eligible employees who are not highly compensated employees for the year as a group.
If the average of the actual Tax-Efficient Savings Contribution percentages of eligible employees who are not highly compensated employees for the preceding Plan Year (or if the Company amends the Plan to elect the current Plan Year) is*

<table>
<thead>
<tr>
<th>Allowable Average Tax-Efficient Savings Contribution Percentage for Eligible Employees who are Highly Compensated Employees shall not exceed:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) 2% or less</td>
</tr>
<tr>
<td>(b) over 2% but not more than 8%</td>
</tr>
<tr>
<td>(c) more than 8%</td>
</tr>
</tbody>
</table>

* Effective for Plan Years beginning after December 31, 2004, the Plan was amended to elect the current Plan Year.
(d) Limitations on After-Tax Savings Contributions Applicable to Highly Compensated Employees

The After-Tax Contribution percentage for any eligible employee who is a highly compensated employee for the year shall be limited to the extent required under the following tables:

### After-Tax Contribution Percentage Limitation

If the Average of the actual After-Tax Contribution percentages of eligible employees who are not highly compensated employees for the Preceding Plan Year (or if the Company amends the Plan to elect the current Plan Year) is*

<table>
<thead>
<tr>
<th>(a) 2% or less</th>
<th>(a) 2.0 times the average of the actual After-Tax Contribution percentages for eligible employees who are not highly compensated employees.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) over 2% but not more than 8%</td>
<td>(b) 2.0 percentage points added to the average of the actual After-Tax Contribution percentages for eligible employees who are not highly compensated employees.</td>
</tr>
</tbody>
</table>

* Effective for Plan Years beginning after December 31, 2004, the Plan was amended to elect the current Plan Year.
(c) more than 8% (c) 1.25 multiplied by the Average After-Tax Contribution percentage for eligible employees who are not highly compensated employees or, in any case, such lesser amount as the Secretary of the Treasury shall prescribe to prevent the multiple use of parts (a) and (b) of this limitation with respect to any highly compensated employee. Notwithstanding the above, the multiple use test described in Treasury Regulations Section 1.401(m)-2 shall not apply for Plan Years beginning after December 31, 2001.

(e) Committee Actions to Limit Contributions
The Committee shall, to the extent necessary to conform to the foregoing limitations, reduce the amounts of allowable After-Tax Savings Contributions and Tax Efficient Savings Contributions, respectively, for the year with respect to any or all eligible employees who are highly compensated employees. Any such reductions by the Committee shall be made in such manner as the Committee from time to time may prescribe. For purposes of this section, the Plan shall satisfy the requirements of Sections 401(k)(3) and 401(m) of the Code and Treas. Reg. Sections 1.401(k)-1(b) and 1.401(m)-1.
5. Return of Contributions in Excess of Limitations

Subject to such regulations as the Committee from time to time may prescribe, a member whose Tax-Efficient Savings Contributions to this Plan and similar contributions to all other plans in which the member is a participant exceed the limit of $7,000 multiplied by the cost-of-living adjustment factor prescribed by the Secretary of the Treasury for any year may request and receive return of such excess Tax-Efficient Savings Contributions to this Plan for such year and earnings thereon by submitting a request for return of such excess in this Plan to the Committee in such form as shall be acceptable to the Committee. Such amounts shall be returned to such member no later than April 15, 1989, and each April 15 thereafter, to members who submit such requests to the Committee no later than the immediately preceding March 1.

Tax-Efficient Savings Contributions and earnings thereon in excess of the limitations in this Paragraph IV applicable to such contributions by employees shall be returned to members on whose behalf such contributions were made for the preceding Plan Year at such times and upon such terms as the Committee shall prescribe. Income on excess contributions shall be allocated in the same manner that income is allocated to members' accounts during the plan year, and such method will be used consistently for all affected members. Notwithstanding the foregoing provisions of this paragraph, for years beginning after December 31, 1996 excess Tax-Efficient Savings Contributions and earnings thereon shall be returned on the basis of the amount of contributions by or on behalf of members as provided in Sections 401(k)(8)(c) of the Code.
6. Rollover Contributions

A newly-hired employee of a Participating Company who elects membership in the Plan in accordance with Paragraph III may make a rollover contribution, as permitted under Section 402(a)(5) of the Internal Revenue Code, to the Plan in cash in an amount not exceeding the total amount of taxable proceeds distributed to such employee by a similar qualified plan maintained by his or her immediately preceding former employer. The rollover contribution must be made by the employee within 60 days following the receipt by the employee of such distribution from such former employer's plan. Rollover contributions shall be invested in accordance with the provisions of Paragraph VII as the employee shall elect.

Effective January 1, 2002, the Plan will accept the following types of rollover contributions:

(a) Direct Rollovers of eligible rollover distributions from a qualified plan described in Sections 401(a) or 403(a) of the Code, including after-tax employee contributions; an annuity contract described in Section 403(b) of the Code, excluding after-tax employee contributions; and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state or any agency or instrumentality of a state or political subdivision of a state.

(b) Member Rollover Contributions of an eligible rollover distribution from a qualified plan described in Sections 401(a) or 403(a) of the Code; an annuity contract described in Section 403(b) of the Code; and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or agency or instrumentality of a state or political subdivision of a state.

(c) Member Rollover Contributions of the portion of a distribution from an individual retirement account or annuity described in Sections 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in gross income.
7. Contributions Following Service in a Uniformed Service

A member of the Plan who is reinstated following qualified military service, as defined in the Uniformed Services Employment and Reemployment Rights Act, may elect to have contributions made to the Plan from such member's wages paid following such qualified military service that shall be attributable to the period contributions were not otherwise permitted due to military service. Such additional contributions shall be based on the amount of wages and profit sharing that the member would have received but for military service and shall be subject to the provisions of the Plan in effect during the applicable period of military service. Such contributions shall be made during the period beginning upon reemployment following military service and ending at the lesser of (i) five years or (ii) the member's period of military service multiplied by three. Such additional contributions shall not be taken into account in the year in which they are made for purposes of any limitation or requirement identified in Section 414(u)(1) of the Internal Revenue Code provided, however, that such contributions, when added to contributions previously made, shall not exceed the applicable limits in effect during the period of military service if the member had continued to be employed by the Company during such period. Further, payments on any loan or loans outstanding during the period of military service shall be extended for a period of time equal to the period of qualified military service.

8. Recovery of Contributions

The Company may recover, without interest, the amount of its contributions made on account of a mistake in fact, provided that such recovery is made within one year after the date of such contribution. Any recovery by the Company of its contributions to the Plan shall not exceed the value at the time of recovery of assets acquired with the Company's contributions and earnings thereon.
In the event the deduction of the contribution made by the Company is disallowed under Section 404 of the Internal Revenue Code, such contribution (to the extent disallowed) must be returned to the Company within one year of the disallowance of the deduction.

V. Member’s Account in Trust Fund

As soon as practicable after each pay period but in any event not later than 15 days after the month of payment of wages for such pay period, the Company shall pay to the Trustee (a) the Tax-Efficient Savings, After-Tax Savings and Catch-Up Contributions for such period, and (b) the amounts of payments by members with respect to loans and interest thereon pursuant to Paragraph XI hereof. Upon receipt of such payments by the Trustee, the aggregate amount of such payments (and earnings thereon, as from time to time received by the Trustee) shall be credited to the respective accounts of the members, and the Trustee shall hold, invest and dispose of the same as provided in the Plan.

The corpus or income of the trust may not be diverted to or used for any purpose other than the exclusive benefit of the members or their beneficiaries.

VI. Vesting

The assets credited to a member’s account shall be fully vested and no portion of such account shall be subject to forfeiture for any reason whatsoever.

VII. Member’s Election as to Investment of Funds

Tax-Efficient Savings (including Catch-Up Contributions) and After-Tax Savings Contributions made on behalf of a member shall be invested as the member shall elect in one or more of the Ford Stock Fund, the Common Stock Index Fund, the Bond Index Fund, the Interest Income Fund, and any of the Additional Mutual Funds and Non-Mutual Funds listed in Appendix A, provided that the amount contributed to any investment election shall be at least five percent of the amount contributed; contributions in excess of five percent shall be made in increments of one percent.
A complete description of each of the Additional Mutual Funds listed in Appendix A is provided in the prospectus for each Fund. Members should request and read the prospectus prior to making a decision regarding investing in a particular fund. A prospectus will be delivered promptly to any employee upon request.

The Investment Process Committee may, in its discretion, make recommendations to the Investment Process Oversight Committee for approval of: additions to, deletions from or replacements for any of the Additional Mutual Funds and Non-Mutual Funds listed in Appendix A, as described in Article XX.

A Member’s investment election hereunder shall be confirmed on his or her Confirmation Statement. Each investment election hereunder with respect to wages shall remain in effect until changed by the Member, and may be changed effective for any pay period in respect of Tax-Efficient Savings and After-Tax Savings Contributions made thereafter by delivering a notice in such form and in such manner and at such time as the Committee shall specify. Profit sharing distributions that Members elect to have contributed to the Plan shall be invested in accordance with a Member’s election in effect with respect to weekly wages at the time profit sharing distributions are contributed to the Plan or, if the Member does not have in effect such an election with respect to weekly wages, in accordance with the Member’s latest election or, in the absence of any such election, in the Interest Income Fund.

VIII. Transfer of Assets to Other Investment Elections

Any member may elect, at such times, in such manner, to such extent and with respect to such assets as the Committee from time to time may determine, to have the value of all or part of the assets invested in any investment election under the Plan in such member’s account transferred by being invested in such account in such other of the ways in which After-Tax Savings Contributions and Tax-Efficient Savings Contributions (including
Catch-Up Contributions) may be invested pursuant to this Paragraph VIII as the member shall elect, provided, however, that:

(a) a member may make one (1) or more such transfer elections each business day;

(b) a member may make such transfer elections in either a dollar amount, share/unit or a percentage of the amount invested in such investment election from which such transfer is elected, in increments of one percent, provided that the amount transferred is at least the greater of five percent of the value of the assets in the investment election from which transfer is elected or $250.00, or, if the amount invested in the investment election from which transfer is elected is less than $250.00, the entire value of the assets invested in the investment election from which transfer is elected; and

(c) all such transfer elections shall be subject to such other regulations as the Committee may prescribe, which may specify, among other things, application procedures, minimum and maximum amounts that may be transferred, procedures for determining the value of assets, the subject of a transfer election and other matters which may include conditions or restrictions applicable to transfer elections.

IX. Investment of Dividends, Interest, Etc.

Cash dividends, interest, and the cash proceeds of any other distribution in respect of any investment funds available under this Plan, shall be invested in the respective Funds giving rise to the same; except that, commencing with respect to Company stock with the dividend payable in the third quarter of 1996, all or a portion of cash dividends paid on Company stock held in the Ford Stock Fund that have not been in the Plan continuously since January 1, 1989 shall be distributed in accordance with the provisions of Paragraph X to members who have elected to invest in the Ford Stock Fund unless such members elect not to receive such dividends. Cash dividends on Company stock in the Ford Stock Fund that are not distributed to members shall be
invested on behalf of the members entitled thereto in the Ford Stock Fund through the purchase of additional Ford Stock Fund Units.

X. Distribution of Assets

Distribution of all assets in a Member’s account shall be governed by the following provisions:

1. Termination of Employment

   In the case of a Member’s termination of employment for any reason (whether voluntary or by discharge, with or without cause), the cash value of assets in his or her account shall be delivered to the Member as soon as practicable after the earliest of the following:

   (i) Receipt of a request for distribution made by the Member at or after termination of employment in accordance with the provisions of Paragraph XII,

   (ii) In the case of a Member who has terminated employment, attained age sixty-five (65), and requested a distribution of the cash value of the assets in his or her account, provided that the request for distribution is received by the end of the Plan Year in which the Member attains age sixty-five (65), the distribution shall be made no later than the 60th day after the close of the Plan Year in which such Member attains age sixty-five (65),

   (iii) Attainment of age seventy and one half (70-1/2) on or after January 1, 1988 in which event distribution of the cash value of assets in his or her account shall begin not later than April 1 of the calendar year following the calendar year in which the Member attains age seventy and one half (70-1/2) and shall be made over a period of fifteen (15) years or, if the Member so elects, over the life of the Member or the lives of the Member and the Member’s beneficiary under the Plan (including the Member’s spouse) in accordance with Section 401(a) (9) of the Internal
Revenue Code and with regulations prescribed by the Secretary of the Treasury thereunder and subject to such regulations as the Committee may prescribe.

Distributions for calendar years 2001 and 2002 will be made in accordance with Section 401(a)(9) 2001 Proposed Regulations, including the incidental death benefit requirements of the Code Section 401(a)(9)(G).

Effective January 1, 2003, all distributions made with respect to a Member who has attained age 70 1/2 shall be made in accordance with the regulations prescribed by the Secretary of the Treasury under Section 401(a) (9) Final and Temporary Regulations of the Code, including the minimum distribution incidental death benefit requirements of Code Section 401(a) (9)(G), and subject to such regulations as the Committee may prescribe. The distribution provisions under Section 401(a) (9) Final and Temporary Regulations override any inconsistent distribution options in the Plan included herein. Notwithstanding the immediately preceding sentence, a Member may at anytime elect a distribution under Article XII of the Plan.

(a) Required Beginning Date. The Member's entire interest will be distributed, or begin to be distributed to the Member no later than the member's Required Beginning Date as defined in Subsection 3(b).

(b) Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the Member's lifetime, the minimum amount that will be distributed for each distribution calendar year (as defined in Subsection 3(b)) is the lesser of:

(i) the quotient obtained by dividing the Member's account balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a) (9)-9 of the Treasury Regulations, using the
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Member's age as of the Member's birthday in the Distribution Calendar Year; or
(ii) if the Member's sole designated beneficiary for the distribution calendar year is the member's spouse, the quotient obtained by dividing the Member's account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Member's and spouse's attained ages as of the Member's and spouse's birthdays in the Distribution Calendar Year.

(c) Lifetime Required Minimum Distributions Continue Through Year of Member's Death. Required minimum distributions will be determined under this subsection beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Member's date of death.

(iv) Prior to January 1, 2008, for accounts established on or after October 1, 1995, at termination of employment if the value of the account is less than $3,500 (determined within 90 days after termination) and was less than $3,500 on the effective date of any prior withdrawal or distribution from such member's account.

Effective January 1, 2008, after termination of employment if the value of the account is less than $3,500 (determined within 90 days after termination) without regard to when the account was established or the value of the account on the effective date of any prior withdrawal or distribution.

Effective January 1, 2004, rollover amounts will not be considered when determining this involuntary distribution.
Effective for distributions paid pursuant to this paragraph on or after March 28, 2005 that are in excess of $1,000, if the Member does not elect to have such distribution paid directly to an eligible retirement plan specified by the Member in a direct rollover or to receive the distribution directly, then the Plan will pay the distribution in a direct rollover to an individual retirement plan designated under the authority provided for in Sections XX and XXI of the Plan.

2. Dividends on Company stock in the Ford Stock Fund
All or a portion of cash dividends paid on shares of Company stock in the Ford Stock Fund that have not been in the Plan continuously since January 1, 1989 shall be distributed proportionately to Members who have assets in the Ford Stock Fund on the dividend record date and do not reject such distribution.

The amount of such dividends that shall be distributed to Members who do not reject distribution shall equal the lesser of (i) the total of such dividends, or (ii) the total amount of dividends paid on all shares held in the Ford Stock Fund multiplied by the ratio of the number of Ford Stock Fund units in the accounts of Members who do not reject such distribution to the number of Ford Stock Fund units in the accounts of all Members, such determination to be made as of the dividend record date. The amount of such dividends that shall be distributed to each Member who has not rejected such distribution shall be equal to the total amount of dividends to be distributed multiplied by the ratio of the number of Ford Stock Fund units in the account of such Member to the total number of Ford Stock Fund units in the accounts of all Members who have not rejected such distribution, all determined as of the end of each business day that is a trading day of the New York Stock Exchange.

For dividends paid after January 1, 2002, Members shall have the right to receive such dividends from the Plan. It shall be presumed that such dividends
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will be reinvested in the Plan unless the Member elects otherwise.

The Committee shall from time to time determine the manner in which Members shall be provided an opportunity to reject distribution of Company stock dividends or to change a prior election with respect to distribution.

Distribution of such dividends shall be made as soon as practicable after receipt of such dividends by the Trustee.

A Member to whom such dividends would otherwise be distributed may reject such distribution in such manner and at such time as the Committee shall determine.

3. Death of a Member

In the event of death of a member, distribution shall be made to such Member's beneficiaries hereunder as soon as practicable after notice of such Member's death is received by the Company.

Notwithstanding the provisions of the immediately preceding sentence, effective January 1, 2000, or as soon as is administratively feasible thereafter, (a) if a Member's beneficiary is the member's surviving spouse, if the member has elected a distribution schedule which had commenced by the Member's date of death, the Member's account shall continue to be paid to the surviving spouse pursuant to such schedule or, at the spouse's election at any time, in a lump sum, and (b) if distribution of the Member's account has not commenced as of the member's date of death, the surviving spouse shall, for purposes of the distribution requirements and options under the Plan, be deemed a Member; except that the surviving spouse shall be deemed to attain age seventy and one-half (70-1/2) on the date the Member would have attained such age.

Effective January 1, 2003, all distributions made in the event of the death of a member shall be made in accordance with the regulations prescribed by the Secretary of the Treasury under Section 401(a) (9)
Final and Temporary Regulations of the Code included herein, and subject to such regulations as the Committee may prescribe. The distribution provisions under Section 401(a) (9) Final and Temporary Regulations override any inconsistent distribution options in the Plan included herein.

(a) Time and Manner of Distribution in the event of the death of a Member before distributions begin. If the Member dies before distributions begin, the cash value of the Member's account will be distributed, or begin to be distributed, no later than as follows:

(i) If the Member's surviving spouse is the sole designated beneficiary, then, except as provided in this Section, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the member died, or by December 31 of the calendar year in which the member would have attained age 70 1/2, if later.

(ii) If the Member's surviving spouse is not the Member's sole designated beneficiary, the cash value of the member's account balance will be distributed to the designated beneficiary by December 31 of the calendar year containing the fifth (5th) anniversary of the member's death.

(iii) If there is no designated beneficiary as of September 30 of the year following the year of the member's death, the cash value of the Member's account balance will be distributed to the member's estate by December 31 of the calendar year containing the fifth (5th) anniversary of the member's death.

(iv) If the Member's surviving spouse is the member's sole designated beneficiary and the surviving spouse dies after the Member but before distributions to the surviving spouse begin, the cash value of the Member's...
account balance will be made to the surviving spouse's estate.

(b) Definitions: For purposes of this Section, the following terms shall have the following meanings:

(i) Designated beneficiary. The individual who is designated as the beneficiary under Section XXIV of the Plan and is the designated beneficiary under Section 401(a) (9) of the Internal Revenue Code and Section 1.401(a) (9)-1, Q&A-4, of Treasury regulations.

(ii) Distribution Calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the member's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the member's Required Beginning Date. For distributions beginning after the member's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under this Section of the Plan. The required minimum distribution for the member's first Distribution Calendar Year will be made on or before the member's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the member's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.

(iii) Life expectancy. Life expectancy is computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.

(iv) Member's Account Balance. The account balance as of the last valuation date in the calendar year immediately preceding the Distribution Calendar Year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions
made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the Distribution Calendar Year if distributed or transferred in the valuation calendar year.

(v) Required Beginning Date. April 1 of the calendar year following the later of: (a) the calendar year in which the employee attains age 70½ or (b) the calendar year in which the employee retires, except as provided in Section 409(d) of the Code, in the case of an employee who is a 5-percent owner (as defined in Section 416) with respect to the Plan Year ending in the calendar year in which the employee attains age 70½.

4. Miscellaneous

For purposes of any distribution of assets in a member’s account pursuant to this Paragraph X, the cash value of assets in his or her account shall be reduced by the balance of any loan made to such Member as provided in Paragraph XI hereof and interest thereon that is unpaid at the effective date of such distribution.

Subject to the provisions of Paragraph XVII hereof, and subject to such regulations as the Committee from time to time may prescribe, a member receiving a distribution pursuant to this Paragraph X may direct the Trustee to make distribution of the cash value of assets in such Member’s Ford Stock Fund account in the form of whole shares of Company stock and cash for any fraction of a share, such distribution to be at a price per share equal to the current market value of Company stock on the effective date of the distribution. The Member so directing the Trustee shall pay all applicable transfer taxes incident to the distribution of such shares by the Trustee, and the amount thereof may be deducted from the payment made by the Trustee to the Member.
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Assets held for the benefit of an alternate payee pursuant to a qualified domestic relations order as defined by Section 414(p) of the Internal Revenue Code of 1986 and Section 206(d) of ERISA shall be distributed prior to the date on which assets would be distributed to a Member if such order so requires provided that such order requires distribution of all assets held for the benefit of such alternate payee.

In the event that distribution to a Member or his or her beneficiary or beneficiaries cannot be made because the identity or location of such member or such beneficiary or beneficiaries cannot be determined after reasonable efforts and if the assets in such Member's account for that reason remain undistributed for a period of one year, the Committee may direct that the assets in such Member's account shall be forfeited and all liability for the payment thereof shall terminate provided, however, that in the event that the identity or location of the member or beneficiary is subsequently determined, the value of the assets in such Member's account at the date of forfeiture shall be paid by the Company to such person in a single sum. The value of the assets so forfeited shall be applied, as soon as practicable, to reimburse the Company for its expense in administering the Plan. For such purposes, the value of the assets in such member's account shall be determined as of the date of the forfeiture.

5. Rollovers

A Member who would otherwise receive a distribution may elect to have the Trustee transfer directly to an Individual Retirement Account ("IRA") of the Member or to another employer's plan in which the Member is a participant all or part of the assets included in the distribution, including Company stock, except (i) a distribution required to be made to a Member who has attained age seventy and one-half (70 1/2) to satisfy the minimum distribution requirements of Section 401(a)(9) of the Internal Revenue Code, (ii) the portion of the distribution that constitutes a return of the Member's after-tax
contributes that were transferred from the Tax Reduction Act Stock Ownership Plan for Hourly Employees when that Plan was terminated in 1989,
(iii) effective for calendar years beginning January 1, 1999, an eligible rollover distribution described in Code Section 402(c) (4), which the participant can elect to roll over to another plan pursuant to Code Section 401(a) (31), excludes hardship withdrawals as defined in Code Section 401(k) (2) (B) (i) (IV), which are attributable to the Member's elective contributions under Treasury Reg. Section 1.401(k)-1 (d) (2) (ii), or (iv) effective January 1, 2002, any amount that is distributed on account of hardship shall not be an eligible rollover distribution and the distributee may not elect to have any portion of such a distribution paid directly to an eligible retirement plan. Any transfer shall be subject to such regulations as the Committee from time to time may prescribe. The member shall designate the IRA or other employer's plan to which assets are to be transferred and transfer shall be made subject to acceptance by the transferee plan or IRA.
Effective January 1, 2002:
(a) Modification of definition of eligible retirement plan. For purposes of the direct rollover provisions in Section IV of the Plan, an eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in Section 414(p) of the Code.
(b) Modification of definition of eligible rollover distribution to exclude hardship distributions. For
purposes of the direct rollover provisions in Section IV of the Plan, any amount that is distributed on account of hardship shall not be an eligible rollover distribution and the distributee may not elect to have any portion of such a distribution paid directly to an eligible retirement plan.

(c) Modification of definition of eligible rollover distribution to include after-tax employee contributions. For purposes of the direct rollover provisions in Section IV of the Plan, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

6. Active Employees who attained age seventy and one-half (70 1/2) prior to January 1, 1997

Distributions to active employees who attained age seventy and one-half (70 1/2) prior to January 1, 1997 shall be continued in accordance with the provisions of the Plan and the Internal Revenue Code as in effect prior to January 1, 1997 unless such active employees elect to have such distributions discontinued effective beginning with distributions that would otherwise be required to be made for the 1997 Plan Year.

7. If the Committee shall find that any person to whom any payment is payable from the Plan is unable to care for his or her affairs because of illness, accident, or disability, or is a minor, any payment due may be paid to the spouse, child, a parent, or a brother or sister, or to any person deemed by the Committee to
have incurred expense for such person otherwise entitled to payment (unless a prior claim therefor shall have been made by a duly appointed guardian, committee or other legal representative). In addition, the Committee may make distributions on behalf of minors to parties it deems appropriate under any Uniform Transfer to Minors Act. Any such payment shall be a complete discharge of the liabilities of the Plan therefor.

XI. Borrowings with Respect to Assets Attributable to Member's Account

Subject to such regulations as the Committee from time to time may prescribe, a Member prior to termination of employment may apply for and receive a loan from the Plan provided that the aggregate of all such loans does not exceed the lesser of

(i) fifty percent (50%) of the cash value of assets at the time of any such loan in his or her account but not more than $50,000; or

(ii) $50,000 reduced by the difference between such Member's highest loan balance under all plans of the Company and its subsidiaries during the previous 12 months (ending on the day before the effective date of such loan from the Plan) and such Member's loan balance on the effective date of such loan.

The Member may designate the assets to be used to provide the amount of the loan or, if the Member so elects, such loan shall be made proportionately from each investment in such Member's account under the Plan. Assets available for loans include Member’s Tax-Efficient Savings Contributions, Catch-Up Contributions, After-Tax Savings Contributions, any rollover contributions, and any earnings on such assets. No loan of less than $1,000 shall be made. All loans from all plans of the Company and other members of a group of employers described in Sections 414(b), 414(c), 414(m) and 414(o) of the Internal Revenue Code are aggregated for purposes of the above limitation in Subparagraph (ii).
All such loans shall (i) be available to all Members on a reasonably equivalent basis, (ii) be adequately secured, (iii) bear a reasonable rate of interest, and (iv) require level amortization with payments not less frequently than quarterly throughout the repayment period, except that alternative arrangements for repayment may apply in the event that the Member is on a qualified military leave within the meaning of Section 414(u) of the Code, and be subject to such other requirements, including repayment terms, as the Committee from time to time may prescribe, provided, however, that (a) the entire amount of any such loan and all amounts of related interest must be repaid not later than 60 months or, in the case of a loan made for the Member to buy or construct the principal residence of the Member, 120 months (or, when permitted by law, such later date as the Committee may determine) after the month in which the loan is effective and (b) repayments shall be made by a Member from his or her wages by payroll deductions or in such other manner as the Committee may prescribe. The Committee shall determine a rate of interest such that the Plan is provided with a return commensurate with the interest rates charged by persons in the business of lending money for loans which would be made under similar circumstances. Any loan to a Member shall be secured by such Member’s interest in the Plan. All such requirements shall be applicable on a uniform and non-discriminatory basis to all Members who may apply for such loans.

Amounts paid by a Member, including interest payments, with respect to any such loan shall be credited to a loan subaccount in such Member’s account. Loan repayments, including interest, on loans made before October 1, 1995 shall be invested in the Interest Income Fund until the Member elects to have such assets transferred. Loan repayments, including interest, on loans made on or after October 1, 1995 shall be invested in the latest investment elections made on or after October 1, 1995 by the Member with respect to weekly contributions or, in the absence of such election, in the Interest Income Fund until the Member elects to have such assets transferred.
XII. **Withdrawal of Assets**

Prior to termination of employment a **Member** shall not be permitted to withdraw all or any portion of the cash value of the assets in the **Member**'s account; provided, however, that such withdrawal shall be permitted (i) at any time after the **Member** shall have attained age fifty-nine and one-half (59-1/2) or (ii) prior to attaining age fifty-nine and one-half (59-1/2), if withdrawal (i) is made on account of an immediate and heavy financial need of the **Member** and (ii) is necessary to satisfy such financial need.

At any time or from time to time prior to termination of employment, a **Member** may withdraw all or part of the cash value of assets in his or her After-Tax Savings Account that are attributable to his or her After-Tax Savings Contributions and earnings thereon.

At any time after the **Member** shall have terminated employment or attained age fifty-nine and one-half (59 1/2), a **Member** may elect to withdraw all or part of the cash value of assets in such **Member**'s account as the **Member** may specify. In addition, a **Member** may elect to make a systematic withdrawal of the cash value of assets in such **Member**'s account in monthly, quarterly, semiannual or annual installments over such period of time as the **Member** shall specify. Each such installment shall be paid in an amount equal to the cash value of assets in such **Member**'s account at the effective date of each such installment multiplied by a fraction the numerator of which is one and the denominator of which is the number of installments remaining in the period specified by the **Member**. The cash value of each such installment in a systematic withdrawal shall be withdrawn proportionately from each of the investments which the **Member** has elected under the Plan at the effective date of each such installment. The effective date of each such installment shall be selected by the Committee and communicated to **Members** of the Plan. Such systematic withdrawals shall be subject to such further requirements as the Committee shall specify. In the event that the systematic withdrawals specified by the **Member** do not meet the minimum distribution requirements begin-
ning at age seventy and one half (70 1/2) under Section 401(a) (9) of the Internal Revenue Code as specified in Paragraph X, then such additional amounts shall be distributed in accordance with the provisions of Paragraph X as necessary to satisfy such minimum distribution requirements.

An immediate and heavy financial need shall be deemed to exist if the requirements of Treasury Regulation Section 1.401(k)-1(d)(3)(ii)(B) are met or if an expense of $500 or more is approved by the Committee as constituting an immediate and heavy financial need. A withdrawal will be deemed necessary to satisfy such financial need if (i) the withdrawal is not in excess of the immediate and heavy financial need; (ii) the Member has no other distribution or nontaxable loan privileges available from any plan maintained by the Company or its subsidiaries; and (iii) the Member’s contributions to the Company’s savings plans are suspended for twelve months after the withdrawal. Any withdrawal on account of financial hardship cannot exceed the sum total of:

(a) Tax-Efficient Savings Contributions made to the account of the Member (exclusive of earnings thereon after December 31, 1988), and (b) Catch-Up Contributions (exclusive of earnings thereon), and (c) pre-tax rollover contributions. Any such withdrawal of assets shall be made as of the date specified by the Committee or the third party plan administrator in its determination of the existence of a financial hardship. The assets so withdrawn shall be delivered to the Member as soon as practicable after the effective date of the withdrawal.

Subject to the provisions of Paragraph XVII hereof, and subject to such regulations as the Committee from time to time may prescribe, a member requesting any such withdrawal other than an installment under a systematic withdrawal, may direct the Trustee to make distribution of assets in such Member’s Ford Stock Fund account in the form of whole shares of Company stock, and in cash for any fractional share, such distribution to be at a price per share equal to the current market value of Company stock on the effective date of the withdrawal. The member so directing the Trustee shall pay all applicable
transfer taxes incident to the distribution of such shares by the Trustee, and the amount thereof may be deducted from the payment made by the Trustee to the Member.

A Member who would otherwise request a withdrawal may elect to have the Trustee transfer directly to an Individual Retirement Account ("IRA") of the Member or to another employer's plan in which the member is a participant all or part of the assets included in the withdrawal, including Company stock, except (i) a withdrawal made after attainment of age seventy and one-half (70 1/2) to satisfy the minimum distribution requirements under Section 401(a) (9) of the Internal Revenue Code and (ii) the portion of the withdrawal that constitutes a return of the member's after-tax contributions that were transferred from the Tax Reduction Act Stock Ownership Plan for Hourly Employees when that Plan was terminated in 1989. Any transfer shall be subject to such regulations as the Committee from time to time may prescribe. The member shall designate the IRA or other employer's plan to which assets are to be transferred and transfer shall be made subject to acceptance by the transferee plan or IRA.

XIII. **Ford Stock Fund, Common Stock Index Fund, Bond Index Fund, Interest Income Fund, and Mutual Funds**

1. **Ford Stock Fund**

   The Trustee shall establish and administer the Ford Stock Fund in accordance with the following:

   (a) **Investment Standard**

   It is the Company's intent that to the fullest extent permitted by ERISA, that the Ford Stock Fund be a permanent feature of the Plan, that it shall qualify as an employee stock ownership plan under Section 407 (d) (6) of ERISA and Code Section 4975 (e) (7) and that the Ford Stock Fund should be, and should continue to be invested exclusively in Company Stock (except to the limited extent described in sub-
section 1 (b) below as to the liquidity component to support daily activity) without regard to: (i) the diversification of assets, (ii) the risk profile of investments in Company Stock, (iii) the amount of income provided by Company Stock, or (iv) the fluctuation in the fair market value of Company Stock. The Ford Stock Fund shall be managed pursuant to this statement of intent unless the Company or, in the event a Ford Stock Fund Manager is appointed in accordance with Paragraph XX hereof, the Ford Stock Fund Manager, using an abuse of discretion standard, determines from reliable public information, that there is a serious question concerning the Company’s short-term viability as a going concern.

(b) Investments

For each member who elects pursuant to Paragraph VII to have Tax-Efficient Savings Contributions and/or After-Tax Savings Contributions invested in the Ford Stock Fund or for whom a transfer is made to the Ford Stock Fund as provided in Paragraph VIII hereof, the Trustee shall invest the sums so to be invested or transferred in accordance with instructions of a person, company, corporation or other organization appointed by the Company. The Trustee may be appointed for such purpose.

Investments shall be made exclusively in shares of Company stock; except a small portion shall be invested in short-term investments to provide liquidity for daily activity. It is expected that about one to two percent of the Fund will be held in short-term investments, but the percentage may be higher or lower, depending upon the expected liquidity requirements of the Fund. Investments of all or a portion of Ford Stock Fund assets may be made in any common, collective or commingled fund when, in the opinion of the Trustee, such investments are
consistent with the objective of the Ford Stock Fund.

(c) Ford Stock Fund Units
Members shall have no ownership in any particular asset of the Ford Stock Fund. The Trustee shall be the sole owner of all Ford Stock Fund assets. Proportionate interests in the Ford Stock Fund shall be expressed in Ford Stock Fund Units. All Ford Stock Fund Units shall be of equal value and no Ford Stock Fund Unit shall have priority or preference over any other. Ford Stock Units shall be credited by the Trustee to accounts of members as of each valuation date.

(d) Ford Stock Fund Unit Prices
The term “Ford Stock Fund Unit Price,” as used herein, shall mean the value in money of an individual Ford Stock Fund Unit expressed to the nearest cent. The Ford Stock Fund Unit Price as of October 1, 1995 was $10.00, as determined by the Committee. The number of Ford Stock Fund Units as of October 1, 1995 was determined by dividing the market value of shares of Company stock and cash received by the Trustee for investment in the Ford Stock Fund by such Ford Stock Fund Unit Price. Thereafter, the Ford Stock Fund Unit Price shall be redetermined at the end of each business day that is a trading day of the New York Stock Exchange. The Ford Stock Fund Unit Price for each such business day shall be determined by dividing the net asset value of the Ford Stock Fund on such business day by the number of Ford Stock Fund Units outstanding on such business day. Ford Stock Fund Unit Prices shall be determined before giving effect to any distribution or withdrawal and before crediting contributions to members’ accounts effective as of any such business day. Net asset value of the Ford Stock Fund shall be computed as follows:

(i) Company stock shall be valued at the closing price on the New York Stock Exchange on such business day, or, if no sales were made
on that date, at the closing price on the next preceding day on which sales were made.

(ii) All other assets of the Ford Stock Fund, including any interest in a common, collective or commingled fund, shall be valued at the fair market value as of the close of business on the valuation date. Fair market value shall be determined by the Trustee in the reasonable exercise of its discretion, taking into account values supplied by a generally accepted pricing or quotation service or quotations furnished by one or more reputable sources, such as securities dealers, brokers, or investment bankers, values of comparable property, appraisals or other relevant information and, in the case of a common, collective or commingled fund, fair market value shall be the unit value of such fund for a date the same as the valuation date, or as close thereto as practicable.

(iii) Ford Stock Fund Units credited to members’ accounts with respect to After-Tax Savings Contributions and Tax-Efficient Savings Contributions (including Catch-Up Contributions) and rollover contributions made during any month, shall be credited at the Ford Stock Fund Unit Price determined as of the close of business on the day that such contributions are received by the Trustee. Ford Stock Fund Units withdrawn or distributed shall be valued at the Ford Stock Fund Unit Price at the close of business on the day coinciding with the effective date of such withdrawal or distribution.

(iv) Investment transactions, income and any expenses chargeable to the Ford Stock Fund will be accounted for on an accrual basis.

(e) Distribution and Withdrawal from the Ford Stock Fund

The cash value of assets in the Ford Stock Fund shall be distributed to members or may be
withdrawn by members only in accordance with Paragraphs X and XII hereof. All distributions and withdrawals shall be in cash, except that a member making a withdrawal or receiving a distribution may direct the Trustee to make such withdrawal or distribution in the form of whole shares of Company stock, based on the closing price on the New York Stock Exchange on the effective date of such withdrawal or distribution.

(f) Registered Name
Securities held in the Ford Stock Fund may be registered in the name of the Trustee or its nominee.

(g) Commissions Charged to the Plan
No commission shall be charged to the Plan or any trust under the Plan in connection with any acquisition by the Plan of Company Stock from the Company, whether by cash purchase, exchange, conversion or otherwise.

(h) Exchanges Into or Out of the Ford Stock Fund
Effective June 1, 2000, members may exchange into or out of the Ford Stock Fund no more than five (5) times in a calendar month.

**Effective December 1, 2004, exchange restrictions out of the Fund were eliminated.**
Exchanges into the Fund were limited to no more than five exchanges per month.

**Effective April 18, 2007, the limitation of five exchanges into the Fund per month was eliminated.** With this change, there are no restrictions on exchanges into or out of the Fund.

2. Common Stock Index Fund
The Trustee shall establish and administer the Common Stock Index Fund in accordance with the following:

(a) Investments
For each member who elects pursuant to Paragraph VII to have Tax-Efficient Savings Contr-
butions (including Catch-Up Contributions) and After-Tax Savings Contributions invested in the Common Stock Index Fund or for whom a transfer is made to the Common Stock Index Fund as provided in Paragraph VIII hereof, the Trustee shall invest the sums so to be invested or transferred in accordance with instructions of a person, company, corporation or other organization appointed by the Company. The Trustee may be appointed for such purpose.

The Common Stock Index Fund passively invests in common stocks of companies with a market capitalization of at least $250 million and encompasses most U.S. and international common stocks traded in the United States. This fund invests in stocks in approximately the same proportion as the U.S. market. The Common Stock Index Fund provides broad market diversification in terms of company size and geography. It represents established markets, including the United States, Europe, and Japan, as well as other countries, including some emerging markets. Once stocks are purchased, they are sold when the outstanding market capitalization falls below $100 million.

Investments of all or a portion of Common Stock Index Fund assets may be made in any common, collective or commingled fund when, in the opinion of the Trustee, such investments are consistent with the objective of the Common Stock Index Fund. A portion of the funds of the Common Stock Index Fund may be held in cash or invested in short-term obligations when deemed advisable by the Trustee. Securities may be sold without regard to the length of time they have been held.

The value of a unit can go up or down, based on the market values of the securities held in the Common Stock Index Fund and dividends paid on those securities and other earnings; however, the total number of units credited to the mem-
ber's account does not change except as a result of an exchange, withdrawal or distribution.
The Trustee may limit or suspend transactions in the Common Stock Index Fund temporarily because liquidity is insufficient to satisfy the requested volume of transactions or for other reasons.

(b) Common Stock Index Fund Units
Members shall have no ownership in any particular asset of the Common Stock Index Fund. The Trustee shall be the sole owner of all Common Stock Index Fund assets. Proportionate interests in the Common Stock Index Fund shall be expressed in Common Stock Index Fund Units. All Common Stock Index Fund Units shall be of equal value, representing a proportionate share of the value of the Fund, and no Common Stock Index Fund Unit shall have priority or preference over any other. Common Stock Index Fund Units shall be credited by the Trustee to accounts of members as of such valuation date.

(c) Common Stock Index Fund Unit Prices
The term "Common Stock Index Fund Unit Price," as used herein, shall mean the value in money of an individual Common Stock Index Fund Unit expressed to the nearest cent. The Common Stock Index Fund Unit Price as of November 30, 1988 was determined by the Committee. The number of Common Stock Index Fund Units as of November 30, 1988 was determined by dividing the total amounts received by the Trustee for investment in the Common Stock Index Fund by such Common Stock Index Fund Unit Price. Thereafter, the Common Stock Index Fund Unit Price shall be redetermined at the end of each business day that is a trading day on the New York Stock Exchange. The Common Stock Index Fund Unit Price for each such business day shall be determined by dividing the net asset value of the Common Stock Index Fund on such business day by the number of Common
Stock Index Fund Units outstanding on such business day. Common Stock Index Fund Unit Prices shall be determined before giving effect to any distribution or withdrawal and before crediting contributions to Members’ accounts effective as of any such business day. Net asset value of the Common Stock Index Fund shall be computed as follows:

(i) Securities listed on a national stock exchange shall be valued at the closing price on the valuation date, or, if no sales were made on that date, at the closing price on the next preceding day on which sales were made, in either case as reported on the primary exchange.

(ii) Securities traded only in over-the-counter markets shall be valued at the mean of the closing bid and asked prices as listed in a publication or publications selected by the Trustee for the valuation date, or the next preceding day for which such prices are available, if not available for the valuation date.

(iii) All other assets of the Common Stock Index Fund, including any interest in a common, collective or commingled fund, shall be valued at the fair market value as of the close of business on the valuation date. Fair market value shall be determined by the Trustee in the reasonable exercise of its discretion, taking into account values supplied by a generally accepted pricing or quotation service or quotations furnished by one or more reputable sources, such as securities dealers, brokers, or investment bankers, values of comparable property, appraisals or other relevant information and, in the case of a common, collective or commingled fund, fair market value shall be the unit value of such fund for a date the same as the valuation date, or as close thereto as practicable.
(iv) Common Stock Index Fund Units credited to members’ accounts with respect to Tax-Efficient Savings Contributions, (including Catch-Up Contributions), After-Tax Savings Contributions, and/or any rollover contributions made during any month shall be credited at the Common Stock Index Fund Unit Price determined as of the close of business on the day that such contributions are received by the Trustee. Common Stock Index Fund Units withdrawn or distributed shall be valued at the Common Stock Index Fund Unit Price at the close of business on the day coinciding with the effective date of such withdrawal or distribution.

(v) Investment transactions, income and any expenses chargeable to the Common Stock Index Fund will be accounted for on an accrual basis.

(d) Distribution and Withdrawal From Common Stock Index Fund

The cash value of assets in the Common Stock Index Fund shall be distributed to members or may be withdrawn by members only in accordance with Paragraphs X and XII hereof. All distributions and withdrawals shall be only in cash.

(e) Voting Stock

The Trustee shall be entitled, itself or by proxy, to vote in its discretion all shares of voting stock in the Common Stock Index Fund.

(f) Registered Name

Securities held in the Common Stock Index Fund may be registered in the name of the Trustee or its nominee.

3. Bond Index Fund

The Trustee shall establish and administer the Bond Index Fund in accordance with the following:
(a) Investments

For each Member who elects pursuant to Paragraph VII to have Tax-Efficient Savings Contributions (including Catch-Up Contributions), After-Tax Savings Contributions, and/or any rollover contributions invested in the Bond Index Fund or for whom a transfer is made to the Bond Index Fund as provided in Paragraph VIII hereof, the Trustee shall invest the sums so to be invested or transferred in accordance with instructions of a person, company, corporation or other organization appointed by the Company. The Trustee may be appointed for such purpose.

Investments shall be made with the objective of providing investment results that closely correspond to the price and yield performance of the Lehman Brothers Aggregate Index (the “Lehman Aggregate Index”). Assets shall be invested in a portfolio of the Treasury notes and bonds, corporate notes and bonds and mortgage-backed securities and other securities that, in the aggregate, typify the securities that are included in the Lehman Aggregate Index, and have at least one year until maturity and an outstanding par value of at least $100 million.

Investments of all or a portion of Bond Index Fund assets may be made in any common, collective or commingled fund maintained by the Trustee or the person, company, corporation or other organization appointed by the Company to manage all or a portion of the Bond Index Fund when, in the opinion of the Trustee or the person, company, corporation or other organization appointed by the Company to manage all or a portion of the Bond Index Fund, such investments are consistent with the objective of the Bond Index Fund. To the extent that assets are so invested, they shall be subject to the terms and conditions of the Declaration of Trust of such common, collective or commingled fund, as amended from time to time. A portion of the funds of the Bond Index Fund may be held in cash or
invested in short-term obligations when deemed advisable by the Trustee or the person, company, corporation or other organization appointed by the Company to manage all or a portion of the Bond Index Fund. The value of the Member's investment in the Bond Index Fund may fluctuate with changes in interest rates or for other reasons. Securities may be sold without regard to the length of time they have been held. A different market index of publicly traded fixed income securities may be selected by the Company for investments of Bond Index Fund assets in the event the Lehman Aggregate Index is discontinued or for other reasons.

(b) Bond Index Fund Units

Members shall have no ownership in any particular asset of the Bond Index Fund. The Trustee shall be the sole owner of all Bond Index Fund assets. Proportionate interests in the Bond Index Fund shall be expressed in Bond Index Fund Units. All Bond Index Fund Units shall be of equal value and no Bond Index Fund Unit shall have priority or preference over any other. Bond Index Fund Units shall be credited by the Trustee to accounts of members as of each valuation date.

The value of a unit can go up or down, based on the market values of the securities in the Bond Index Fund and interest paid on those securities and other earnings; however, the total number of units credited to the member's account will not change unless the member makes a contribution, exchange, loan or withdrawal, or receives a distribution.

(c) Bond Index Fund Unit Prices

The term "Bond Index Fund Unit Price," as used herein, shall mean the value in money of an individual Bond Index Fund Unit expressed to the nearest cent. The Bond Index Fund Unit Price as of January 31, 1994 was determined by the Committee. The number of Bond Index Fund Units as of January 31, 1994 was determined by
dividing the total amounts received by the Trustee pursuant to Paragraphs VII and VIII hereof for investment in the Bond Index Fund for the month of January, 1994 by such Bond Index Fund Unit Price. Thereafter, the Bond Index Fund Unit Price shall be redetermined each business day that is a trading day on the New York Stock Exchange. The Bond Index Fund Unit Price for each such business day shall be determined by dividing the net asset value of the Bond Index Fund on such business day by the number of Bond Index Fund Units outstanding on such business day. Bond Index Fund Unit Prices shall be determined before giving effect to any distribution or withdrawal and before crediting contributions to member's accounts effective as of any such business day. Net asset value of the Bond Index Fund shall be computed as follows:

(i) All assets of the Bond Index Fund, including any interest in a common, collective or commingled fund, shall be valued at the fair market value as of the close of business on the valuation date. Fair market value shall be determined by the Trustee in the reasonable exercise of its discretion, taking into account values supplied by a generally accepted pricing or quotation service or quotations furnished by one or more reputable sources, such as securities dealers, brokers, or investment bankers, values of comparable property, appraisals or other relevant information and, in the case of a common, collective or commingled fund, fair market value shall be the unit value of such fund for a date the same as the valuation date, or as close thereto as practicable.

(ii) Bond Index Fund Units credited to Member's accounts with respect to Tax-Efficient Savings Contributions, (including Catch-Up Contributions), After-Tax Contributions, and/or any rollover contributions made during
any month shall be credited at the Bond Index Fund Unit Price determined as of the close of business on the day that such contributions are received by the Trustee. Bond Index Fund Units withdrawn or distributed shall be valued at the Bond Index Fund Unit Price at the close of business on the day coinciding with the effective date of such withdrawal or distribution.

(iii) Investment transactions, income and any expenses chargeable to the Bond Index Fund will be accounted for on an accrual basis.

(d) Distribution and Withdrawal from the Bond Index Fund

The cash value of assets in the Bond Index Fund shall be distributed to Members or may be withdrawn by Members only in accordance with Paragraphs X and XII hereof. All distributions and withdrawals shall be only in cash.

(e) Registered Name

Securities held in the Bond Index Fund may be registered in the name of the Trustee or its nominee.

4. Interest Income Fund

The Trustee shall establish and manage the Interest Income Fund in accordance with the following:

(a) Investments

For each Member who elects pursuant to Paragraph VII to have Tax-Efficient Savings Contributions (including Catch-Up Contributions), After-Tax Savings Contributions, and/or any rollover contributions invested in the Interest Income Fund or for whom a transfer is made as provided in Paragraph VIII, the Trustee shall invest the sums so to be invested or transferred in accordance with instructions of one or more persons, companies, corporations or other organizations appointed by the Company. The Trustee may be appointed for such purpose.
Investments shall be made with the objective of providing a broadly diversified, stable value investment in which the value of the Member's investment is not expected to fluctuate except for the addition of interest credited to the member's account. The interest rate payable on assets in the Interest Income Fund will be declared annually in advance and may be changed each calendar year.

The Trustee shall invest the After-Tax Savings and Tax-Efficient Savings Contributions (including Catch-Up Contributions), and earnings thereon, received for the accounts of Members who elect to invest in the Interest Income Fund according to the advice of the Interest Income Fund Manager. Assets in such Fund shall be invested in a well diversified portfolio of fixed income securities. The Interest Income Fund will be allowed to use derivatives (futures, options and swaps) to take advantage of changes in securities prices, interest rates and other factors affecting value and/or to maintain liquidity. While the use of each of these strategies has its own risks and could decrease the value of the Interest Income Fund, their use in the portfolio is limited to controlling overall Interest Income Fund risk and managing cash. Securities may be sold without regard to the length of time they have been held.

Investments shall be subject to such additional restrictions as from time to time shall be provided in the agreement designating or appointing the Interest Income Fund Advisor. To the extent that the actual return on assets in the Fund is more or less than the declared rate of interest for the current year, the rate of interest declared and paid for succeeding years will be adjusted upward or downward.

Investments of a portion of Interest Income Fund assets may be made in any common, collective or commingled fund maintained by the Trustee or
any person, company, corporation or other organization appointed by the Company to manage all or a portion of the Interest Income Fund when, in the opinion of the Trustee or the person, company, corporation or other organization appointed by the Company to manage all or a portion of the Interest Income Fund, such investments are consistent with the objective of the Interest Income Fund. To the extent that assets are so invested, they shall be subject to the terms and conditions of the Declaration of Trust of such common, collective or commingled fund, as amended from time to time. A portion of the funds of the Interest Income Fund may be held in cash or invested in short-term obligations when deemed advisable by the Trustee or the person, company, corporation or other organization appointed by the Company to manage all or a portion of the Interest Income Fund.

(b) The Trustee periodically shall credit to the appropriate Interest Income Fund accounts of members interest at the rate declared prior to the commencement of each calendar year.

(c) In the event that the total value of the Interest Income Fund is reduced for any reason (other than by reason of distributions to or withdrawals or transfers by members pursuant to the Plan), the Trustee shall reduce the total amount credited to the Interest Income Fund account of each member by a proportionate amount.

(d) Cash credited to member's accounts in the Interest Income Fund shall be distributed to members or may be withdrawn by members only in accordance with Paragraph X and XII hereof. All distributions and withdrawals shall be only in cash.

(e) Interest Income Fund Value
The term “Value” as used herein shall mean the value in money of the net assets in the Interest Income Fund. The Interest Income Fund Value shall be determined each business day that is a trading day on the New York Stock Exchange.
Interest Income Fund Values shall be determined before giving effect to any distribution or withdrawal and before crediting contributions or transfers to member's accounts effective as of any such business day. The Value of the Interest Income Fund shall be computed as follows:

(i) All assets of the Interest Income Fund shall be valued at the fair market value as of the close of business on the valuation date. Fair market value shall be determined by the Trustee in the reasonable exercise of its discretion, taking into account values supplied by a generally accepted pricing or quotation service or quotations furnished by one or more reputable sources, such as securities dealers, brokers, or investment bankers, values of comparable property, appraisals or other relevant information.

(ii) Investment transactions, income and any expenses chargeable to the Interest Income Fund will be accounted for on an accrual basis.

(f) Registered Name

Securities held in the Interest Income Fund may be registered in the name of the Trustee or its nominee.

5. Mutual Funds

Each of the Mutual Funds offered as an investment election under the Plan shall be described in a prospectus for each such Mutual Fund and each such prospectus shall be provided to each member of the Plan who requests such prospectus.

XIV. Member's Quarterly Statement

As soon as practicable after the end of each calendar quarter of each year, there shall be furnished to each member a statement as of the end of each such quarter of such year of the cash value of each of the investments in his or her account, the contributions made on behalf of such member during the preceding calendar quarter, the investment elections with respect to such contribu-
tions, and such additional information as the Committee shall determine. Such statements shall be deemed to have been accepted by the member and his or her beneficiaries designated hereunder as correct unless written notice to the contrary shall be received as the Company shall specify on such statement within 30 days after the mailing of such statement to the member.

XV. Notices, etc.

All notices, statements and other communications from the Trustee or a Participating Company to an employee, member or designated beneficiary required or permitted hereunder shall be deemed to have been duly given, furnished, delivered or transmitted, as the case may be, when delivered to (or when mailed by first-class mail, postage prepaid and addressed to) the employee, member or beneficiary at his or her address last appearing on the books of such Participating Company or, in the case of an employee, delivered to the employee at his or her normal work station.

All notices, instructions and other communications from an employee or member to the Company or Trustee required or permitted hereunder (including, without limitation, authorizations, Tax-Efficient Savings elections and terminations thereof, investment and other elections, requests for withdrawal or loans and designations of beneficiaries and revocations and changes thereof) shall be made in such form and such manner from time to time prescribed therefor by the Committee.

From time to time as necessary to facilitate the administration of the Plan and the trust created thereunder, the Company, the Trustee and the Committee shall deliver to each other copies or consolidations of such notices, instructions or other communications in respect of the Plan or such trust as it may receive from employees, members or beneficiaries.

XVI. Trustee

The Company shall appoint one or more individuals or corporations to act as Trustee under the Plan, and at any time may remove the Trustee and appoint a successor...
Trustee. The Company may, without reference to or action by any employee, member or beneficiary or any other Participating Company, enter into such Trust Agreement with the Trustee and from time to time enter into such further agreements with the Trustee or other parties, make such amendments to such Trust Agreement or further agreements and take such other steps and execute such other instruments as the Company in its sole discretion may deem necessary or desirable to carry the Plan into effect or to facilitate its administration.

The Trustee and the Company may by mutual agreement in writing arrange for the delegation by the Trustee to the Committee of any of the functions of the Trustee, except the custody of assets, the voting of Company stock held by the Trustee and the purchase and sale or redemption of securities.

The Trustee shall agree that all information concerning a member's investment in the Plan, exchanges in or out of the investment elections, or the voting of shares of stock represented by a member's proportionate interest in the Ford Stock Fund or any other investment under the Plan shall not be disclosed to any party except to the extent necessary to administer the Plan or as required by law. The Committee shall be responsible for ensuring that the provisions of this subparagraph are complied with and shall have the authority to determine, in good faith, when and to what extent disclosure shall be necessary in administering the Plan.

XVII. Purchases of Securities by the Trustee

Tax-Efficient Savings, Catch-Up Contributions and After-Tax Savings Contributions and earnings thereon in the accounts of members shall be invested by the Trustee as soon as practicable after receipt thereof by the Trustee.

The shares of Company stock from time to time required for purposes of the Plan shall be purchased by the Trustee from the Company, or from such other person or corporation, on such stock exchange or in such other manner, as the Company by action of its Board of Directors or any committee or person designated by the
Board of Directors, from time to time in its sole discretion may designate or prescribe; provided, however, that except as required by any such designation by the Board of Directors, such shares shall be purchased by the Trustee from such source and in such manner as the Trustee from time to time in its sole discretion may determine. Any shares so purchased from the Company may be either treasury stock or newly-issued stock, and shall be purchased at a price per share equal to the closing price on the New York Stock Exchange on the date of purchase.

Anything herein to the contrary notwithstanding, the Trustee shall not invest any of the funds in the Ford Stock Fund in any shares of Company stock, unless at the time of purchase thereof by the Trustee such shares shall be listed on the New York Stock Exchange.

The shares of Company stock held by the Trustee under the Plan shall be registered in the name of the Trustee or its nominee, but shall not be voted by the Trustee or such nominee except as provided in Paragraph XVIII hereof.

In the event that any option, right or warrant shall be received by the Trustee on Company stock, the Trustee shall sell the same, at public or private sale and at such price and upon such other terms as it may determine, unless the Committee shall determine that such option, right or warrant should be exercised, in which case the Trustee shall exercise the same upon such terms and conditions as the Committee may prescribe.

XVIII. **Voting of Company Stock**

The Trustee, itself or by its nominee, shall be entitled to vote, and shall vote, shares of Company stock represented by the proportionate interests in the accounts of members in the Ford Stock Fund or otherwise held by the Trustee under the Plan as follows:

1. The Company shall adopt reasonable measures to notify the member of the date and purposes of each meeting of stockholders of the Company at which holders of shares of Company stock shall be entitled to vote, and to request instructions from the member
to the Trustee as to the voting at such meeting of full shares of Company stock and fractions thereof represented by the proportionate interest in the Ford Stock Fund account of the member.

2. In each case, the Trustee, itself or by proxy, shall vote full shares of Company stock and fractions thereof represented by the proportionate interest in the Ford Stock Fund account of the member in accordance with the instructions of the member.

3. If prior to the time of such meeting of stockholders the Trustee shall not have received instructions from the member in respect of any shares of Company stock represented by the proportionate interest in the Ford Stock Fund account of the member, the Trustee shall vote thereat such shares proportionately in the same manner as the Trustee votes thereat the aggregate of all shares of Company stock with respect to which the Trustee has received instructions from members.

XIX. Cash Adjustments on Account of Fractional Interests in Securities

Any fractional interest in a share of Company stock shall not be subject to distribution or withdrawal. Settlement for any fractional interest in such security, upon distribution or withdrawal thereof, shall be made in cash based on the current market value or any applicable current redemption value of such security, as of the date of distribution or withdrawal, as the case may be.

XX. Operation and Administration

1. General

Pursuant to ERISA, the Company shall be the sole named fiduciary with respect to the Plan and shall have authority to control and manage the operation and administration of the Plan.

Effective May 11, 2005, the Group Vice President-Human Resources and Labor Affairs, the Executive Vice President and Chief Financial Officer and the Senior Vice President-General Counsel shall have the authority, on behalf of the
Company, to appoint and remove trustees under the Plan, to approve policies relating to the allocation of contributions and the distribution of assets among trustees, and to approve Plan amendments other than Plan amendments relating to the offering of Company stock as an investment election which amendments shall be made by the Board of Directors.

The Vice President-Treasurer shall be authorized on behalf of the Company to contract with the trustees under the Plan and to determine the form and terms of the trust agreements, to allocate contributions and distribute assets among trustees, and shall have authority to designate other persons to carry out specific responsibilities in connection therewith; provided, however, that such actions shall be consistent with ERISA, the policy of the Board of Directors and officers designated in the preceding subparagraph and the Plan.

Except as otherwise provided in this Paragraph XX or elsewhere in the Plan, the Group Vice President-Human Resources and Labor Affairs and the Executive Vice President and Chief Financial Officer are designated to carry out the Company’s responsibilities with respect to the Plan, including, without limitation, appointment and removal of service providers used in connection with the administration of the Plan, and determination of prior service for eligibility purposes under the Plan in the event of acquisition by a Participating Company (by purchase, merger, or otherwise) of all or part of the assets of another corporation.

Any Company director, officer or employee who shall have been expressly designated pursuant to the Plan to carry out specific Company responsibilities shall be acting on behalf of the Company. Any person or group of persons may serve in more than one capacity with respect to the Plan and may employ one or more persons to render advice with regard to any responsibilities such person has under the Plan.

In the event of a change in the designated
officer's title, the officer or officers with functional responsibility for the Plan shall have the authority to the extent described in this Paragraph.

The officers with responsibility for the Plan may allocate responsibilities between themselves and shall have authority to designate other persons to carry out specific responsibilities on behalf of the Company in connection therewith; provided, however, that such actions shall be in writing and consistent with ERISA, the policy of the Board of Directors and the Plan.

2. Investment Review

Effective May 11, 2005, the Board of Directors implemented a revised process for reviewing the investment options offered under the Plan. The role of the Investment Process Committee ("IPC") was clarified and an Investment Process Oversight Committee ("IPOC") was created. Each member of the IPC and the IPOC shall execute their respective responsibilities under the Plan for the sole benefit of Members and their beneficiaries.

a) Investment Process Oversight Committee

The members of the Investment Process Oversight Committee ("IPOC") shall be the Vice President-Treasurer, Associate General Counsel and Secretary and the Vice President-Human Resources and Labor Affairs. The IPOC shall meet at least quarterly to review the performance of the investment options and to consider any recommendations from the Investment Process Committee ("IPC"). The IPOC shall take action with respect to the Ford Stock Fund, Common Stock Index Fund, Bond Index Fund and Interest Income Fund only to the extent required by ERISA. Any member of the IPOC may request to meet more frequently. The IPOC shall appoint a
secretary, which does not have to be an IPOC member. Any action taken pursuant to this Article XX by the IPOC shall be by unanimous consent, with or without a meeting. The IPOC shall have the power to approve any changes in the Additional Mutual Funds and Non-Mutual Funds listed on Appendix A.

b) Investment Process Committee
The members of the Investment Process Committee (“IPC”) shall be the Director-Trading, Director-Asset Management and Manager-Savings and Executive Retirement Plans, North America. Each member of the IPC shall have an alternate designated by such member. In the event a member of the IPC is absent from a meeting, the member’s alternate may attend, and when in attendance, shall exercise the powers and perform the duties of such member. The IPC shall appoint its own secretary, who does not have to be an IPC member, and shall act by unanimous consent of its members, with or without a meeting.

The Investment Process Committee shall recommend investment process guidelines to the IPOC for their approval with respect to the Additional Mutual Funds and Non-Mutual Funds. Such guidelines shall include:

(i) the types of investment options to be offered under the Plan, with due regard to the risk and return characteristics of such options and the need to offer a reasonable array of such risk and return alternatives;

(ii) the number of investment options of each type to be offered under the Plan, consistent with the range of risk and return characteristics deemed appropriate;
(iii) criteria for the selection of individual investment options for inclusion in the Plan;

(iv) procedures for reviewing the performance of investment options offered under the Plan; and

(v) criteria mandating the removal of investment options from availability under the Plan.

After such guidelines have been approved by the IPOC, the IPC shall meet at least quarterly to (1) review the guidelines for continuing propriety, (2) review the performance of investment options pursuant to the criteria regarding the removal of investment options from availability under the Plan, and (3) recommend changes to the guidelines for approval by the IPOC.

The IPC shall recommend to the IPOC, for their approval, any changes to the investment process guidelines that the IPC deems appropriate. If changes to the investment options are required, the IPC shall recommend additional options, the deletion of options, and, if appropriate, the replacement of options to the IPOC for their approval.

The IPC shall review the Ford Stock Fund, Common Stock Index Fund, Bond Index Fund and Interest Income Fund only to the extent required by ERISA.

Notwithstanding anything herein contained to the contrary, commencing on or after September 7, 2005, the IPC shall have full and exclusive power and authority to appoint, modify or terminate the appointment of an investment manager, independent fiduciary, or any other similar person, with respect to the Ford Stock Fund ("Ford Stock Fund Manager"), upon such terms and
conditions as are acceptable to the IPC. Upon such an appointment, the IPC shall have no further responsibility with respect to the Ford Stock Fund except the duty to monitor the performance of the Ford Stock Fund Manager.

The Ford Stock Fund Manager shall acknowledge that it is an investment manager and will be acting as a fiduciary within the meaning of Section 3(21)(A) of ERISA with respect to the Ford Stock Fund. In such capacity, the Ford Stock Fund Manager will exercise independent discretionary judgment in the performance of its obligations under any investment manager agreement in accordance with the fiduciary requirements set forth in Part 4 of Subtitle B of Title 1 of ERISA.

To the extent that the IPC or the IPOC have been delegated authority under any of the Company’s other defined contribution pension plans comparable to the authority set forth in this Section 2, the IPC or the IPOC may act jointly on behalf of such other plans while carrying out their responsibilities set forth in this Paragraph XX with respect to the Plan.

In the event that the IPC appoints a Ford Stock Fund Manager, neither the Board nor the IPOC shall have any further oversight responsibility with respect to the selection of the Ford Stock Fund Manager or the terms and conditions of the engagement and, while the appointment remains in effect, shall have no duty to monitor the performance of the Ford Stock Fund Manager. Nothing herein contained should be construed to remove from the Board of Directors the exclusive authority under Paragraph XX (1) hereof to amend the Plan to remove Company Stock as an investment election under the Plan.
3. Committee

The Company shall create a Committee consisting of at least three members. The Company shall from time to time designate the members of the Committee and an alternate for each of such members, who shall have full power to act in the absence or inability to act of such member. The Committee shall appoint its own Chairman and Secretary, and shall act by a majority of its members, with or without a meeting.

The Secretary or an Assistant Secretary of the Company shall from time to time notify the Trustee of the appointment of members of the Committee and alternates and of the appointment of the Chairman and Secretary of the Committee, upon which notices the Trustee shall be entitled to rely.

The Committee shall have full power and discretionary authority to administer the Plan and to interpret its provisions. Any interpretation of the provisions of the Plan by the Committee shall be final and conclusive, and shall bind and may be relied upon by the several Participating Companies, each of their employees, the Trustee and all other parties in interest.

4. Indemnification

No member of the Committee (or alternate for any such member) or member of the Investment Process Committee (or alternate for any such member), or member of the Investment Process Oversight Committee or director, officer or employee of any Participating Company shall be liable for any action or failure to act under or in connection with the Plan, except for his or her own lack of good faith; provided, however, that nothing herein shall be deemed to relieve any such person from responsibility or liability for any obligation or duty under ERISA. Each director, officer, or employee of the Company who is or shall have been designated to act on behalf of the Company and each person who is or shall have been a member of the Committee (or an alternate for any such member), or member of the Investment Process Committee (or alternate for any such member), or member of the Invest-
ment Process Oversight Committee, or a director, officer or employee of any Participating Company, as such, shall be indemnified and held harmless by the Company against and from any and all loss, cost, liability or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof (with the Company's written approval) or paid by him or her in satisfaction of a judgment in any such action, suit or proceeding, except a judgment in favor of the Company based upon a finding of his or her lack of good faith; subject, however, to the condition that, upon the assertion or institution of any such claim, action, suit or proceeding against him or her, he or she shall in writing give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other right to which such person may be entitled as a matter of law or otherwise, or any power that a Participating Company may have to indemnify him or her or hold him or her harmless.

5. Payment of Expenses

Brokerage commissions, fees and transfer taxes incurred in connection with the purchase or sale of Company stock shall be paid by the Company. Brokerage commissions and transfer taxes on the purchase and sale of Common Stock Index Fund securities shall be paid from Common Stock Index Fund assets, and the expenses of any collective, common, or commingled fund in which Common Stock Index Fund assets may be invested pursuant to Subparagraph 2 of Paragraph XIII hereof shall be paid from the assets in such collective, common or commingled fund. Brokerage commissions and transfer taxes on the purchase and sale of Bond Index Fund securities
shall be paid from Bond Index Fund assets, and the expenses of any collective, common, or commingled fund in which Bond Index Fund assets may be invested pursuant to Subparagraph 3 of Paragraph XIII hereof shall be paid from the assets in such collective, common or commingled fund. Earnings credited to the account of the Trustee under the Bond Index Fund shall be net of such charges by the Bond Index Fund Manager as may be provided in such contract. Brokerage commissions and transfer taxes on the purchase and sale of Interest Income Fund securities shall be paid from Interest Income Fund assets by the Trustee and the expenses of any collective, common, or commingled fund in which Interest Income Fund assets may be invested pursuant to Subparagraph 4 of Paragraph XIII hereof shall be paid from the assets in such collective, common or commingled fund. 

Except as otherwise provided herein, all management fees, redemption fees and all other expenses of any mutual funds and non-mutual funds offered as an investment election under the Plan shall be paid from assets in such mutual funds and non-mutual funds or charged to the accounts of members who elect to invest in such mutual funds. The investment management fees of the Common Stock Index Fund and the Bond Index Fund are paid by the Company. All other expenses of administration of the Plan, including expenses charged or incurred by the Trustee or the Company, shall be borne by the Company. Taxes, if any, on any Ford Stock Fund Units, Common Stock Index Fund Units or Bond Index Fund Units held by the Trustee or income therefrom which are payable by the Trustee shall be charged against the members’ accounts as the Trustee and the Committee shall determine.

The records of the Trustee, the Committee and the several Participating Companies shall be conclusive in respect of all matters involved in the administration of the Plan.

Where Federal law does not control, the Plan shall be governed by and construed in accordance with the laws of the State of Michigan.
XXI. Termination, Suspension and Modification

The Company, by action of its Board of Directors, or officers designated under Paragraph XX hereof, may terminate or modify the Plan or suspend the operation of any provision of the Plan, as follows:

1. The Company may terminate the Plan at any time or may at any time or from time to time modify the Plan, in its entirety or in respect of the employees of one or more of the Participating Companies. The Company may at any time or from time to time terminate or modify the Plan or suspend for any period the operation of any provision thereof, in respect of any employees located in one or more states or countries, if in the judgment of the Committee compliance with the laws of such state or country would involve disproportionate expense and inconvenience to a Participating Company. Any such modification that affects the rights or duties of the Trustee may be made only with the consent of the Trustee. Any such termination, modification or suspension of the Plan may affect members in the Plan at the time thereof, as well as future members, but may not affect the rights of a member as to the continuance of investment, distribution or withdrawal of the cash value of assets in the account of the member as of the effective date of such termination, modification or suspension and earnings thereon; provided, however, that the Company may, in the event of a termination of the Plan, direct the Trustee to distribute the assets in the accounts of members in the Plan to such members. Any termination or modification of the Plan or suspension of any provision thereof shall be effective as of such date as the Company may determine, but not earlier than the date on which the Company shall give notice of such termination, modification or suspension to the Trustee and to the Participating Companies any of the employees of which are affected thereby.
2. The provisions of the foregoing Subparagraph 1 notwithstanding, the Company, by action of its Group Vice President-Human Resources and Labor Affairs, Executive Vice President and Chief Financial Officer and Senior Vice President-General Counsel, at any time or from time to time may modify any of the provisions of the Plan in any respect retroactively, if and to the extent necessary or appropriate in the judgment of such officers of the Company to qualify or maintain the Plan and the trust fund established thereunder as a plan and trust meeting the requirements of Sections 401(a) and 501(a) of the Internal Revenue Code of 1986, as now in effect or hereafter amended, or any other applicable provisions of Federal tax laws or other legislation, as now in effect or hereafter amended or adopted, and the regulations thereunder at the time in effect.

3. Anything herein to the contrary notwithstanding, no such termination or modification of the Plan or suspension of any provision thereof may diminish the cash value of assets in the account of a member as of the effective date of such termination, modification or suspension.

4. In the event of any merger or consolidation with, or transfer of assets or liabilities to, any other plan, each employee member, former employee, former member, beneficiary or estate eligible under the Plan shall, if the Plan is then terminated, receive a benefit immediately after the merger, consolidation or transfer, which is equal to the benefit he or she would have been entitled to receive immediately before the merger, consolidation or transfer if the Plan had then terminated.
XXII. Conditions on Participation of Subsidiaries of the Company

The consent of the Company to the participation in the Plan of any Subsidiary of the Company may be conditioned upon such provisions as the Company may prescribe, including, without limitation, conditions as to (a) the instruments to be executed and delivered by such Participating Company to the Trustee, (b) the extent to which the Company shall act as representative of such Participating Company under the Plan, and (c) the rights of such Participating Company to withdraw from participation in the Plan and the effect of such withdrawal upon the memberships and accounts in the Plan of employees of such Participating Company.

XXIII. Member’s Rights Not Transferable

No right or interest of any Member under the Plan or in his or her account shall be assignable or transferable, in whole or in part, either directly or by operation of law or otherwise, including, without limitation, by execution, levy, garnishment, attachment, pledge or in any other manner, except to the extent permitted by Code Section 401(a)(13) or ERISA Section 206(d), and further excluding devolution by death or mental incompetency; no attempted assignment or transfer thereof shall be effective; and no right or interest of any Member under the Plan or in his or her account shall be liable for, or subject to, any obligation or liability of such Member.

XXIV. Designation of Beneficiaries

(1) A member may file with the Company a written designation of a beneficiary or beneficiaries with respect to all or part of the assets in the member’s account. In the case of a married member who dies, the cash value of assets in such member’s account shall be delivered to such member’s surviving spouse unless the written designation of beneficiary designating a person or persons other than the spouse with respect to all or part of the assets in the member’s account includes the written consent of the spouse, witnessed by a notary public. A member,
if married, with such written consent of the spouse, may from time to time revoke or change any such designation of beneficiary.

(2) In the case of an unmarried member who does not file a written designation of beneficiary, such member shall be deemed to have designated as beneficiary or beneficiaries under the Plan the person or persons who are entitled in the event of the member’s death to receive the proceeds under the Company’s Group Life and Disability Insurance Program if the member is covered under such Program at the date of his or her death.

(3) In the event of the death of a member, the cash value of assets in his or her account under the Plan shall be delivered to, as applicable, such spouse or beneficiaries who shall survive the member, in accordance with the applicable designation (to the extent effective and enforceable at the time of the member’s death) and the provisions of the Plan, subject to such regulations as the Committee from time to time may prescribe in respect of distributions to minors; provided, however, that if the Trustee or the Committee shall be in doubt as to the right of any such person to receive any of the cash value of such assets, the Trustee may deliver the same to the estate of the member, in which case the Trustee, the several Participating Companies and the Committee and the several members thereof and alternates for members shall not be under any further liability to anyone. Except as hereinafore provided, in the event of the death of a member, the cash value of assets in his or her account under the Plan shall be delivered to his or her estate.

XXV. Limitation on Contributions under Section 415 of the Internal Revenue Code

Notwithstanding any other provision of the Plan, the sum of any Tax-Efficient Savings and After-Tax Savings Contributions for any limitation year shall not exceed the applicable limits set by Section 415 of the Internal Revenue Code and the regulations thereunder. Addition-
ally, prior to January 1, 2000, the combined limitation of Section 415(e) of the Internal Revenue Code will be administered so that a Member’s defined benefit plan fraction and defined contribution plan fraction will not exceed 1.0 in any limitation year and will be accomplished by reducing the rate of benefit accruals under the defined benefit plan so that the sum of the fractions equals 1.0. Thereafter, such combined limitation shall not apply. For purposes of this Paragraph XXV, “limitation year” shall mean the 12-month period beginning April 1.

XXVI. Transfer of Assets to or from the Plan

1. Notwithstanding any other provisions of the Plan, and subject to such regulations and procedures as the Committee may prescribe, assets may be transferred to the Plan from the Tax Reduction Act Stock Ownership Plan for Hourly Employees in the United States or the Tax Reduction Act Stock Ownership Plan for Salaried Employees or any other similar plan maintained by the Company or its subsidiaries. If any cash or securities shall be delivered to the Trustee by the trustee under any of such plans, effective on or after April 30, 1989, the Trustee shall receive and hold such assets in the Plan trust and shall credit them to accounts in the Plan for employees on whose behalf such assets have been transferred. Assets received in cash shall be invested in the Current Interest Fund, or its successor. Thereafter all such assets shall be subject to all provisions of the Plan applicable to any other assets credited to the accounts of Members.

2. A Member may elect to have the Plan accept a transfer from a savings plan of a subsidiary where the Member was previously employed of any fully vested amounts, either in the form of cash or Company stock, provided that such acceptance would not require the Plan to provide benefits in an amount or form not otherwise provided under the Plan in order to preserve an accrued benefit under the transferor plan. Amounts transferred would be invested in
accordance with the Member’s election among investment elections available under the Plan made at the time of election to have assets transferred. Thereafter, all such assets shall be subject to all provisions of the Plan applicable to any other assets credited to the accounts of Members.

3. A Member who is no longer eligible to contribute to the Plan may elect to have transferred from the Plan all, but not less than all, assets in such Member’s account under the Plan, either in the form of cash or Company stock, to a savings plan of a subsidiary where the Member is currently employed, subject to acceptance by the transferee plan.

4. Effective December 31, 2004, the ZF Batavia LLC Savings Plan for Hourly Employees ("ZFB-SPHE") was merged with the Plan, and all assets of the ZFBSPHE were transferred to the Plan on this date.

XXVII. Employee Stock Ownership Plan

1. There was established in the Plan an Employee Stock Ownership Plan ("ESOP") effective January 1, 1989. The ESOP consists of all the shares of Company stock in the Plan at any time and from time to time including all the shares in the Ford Stock Fund, shares formerly allocated to members' accounts and shares held in the suspense account as hereinafter described and all assets attributable to contributions made after December 31, 1988.

2. The trustee of the ESOP shall be the Trustee of the Plan or such other qualified organization as the Company shall select (the "Trustee of the ESOP"). The Trustee of the Plan and the Trustee of the ESOP shall hold, invest, transfer and distribute the shares of Company stock and all other assets in the ESOP in accordance with the provision of this Paragraph XXVII and the Plan. In the event the Company selects an organization other than the Trustee of the Plan to be Trustee of the ESOP, their duties under the ESOP shall be allocated between them as hereinafter provided or in accordance with the provisions
of the trust agreements appointing such Trustee of the Plan and Trustee of the ESOP.

3. (i) The Trustee of the ESOP shall borrow on behalf of the ESOP an amount not exceeding the amount of dividends estimated by the Trustee of the ESOP, after consultation with the Trustee of the Plan and the Treasurer of the Company, to be paid on Company stock held continuously since January 1, 1989 in the ESOP for such period as the Trustee of the ESOP shall select, subject to a guarantee by the Company of payment of any such loan.

(ii) The Trustee of the ESOP is authorized to borrow such amount from such persons, including the Company, as the Trustee of the ESOP shall determine. The loan shall provide for repayment, within such period as the Trustee of the ESOP shall have selected, and shall be payable on such other terms as the Trustee of the ESOP in its sole discretion shall determine. The interest rate of a loan must not be in excess of a reasonable rate of interest.

(iii) The proceeds of any such loan shall be used by the Trustee of the ESOP to purchase as soon as practicable shares of Company stock in accordance with the provisions of Paragraph XVII hereof. The Trustee of the ESOP is authorized to pledge such stock as security for payment of such loan. The loan shall be without recourse against the ESOP.

4. The Trustee of the ESOP shall hold the shares of Company stock so purchased in the Plan in a suspense account unallocated until such time as all or part of the related loan and interest thereon is paid as hereinafter provided. The Trustee of the ESOP shall vote shares of Company stock in the suspense account in its discretion, notwithstanding the provisions of Paragraph XVIII hereof.

5. The Trustee of the Plan and the Trustee of the ESOP shall apply dividends paid on Company stock held in the ESOP with respect to which a loan was taken,
including shares held in the Ford Stock Fund, to payment of such loan made in accordance with Subparagraph 3 hereof and interest thereon.

In the event that such dividends paid on Company stock are not sufficient to enable the Trustee of the ESOP to make any payment on such loan the Trustee of the ESOP shall sell shares of Company stock held in the suspense account in an amount necessary to permit such payment provided, however, that the Company may elect to make an additional contribution to the Plan by making payment to the Trustee of the ESOP in an amount sufficient to enable the Trustee of the ESOP to make all or part of such payment without selling shares of Company stock held in the suspense account.

In the event that such dividends paid on Company stock and the amount realized from the sale of Company stock held in the suspense account are not sufficient to enable the Trustee of the ESOP to make any payment on such loan, the Company shall make an additional contribution to the Plan by making payment to the Trustee of the ESOP in an amount sufficient to enable the Trustee of the ESOP to make such payment or shall pay such amount to the lender.

6. The shares held in the suspense account shall be released from the suspense account to the Trustee of the Plan in an amount that bears the same ratio to the total number of shares in the suspense account as the amount of principal and interest paid on the loan bears to the total amount of principal and interest outstanding. The Trustee of the Plan shall allocate such shares so released to the Ford Stock Fund and the accounts of members who have elected to invest in the Ford Stock Fund shall be adjusted as if the dividends paid on Company stock with respect to shares held in the Ford Stock Fund had been used to acquire shares of Company stock in the open market on the last day of the month preceding the date such shares are released from the suspense account.
To the extent that the number of shares released from the suspense account at any time is less than the number that would be required for allocation to the Ford Stock Fund if the dividends paid on Company stock had been used to acquire shares of Company stock in the open market at the closing price on the New York Stock Exchange on the dividend payment date, the Trustee of the ESOP shall release additional shares from the suspense account so that the value at the closing price on the New York Stock Exchange on the dividend payment date of the total number of shares released to the Trustee of the Plan for the Ford Stock Fund shall equal the total of (a) the dividends paid to the Trustee of the ESOP by the Trustee of the Plan with respect to Company Stock held in the Ford Stock Fund and (b) the dividends received by the Trustee of the ESOP with respect to Company Stock held in the suspense account. If there are not enough additional shares in the suspense account to satisfy the requirement of the immediately preceding sentence, the Company shall make an additional contribution to the Plan in an amount sufficient to permit the Trustee of the ESOP to acquire additional shares so that the value at the closing price on the dividend payment date of the shares released to the Trustee of the Plan plus cash, if any, shall equal the dividends paid by the Trustee of the Plan with respect to Company Stock to the Trustee of the ESOP. If at the end of any Plan Year, or after the final payment of any loan effected pursuant to Subparagraph 3 above, additional shares of Company Stock have been released from the suspense account during the Plan Year to satisfy the requirements of the first sentence of this paragraph and there is not at the end of the Plan Year an excess of shares as described in the immediately following paragraph at least equal in value to the value of the additional shares released (measured as provided in the first sentence of this paragraph) previously in the Plan Year, the Company shall make an additional contribution to the Plan so that the total value of the excess shares described in the immediately following paragraph and the contribution equals the value (as deter-
mined in the first sentence of this paragraph) of the additional shares released.

To the extent that the number of shares released from the suspense account at any time exceeds the number that would be required if the dividend paid on Company stock had been used to acquire shares of Company stock in the open market, the excess shall be held by the Trustee of the ESOP and released at the end of the calendar year to the Trustee of the Plan for an addition to the Ford Stock Fund and allocation of additional units in the Ford Stock Fund to the accounts of members in an amount proportional to the number of Ford Stock Fund units in their accounts.

7. Contributions to the ESOP for any eligible employee who is a highly compensated employee shall be limited to the extent required under the principles described in Paragraph IV with respect to Tax-Efficient Savings Contributions.

8. The Committee is authorized to make such adjustments in the administration of the Plan and the ESOP as it deems necessary, appropriate or desirable to carry out the purposes and intents of this Paragraph XXVII.

9. In the event that any or all of the tax benefits available under the tax laws on the effective date hereof are restricted or eliminated, as determined by the Company, the Trustee of the ESOP is authorized upon direction by the Company to sell upon such terms, at such times and to such persons, as the Trustee of the ESOP in its sole discretion shall determine, any or all of the shares of Company stock in the suspense account and to use the proceeds of such sale to pay all or part of the loan balance outstanding, together with interest thereon. Any excess shares in the suspense account at such time shall be allocated as provided in Subparagraph 6 hereof.
XXVIII. Claim Procedure

(a) Denial of a Claim for Benefits or Participation

A claimant shall make a claim for benefits or participation by making a request in accordance with the Plan. If a claim for benefits or participation is denied in whole or in part, the claimant will receive written notification from the third party plan administrator within ninety (90) days from the date the claim for benefits or participation is received. Such notice shall be deemed given upon mailing, full postage prepaid in the United States mail or if provided electronically to the claimant. Any actual denial of a claim under this Plan shall be written and set forth in a manner calculated to be understood by the claimant. The denial of claim shall include (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent Plan provisions on which the denial is based along with a copy of such Plan provisions or a statement that one will be furnished at no charge upon the claimant’s request; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and (iv) appropriate information as to the steps to be taken if the claimant wishes to submit his or her claim for review, along with a statement of the claimant’s right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review. If the third party plan administrator determines that an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial ninety (90) day period. In no event shall such extension exceed a period of ninety (90) days from the end of such initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination.
(b) Review of Denial of the Claim for Benefits or Participation by the Committee

In the event that the third party plan administrator denies a claim, a claimant may (i) request a review upon appeal by written application to the Committee; (ii) review pertinent documents; and (iii) submit issues and comments in writing. A claimant must request a review upon an appeal of the denial of the claim by the third party plan administrator under this Plan within sixty (60) days after the claimant receives the written notification of denial of the claim. Since the Committee is reviewing the appeal, it will be considered at the Committee's next regularly scheduling meeting. If it is filed within thirty (30) days of the next meeting, a decision by the Committee, as appropriate shall be made by the date of the second meeting after receipt of the claimant's request for review. Under special circumstances an extension of time for processing may be required, in which case a decision shall be rendered by the date of the third meeting. If an extension is required because information is incomplete, the review period will be tolled from date the notice was sent to the date information is received. In the event such an extension is needed, written notice of the extension shall be provided to the claimant prior to the commencement of the extension. Written notice of a decision will be made not any later than five (5) days after the decision has been made by the Committee. The decision on review shall be in writing in a manner calculated to be understood by the claimant, and include (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent Plan provisions on which the denial is based along with a copy of such Plan provisions or a statement that one will be furnished at no charge upon the claimant’s request; (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents,
(c) Fiduciary Claims

(i) A claimant shall make a claim alleging breach of fiduciary duties by filing a written claim with the Plan Administrator. The claim must specifically set forth the facts concerning the alleged breach and must clearly identify the Plan fiduciary who claimant alleges has committed a fiduciary breach. The claim shall cite the legal basis for the allegation of fiduciary breach and shall set forth the remedy that the claimant requests on behalf of the Plan.

(ii) The Plan Administrator shall review the claim and make a determination within ninety (90) days from the date the claim is received. Such notice shall be deemed given upon mailing, full postage prepaid in the United States mail or if provided electronically to the claimant. Any actual denial of a claim shall be written and set forth in a manner calculated to be understood by the claimant. The denial of the claim shall include the elements set forth in section (b) above. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial ninety (90) day period. The extension notice shall indicate the special circumstances requiring an extension of time.
and the date by which the Plan Administrator expects to render the determination. At the Plan Administrator’s discretion, the claim may be referred to the Committee or the Senior Vice President - General Counsel for review.

(iii) In the event that the Plan Administrator denies a claim, a claimant may (i) request a review upon appeal by written application to the Committee; (ii) review pertinent Plan documents; and (iii) submit issues and comments in writing. A claimant must request a review upon appeal of the denial of the claim by the Plan Administrator under this Plan within sixty (60) days after the Participant receives written notification of denial of the claim. The appeal will be considered at the Committee’s next regularly scheduled meeting. If the appeal is filed within thirty (30) days of the next meeting, a decision by the Committee, as appropriate, shall be made by the second meeting after receipt of the Participant’s request for review. Under special circumstances, an extension of time for processing may be required, in which case a decision shall be rendered by the date of the third meeting. If an extension is required because information is incomplete, the review period will be tolled from the date the notice was sent to the date the information is received. In the event such an extension is needed, written notice of the extension shall be provided to the claimant prior to the commencement of the extension. In reviewing the claim, the Committee may retain experts or other independent advisors. In such event, an extension of time for processing may be required but a decision on the appeal
shall be made as soon as is reasonably practicable under the circumstances. Written notice of the decision will be made to the claimant not any later than five (5) days after the decision has been made by the Committee. At the Committee's discretion, an appeal from a denial of the claim by the Plan Administrator, or a referral of a claim directly to the Committee by the Plan Administrator, may be referred to the Senior Vice President - General Counsel for review.

(iv) When a claim for breach of fiduciary duty, or an appeal from a denial of a fiduciary duty claim under sections (ii) and (iii) above, is referred to the Senior Vice President-General Counsel, he/she shall have full authority and sole discretion to determine the manner in which to discharge his/her responsibility with respect to the review of the claim or the appeal. This includes, but is not limited to, retaining the responsibility to review the claim or appeal, appointing an independent fiduciary, seeking a declaratory judgment in federal court, or seeking review of the claim or appeal by an existing or specially appointed committee of the Board. The Senior Vice President-General Counsel, or any person who is responsible for making the decision with respect to the claim or appeal as determined by the Senior Vice President-General Counsel as described above ("Appointee"), may retain experts or other independent advisors in his/her sole discretion with respect to review of the claim or appeal. The claim or appeal shall be reviewed on the basis of the written record submitted by the Participant and the record developed by the Plan Administrator, if any.
A decision shall be made as soon as reasonably practicable under the circumstances. Written notice of the decision will be made to the claimant not any later than five (5) days after the decision has been made. The decision on review shall be in writing in a manner calculated to be understood by claimant, and include (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent Plan provisions on which the denial is based along with a copy of such Plan provisions or a statement that one will be furnished at no charge upon the claimant’s request; (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, copies of, all documents, records, and other information relevant to the claimant’s claim; and (iv) a statement of the claimant’s right to bring a civil action under Section 502(a) of ERISA following an adverse determination on review. The Plan Administrator, Committee, the Senior Vice President-General Counsel or the Appointees each severally shall have full power and discretion under the Plan to consider Participant fiduciary claims. Decisions of the Committee, the Senior Vice President-General Counsel or the Appointees, as the case may be, are final and conclusive and are only subject to the arbitrary and capricious standard of judicial review and shall bind and may be relied upon by the Participants, beneficiaries, or the estate or legal representative thereof, the Trustee and all other parties in interest.
XXIX. Limitation on Claims

No legal action may be brought by a participant, dependent, beneficiary, or the estate or legal representative thereof for entitlement to benefits under the Plan or for breach of fiduciary duty until after the claims and appeals procedures of the Plan have been exhausted. Unless a different period of limitation is specifically provided under ERISA, any claim under the Plan must be brought no later than two years after such claim has accrued in order for the review authorities to conduct a timely and effective investigation of the claim. For matters not specifically addressed in Article XXVIII, no other actions may be brought against the Plan more than six months after such claim has accrued.
APPENDIX A

ADDITIONAL MUTUAL FUNDS
AND NON-MUTUAL FUNDS

LIFE STAGE FUNDS:
- Fidelity Freedom Income Fund*
- Fidelity Freedom 2000 Fund*
- Fidelity Freedom 2010 Fund*
- Fidelity Freedom 2020 Fund*
- Fidelity Freedom 2030 Fund*
- Fidelity Freedom 2040 Fund*

EQUITY FUNDS - PASSIVELY MANAGED:
- BGI EAFE Equity Index Fund – Class T
- U.S. Extended Market Index Fund*
- Vanguard FTSE Social Index Fund - Institutional Shares
- Vanguard Institutional Index Fund - Institutional Plus Shares

EQUITY FUNDS - ACTIVELY MANAGED - DOMESTIC:
- Fidelity Capital Appreciation Fund
- Fidelity Contrafund®
- Fidelity Dividend Growth Fund
- Fidelity Equity - Income Fund
- Neuberger Berman Genesis Fund - Institutional Class
- Oakmark Select Fund – Class I
- Royce Low-Priced Stock Fund - Institutional Class

EQUITY FUNDS - ACTIVELY MANAGED - INTERNATIONAL:
- Fidelity Overseas Fund
- T. Rowe Price International Discovery Fund
- Templeton Foreign Fund - Advisor Class

FIXED INCOME:
- PIMCO Real Return Fund - Institutional Class
- PIMCO Total Return Fund - Institutional Class
- PIMCO Total Return III Fund - Institutional Class
- T. Rowe Price Institutional High-Yield Fund

*Non-Mutual Funds
Section 1. Establishment of Plan

The UAW-Ford Legal Services Plan for UAW-Represented Hourly Employees of Ford Motor Company in the United States, hereafter “Plan”, is established, as set forth herein, for the purpose of providing certain specified, personal legal service benefits to Participants in accordance with Section 120 of the Internal Revenue Code of 1986, as amended, as in effect prior to its expiration on June 30, 1992. If Section 120 is reenacted (either as Section 120 or in any successor form), the benefits provided under the Plan shall be in accordance with that law. The Plan covers only legal services in matters arising under the laws of the United States or Canada, or any political subdivision thereof.

Section 2. Definitions

A. “Assistant Director” means an individual, nominated by the Director, and appointed by the Committee, who is responsible for administering the Plan in a given functional or geographic area, under the supervision of the Director.

B. “Attorney” means an individual licensed to practice law in the relevant state(s) and/or jurisdiction(s).

C. “Benefits” means the specified, personal legal services and related items, including but not limited to, court costs, filing fees, deposition and discovery, which are necessary and appropriate to the particular legal representation or proceeding provided pursuant to this Plan.

D. “Collective Bargaining Agreement” means the Collective Bargaining Agreement between the Company and the Union which is in effect at the particular time.

E. “Committee” means the Administrative Committee, as provided for in Section 3 of this Plan.

F. “Company” means Ford Motor Company.
G. “Cooperating Attorney” means an Attorney, other than a full- or part-time employee of the Plan, who has contracted with the Plan to provide one or more benefits to Participants.

H. “Covered Dependent” means individuals related to an Employee, Retiree or Surviving Spouse in any of the following ways:

(i) “Spouse,” which means the individual currently married to an Employee or Retiree under the laws of the relevant jurisdiction. A spouse by common-law marriage is a Covered Dependent only where such a relationship with the Employee or Retiree is recognized by the laws of the relevant jurisdiction, otherwise not.

(ii) “Unmarried Children,” which means children by birth or legal adoption or legal guardianship, including the after-born or surviving child of a deceased Employee or Retiree, provided they meet the requirements of one of the following Subsections:

(a) Children under age twenty-five (25) of the Employee, Retiree or Surviving Spouse, while they are residing in and members of the household of the Employee, Retiree or Surviving Spouse;

(b) Children under age twenty-five (25) of the Spouse of the Employee or Retiree while they are residing in and are members of the household of the Employee or Retiree;

(c) Children under age twenty-five (25) who do not reside with the Employee, Retiree or Surviving Spouse and who are not members of his/her household but who are the legal responsibility of the Employee, Retiree or Surviving Spouse (e.g., children of divorced parents, legal wards, children confined to training institutions, children in school).

(d) Children twenty-five (25) years of age or older of an Employee, Retiree or Surviving Spouse or of the Spouse of an Employee or Retiree if the children are disabled by a medically determinable physical or mental condition which prevents
the child from engaging in substantial gainful activity and which can be expected to be of long, continued or indefinite duration or result in death, provided that each such disabled child must legally reside in and be a member of the household of the Employee, Retiree or Surviving Spouse.

(iii) “Other Dependents,” which means individuals who are dependents of an Employee or Retiree as defined under Section 152 of the Internal Revenue Code.

Eligibility under Subsection (ii) ceases at the end of the calendar year in which the child becomes age twenty-five (25) except as provided under (d) above.

I. “Director” means the individual appointed by the Committee who is responsible for administering the Plan, as set out in Section 3A(v) of this Plan.

J. “Employee” means a full-time hourly employee represented by the UAW who is actively employed by the Company on an hourly basis, or who retains seniority rights under the terms of the Ford-UAW Collective Bargaining Agreement.


L. “Named Fiduciary” means the Administrative Committee of the Plan. The Committee may delegate authority to carry out such of its responsibilities as it deems proper to the extent permitted by ERISA.

M. “Fund” means the fund of assets established and maintained to provide Benefits under the Plan, as set out in the Funding Instrument and Section 6 of this Plan.

N. “Funding Agency” means the trustee(s), including ancillary trustee(s), if any, or both, individually or collectively, which has undertaken to hold and invest the assets of the Fund and pay Benefits, directly or indirectly, under this Plan.

O. “Funding Instrument” means the trust instrument(s) undertaken by the Funding Agency, including ancillary trust agreements, if any.
SECTION 3  LEGAL SERVICES PLAN FOR HOURLY EMPLOYEES IN THE UNITED STATES

P. “Legal Worker” means any individual, other than an Attorney or clerical employee, who is employed by the Plan, either on a full or part-time basis, to assist a Staff Attorney or Cooperating Attorney in providing Benefits.

Q. “Plan” means the UAW-Ford Legal Services Plan for UAW-Represented Hourly Employees of Ford Motor Company as set forth herein.

R. “Participant” means an Employee, Retiree, Surviving Spouse and/or Covered Dependent, as defined in this Section 2.

S. “Personnel Administrator” means an individual nominated by the Director, and appointed by the Committee, who is responsible for functions assigned by the Director, and performed under the supervision of the Director.

T. “Retiree” means any individual who was formerly an Employee, who is eligible for benefits, other than a deferred vested pension, under the Ford-UAW Retirement Plan, as amended from time to time.

U. “Seniority” means seniority status under the terms of the Collective Bargaining Agreement.

V. “Surviving Spouse” means an Employee’s or Retiree’s spouse who survives him/her; however, a dependent of a Surviving Spouse is eligible only if such dependent was a Covered Dependent of the deceased Employee or Retiree.

W. “Staff Attorney” means an Attorney, employed by the Plan on a full or part-time basis, other than a Cooperating Attorney.

X. “Union” means the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW.

Section 3. Administration

A. Allocation of Power and Duties

The Plan shall be administered by the following, who shall have the powers and duties specified herein and none other:

(i) Union: name and monitor its Members of the Committee, as provided in B below.
(ii) Company: name and monitor its Members of the Committee, as provided in B below.

(iii) Independent Member: act as Chair of the Committee, and carry out such other responsibilities as may be expressly delegated by the Union and Company Members of the Committee.

(iv) Committee: The Committee shall have such powers and duties, not otherwise assigned by this Section, as are necessary for proper administration of the Plan, including, but not limited to, the following:

(a) Select, appoint, remove, direct, and monitor the Director.

(b) Receive the Director’s nomination(s) for Assistant Director(s) and Personnel Administrator, and select, appoint, and remove Assistant Director(s) and Personnel Administrator.

(c) Provide a mechanism, as set out in C below, for review and adjudication of the appeal of individuals dissatisfied with the actions of the Director, Assistant Director(s), or any representative of the Plan.

(d) In its sole discretion, establish limitations of any Benefit, but may not expand benefits beyond those specified in Section 5 below.

(e) Prescribe uniform rules and regulations, consistent with the Provisions of this Plan, for determining an individual’s eligibility for Benefits and for determining whether a claimed Benefit is covered or not.

(f) Prescribe uniform procedures to apply for Benefits under the Plan and for furnishing evidence necessary to establish entitlement to such Benefits.

(g) In its discretion, prescribe uniform procedures for evaluating Benefit usage under the Plan and collecting data thereon.

(h) Either directly or by delegation, request disbursement from the Fund in accordance with provisions of the Plan and the Funding Instru-
ment and receive such disbursements. Establish and maintain such depository and other accounts as may be required.

(i) Receive a report, not less frequently than quarterly, together with an annual report, from the Director on the operation and status of the Plan.

(j) Receive a report, not less frequently than annually, from the Funding Agency on the status of the Fund.

(k) Prescribe geographic locations and procedures for providing Benefits under the Plan.

(l) Delegate any of the above powers and duties in such manner as the Committee considers necessary and proper.

(v) Director: In addition to those delegated by the Committee, the Director shall have the following powers and duties:

(a) Act as the chief executive officer of the Plan.

(b) When duly authorized, take such action in the name of the Plan or the Committee as is necessary to administer the Plan.

(c) Keep the books and records of the Plan and, not less frequently than annually, cause those books to be audited by an independent Certified Public Accountant.

(d) Prepare, file and provide to relevant Participants all required documents and forms in the manner and with the frequency required by law and regulations thereunder.

(e) Receive applications for Benefits under the Plan.

(f) Make initial determination of eligibility for and amount of Benefits.

(g) Prepare and recommend to the Committee an annual budget for the Plan.

(h) Prepare and present to the Committee quarterly and annual reports on the operation and status of the Plan.

(i) Recommend Assistant Directors and Personnel Administrator to the Committee for appointment.
(j) Select and hire, under procedures approved by the Committee, a financial officer(s), all necessary Staff Attorneys, Legal Workers, clerical personnel, and such other personnel as are necessary for the operation of the Plan.

(k) Negotiate and enter into contracts with Cooperating Attorneys, under such terms and conditions as the Committee may set.

(l) Implement procedures, as appropriate, for evaluating Benefit usage under the Plan. Advise and inform the Committee on patterns of Benefit usage. Recommend changes which may be helpful in delivering Benefits and otherwise accomplishing the purposes of the Plan.

(vi) Assistant Director(s) and Personnel Administrator: Assistant Director(s) and Personnel Administrator, when appointed, shall have such powers and duties as the Director, with the authorization of the Committee, may delegate.

(vii) Funding Agency: The powers and duties set out in Section 6A hereof, as more fully specified in the Funding Instrument.

B. Structure and Operation of the Committee

The Committee shall have the following structure and functions:

(i) Appointment: The Committee shall consist of three (3) Members appointed by the Company (Company Members); three (3) Members appointed by the Union (Union Members); and, as Chair of the Committee, an Independent Member mutually satisfactory to the Company and the Union. Either the Company or Union may appoint alternate Member(s). The Union may remove any Committee Member, or alternate, appointed by it. The Company may remove any Committee Member, or alternate, appointed by it. Any removal or appointment shall be effective upon receipt of written notification by the remaining Members of the Committee.

(ii) Compensation: Union and Company Members of the Committee will serve without compensation from the...
Plan. The compensation of the Chair will be paid by the Plan and will be set by majority vote of the Committee. The Plan will procure the appropriate fiduciary duty, errors and omissions, and related insurance coverage for Committee Members, administrative personnel and Staff Attorneys, but only to the extent and on the conditions allowable by ERISA. The Plan will bear the cost of such insurance coverage.

(iii) Quorums and Decisions: To constitute a quorum at any Committee meeting, at least two (2) Union Members and two (2) Company Members shall be present. At all Committee meetings, the Company Members shall have three (3) votes and the Union Members shall have three (3) votes. The vote of any absent or abstaining Member shall be equally divided between the other Members present appointed by the same party. Decisions of the Committee shall be by majority of votes cast and the result shall be final and binding. In the event of a tie vote, the Chair shall cast the deciding vote.

(iv) Frequency of Meetings: The Committee shall meet not less frequently than quarterly. Formal minutes of Committee meetings shall be prepared and kept.

(v) Requests of Funding Agency: The Committee shall not request disbursements from the assets of the Fund unless the disbursement is pursuant to the provisions of the Plan.

(vi) Limitation on Authority: The Committee shall have no power to add to, subtract from, or modify any of the terms of this Plan, or to waive or fail to apply any requirement of eligibility for a Benefit under the Plan, except as provided by the Plan. In particular, the Committee shall have no authority to modify or delete any of the exclusions set out in Section 5D.

(vii) Standard of Review: The Committee shall have full power and authority to administer the Plan and to interpret its provisions. Any decision or interpretation of the provisions of the Plan shall be final and binding upon the Company, the Union, the Participants and any other claimants under the Plan, and
shall be given full force and effect, subject only to an arbitrary and capricious standard of review. This standard shall apply to all actions or decisions of the Committee taken pursuant to Section 3A.

C. **Appeal Procedure**

Any Participant who, for any reason, is dissatisfied with any action or inaction of a Staff Attorney, Cooperating Attorney or Legal Worker in connection with the Plan has a right to complain in writing to the appropriate Assistant Director, who shall within 30 days prepare a proposed written decision and forward it, with the complaint, to the Director for approval or revision. The Director shall, within 20 days after receipt of complaint and proposed decision from Assistant Director, furnish the Participant with a copy of his written decision. A Participant who is dissatisfied with the Director’s decision may, within 30 days after the date of the decision, appeal to the Administrative Committee. Appeals shall be in writing and shall specify the reasons claimed to justify a reversal or modification of the Director’s decision. Initially, the Committee shall review the merits of any appeal if a majority of the Committee Members vote to do so. The Committee may, however, by majority vote, adopt procedures governing the handling and types of appeals which it will review. If the Committee chooses not to review an appeal, the decision of the Director shall be final and binding on all parties, and the Director shall so notify the Participant in writing. If the Committee decides an appeal, the Director shall give the Participant written notice of the Committee’s decision, which shall be final and binding on all parties.

D. **Responsibility of Co-fiduciaries**

Each Fiduciary may rely upon any such direction, information or action of another Fiduciary as being proper under this Plan and is not required to inquire into the propriety of any such direction, information or action.

E. **No Enlargement of Rights**

The Company’s and the Union’s rights under existing Collective Bargaining Agreements shall not be affected by reason of any of the provisions of this Plan.
F. Administration

The Committee shall be the “Administrator” of the Plan as that term is defined in ERISA.

Section 4. Eligibility

A. Eligible Persons

The following individuals shall be eligible to receive the Benefits set out in Section 5:

(i) Employees with at least ninety (90) days of Seniority, provided, however, that eligibility ceases for any such employee who has been continuously laid off for a period of twenty-four (24) months after the end of the month in which his/her layoff began.

(ii) Individuals who are:

(a) Surviving Spouses of Employees eligible under (i) above who are eligible for surviving spouse benefits under the Ford-UAW Retirement Plan (but not preretirement benefits under the Retirement Equity Act) or who are eligible for transition, bridge or health insurance benefits under the Insurance Program,

(b) Domestic Partners, as provided by the Company’s healthcare benefit eligibility criteria, of such Employees, or

(c) Covered Dependents of such Employees, provided, however, that upon the death of the Employee or Surviving Spouse, eligibility of Covered Dependents, Surviving Spouses and Domestic Partners not otherwise eligible shall continue until the end of the twelfth month following the month in which such death occurs.

(iii) Retirees and Surviving Spouses of Retirees (but not of a former employee receiving a deferred vested benefit) who are eligible for surviving spouse benefits under the Ford-UAW Retirement Plan (but not preretirement benefits under the Retirement Equity Act) or who are eligible for transition, bridge or health insurance benefits under the Insurance Program, and Covered Dependents of such Retirees.
B. **Loss of Seniority**

Any otherwise eligible employee who has lost seniority under the terms of the Ford-UAW Collective Bargaining Agreement shall not be eligible to receive Benefits under this Plan. If such an employee is reinstated and reacquires seniority, his/her eligibility, if any, shall resume on the effective date that such employee reacquires seniority. However, eligibility of such an individual shall not terminate while a grievance related to loss of seniority is being pursued by the Union under the Collective Bargaining Agreement.

**Section 5. Benefits**

A. **Covered Benefits**

   (1) Categories
   
   Subject to the limitations and exclusions of this Section, the Plan will provide the Benefits set out in Table A, below, to all Participants who meet the eligibility requirements of Section 4 above, provided that each such Participant makes timely and adequate application therefor.

   **TABLE A**

   Category 1:
   Social Security Disability  
   - suspensions or terminations  
   Other Social Security Claims  
   Veterans’ Benefits Claims  
   Food Stamp or Other Public Assistance Claims  
   Medicare Appeals

   Category 2:
   Moving Violations  
   Other Traffic Offenses, other than parking violations

   Category 3:
   Misdemeanors  
   Juvenile Offenses

   Category 4:
   Divorce, separation, annulment, dissolution,  
   - maintenance and child custody  
   Guardianships
SECTION 5 LEGAL SERVICES PLAN FOR HOURLY EMPLOYEES IN THE UNITED STATES

Probate proceedings
Wills, Codicils and Trusts
Adoption or legitimization of child
Termination of Parental Rights (excluding cases where criminal charges are involved)
Name changes
Nonsupport and alimony
Naturalization, immigration and deportation

Category 5:
Defense of collection action on personal or family debts
Defense of garnishment
Repossession and replevin
Personal bankruptcy

Category 6:
Consumer complaints and warranty
Contracts for goods and services
Insurance claims or loss of coverage

Category 7:
IRS audits and administrative proceedings
Federal, state or local claim to taxes

Category 8:
Tenant representation
Leases on personal or family residence
Property damage, real and personal
Real estate of family or personal residence, including real estate closing, purchase, mortgage, sale, foreclosure, boundary dispute, title dispute, zoning matters and eminent domain
Property tax assessment dispute

(2) Services
(a) Full Service
All required legal services, including litigation and any costs of litigation, shall be provided for the following:
From Category 1:
Social Security Disability suspension or terminations
SECTION 5

LEGAL SERVICES PLAN FOR HOURLY EMPLOYEES IN THE UNITED STATES

From Category 4:
Uncontested Divorces, Uncontested Custody, Uncontested Nonsupport and Uncontested Alimony (full service is available for each such benefit only in jurisdictions where attorneys are required to appear to finalize proceedings)

Post-Divorce Modification of Child Support Orders or Alimony Orders (full service is only available for modification of an order solely because of a material change in the Participant’s earnings from the Company)

Guardianships
Probate proceedings
Wills, Codicils and Trusts
Adoption or legitimization of child
Termination of Parental Rights (excluding cases where criminal charges are involved)
Name changes
All of Category 5.
All of Category 6.

From Category 7:
IRS audits and administrative proceedings (administrative appearances only).
All of Category 8.

(b) Appeals.

(i) Appeals may be provided for Medicare claims from Category 1 but only if, in the opinion of the Director or his/her designee, there is a substantial likelihood of prevailing on such appeal.

(ii) Appeals shall be provided for matters within Categories 5 and 6.

(iii) Upon approval of the Committee, appeals may be provided for cases in the following Categories or Subcategories:
SECTION 5 Legal Services Plan for Hourly Employees in the United States

From Category 1:
Social Security Disability
  suspensions or terminations
From Category 4:
Guardianships
Probate proceedings
Wills, Codicils and Trusts
Adoption or legitimization of child
Termination of Parental Rights (excluding cases where criminal charges are involved)
Name changes
All of Category 8.

(c) Office Work Only.
Work by an Attorney, in his/her office, shall be provided for all categories listed in Table A. Only office work and/or Referral Benefits shall be provided for categories or subcategories not listed under Subsection 5A(2)(a) above.

(d) Referral Benefit.
As to any category or subcategory listed in Table A but not listed in Subsection 5A(2)(a) above, the Plan will provide a referral to a Cooperating Attorney. In such a case, if the Participant accepts the referral, the office work benefit under Subsection 5A(2)(c) above ends, and the Participant will pay the Cooperating Attorney at the rates set out in the Cooperating Attorney Agreement.

(3) Special Benefit
(a) The Plan will provide Office Work Only services described below to Employees, Retirees, Spouses, Surviving Spouses and the related persons set forth in Article IX, Section 19 of the Ford-UAW National Agreement solely for the purposes of preparing for, or dealing with, the incapacity or death of the mother, father, stepmother, or step-father of an Employee, Retiree, Spouse or Surviving Spouse.
(b) For purposes of this Section 5(A)(3), Office Work Only services will be provided for the
following Category 4 benefits: Guardianships, Probate proceedings, Wills, Codicils, Trusts, and all Category 8 benefits.

(c) When a related person set forth in Article IX, Section 19 of the Ford-UAW National Agreement is requesting services under this section, said related person, the Employee, Retiree, Spouse, Surviving Spouse, and if applicable, the mother, father, step-mother or step-father, after full and adequate disclosure, must provide prior written consent to the representation delivered under this Section 5(A)(3), and waive any actual or potential conflict of interest as required by applicable law.

(d) Section 5(A)(3) shall be effective March 1, 2000.

B. Benefits Delivery

Benefits shall be provided solely through Staff Attorneys, Cooperating Attorneys and Legal Workers.

C. Discretionary Limitations

Notwithstanding Section 3B(vi), any Benefit provided under Section 5A, and not excluded under Section 5D, shall be subject to such general and prospective limitations as the Committee, in its sole discretion, may impose on either a permanent or temporary basis. The Plan shall not provide, nor shall it be liable, for Benefits in excess of such limitations.

D. Exclusions

Notwithstanding Section 5A above, the Plan shall not provide Benefits, or in any other manner pay for the following:

(i) Any proceeding in which the Company, its subsidiaries, its dealers, or any of its officers or agents has an adversarial interest to the Participant;

(ii) Any proceeding against the Union, any of its subordinate or affiliated bodies, or the officers, or agents of such, or against any labor organization representing employees of the Company;

(iii) Any proceeding where the Union itself would be prohibited from defraying the costs of such legal
services by the provisions of the Labor-Management Reporting and Disclosure Act of 1959, and any proceeding arising under the National Labor Relations Act, as amended, or under the Labor Management Relations Act, as amended;

(iv) Fines and penalties, whether civil or criminal;
(v) Any judgment for civil damages;
(vi) Any action pending on or before April 1, 1985;
(vii) Legal services which are not personal legal services within the meaning of Section 120 of the Internal Revenue Code of 1986, as amended, prior to its expiration on June 30, 1992;
(viii) Any proceeding involving another eligible Participant as an adverse party, unless the Participants are separately represented;
(ix) Nonlegal costs attendant to the purchase or sale of real estate;
(x) Matters involving election laws, or warrant to any civil office;
(xi) Workers’ Compensation or Unemployment Compensation matters involving the Company;
(xii) Any bankruptcy proceeding that would result in discharge of a debt owed to the Company, the Union, or any benefit plan or trust established or maintained by the Company;
(xiii) Any dispute involving the Plan; and
(xiv) Proceedings against any benefit plan or arising out of any benefit plan established or maintained by the Company, including proceedings against any trust or insurance carrier through which such benefits are provided to the Company, its employees or retirees.

E. Coordination of Benefits

The Plan shall not be liable to provide Benefits in any matter to the extent that the Participant has a right to substantially identical benefits under the terms of an insurance contract, or any other legally enforceable arrangement. Where multiple coverage results under this Plan by reason of the relation of two (or more) Participants, the Plan shall only be liable for one set of
Benefits. If any insurance contract or any other legally enforceable arrangement exists, the services under this Plan shall be secondary to such other coverage.

F. Nonalienation of Benefits
Assignment, pledge or encumbrance, of any kind, of Benefits under this Plan shall not be permitted or recognized under any circumstances; nor shall Benefits be subject to attachment or other legal process for debts of Participants. Upon notice of any such assignment or attachment of any kind, the Benefit shall automatically terminate and thereafter may be applied by the Committee, in its discretion, for the benefit of the Participant.

G. No Vested Rights
This Plan creates no vested rights of any kind. No Participant, nor any person claiming through him/her, shall have any right, title or interest in or to the Fund, other property of the Plan, or part thereof.

Section 6. Financing
A. Fund
The Fund shall be held by a corporate trustee(s) or Bank(s), under a Funding Instrument(s). The Company shall select the Funding Agency(s), and there shall be an appropriate Funding Instrument. The Fund will consist of the monies transferred to it from the Company. The Funding Agency shall retain all assets of the Fund, including investment income, if any, for the exclusive benefit of Participants, and it shall be used to pay Benefits for Participants or to pay administrative expenses of the Plan. The assets of the Fund, including investment income, shall never revert to or inure to the benefit of either the Company, the Union, or any named Fiduciary.

B. Contributions
The Company will make available, for funding the Plan, the balance of Fund accruals over expenditures at the end of the 2003 Ford-UAW Collective Bargaining Agreement term. In addition, should the carry-over balance decline to three (3) million dollars according to the Company accrual and expenditure records, the Com-
pany also will make available an amount equal to 10¢ for each hour worked after the date of such decline, during the remaining term of the 2007 Ford-UAW Collective Bargaining Agreement. However, should the Fund balance, including the carry-over balance, decline to one and one tenth (1.1) million dollars according to the Company accrual and expenditure records, the 10¢ accrual will increase to 19.5¢ until the Fund balance reaches three and one half (3.5) million dollars, at which time the accrual rate will revert to 10¢. This fluctuating accrual method will continue during the term of the 2007 Ford-UAW Collective Bargaining Agreement. The Company, to the extent of its obligations hereunder, will transfer monies to the Fund on a weekly basis in an amount sufficient to handle the administration of the Plan. Should the Committee judge the assets of the Fund inadequate, the Company and the Union will meet expeditiously to resolve this issue.

Section 7. Merger, Amendment or Termination of Plan

A. The Company and Union, by mutual agreement, may modify, amend, or terminate the Plan, in whole or in part.

B. Allocation of the Fund on Termination

Provided that the assets of the Fund are adequate, no termination shall deprive a Participant of legal representation in a matter pending in a court or administrative agency on the date of termination for which Benefits would otherwise be payable. Rather, the Committee shall, if possible, make appropriate arrangements for representation of the Participant to the conclusion of the matter, or for one (1) year following the date of termination, whichever is lesser. The Plan shall have no liability for representation of the Participant beyond that period. If the assets of the Fund are not adequate to provide such post-termination representation, the Committee shall prorate the Benefits based on the available assets, after deducting necessary administrative expenses.
C. **Residual Amounts on Termination**
   In the event of total termination of the Plan, after allocation of the Fund under B above and payment of necessary administrative expenses, any residual assets in the Fund shall be applied by the Committee for the purpose of providing to Employees any benefits described in Section 501(c)(9), 501(c)(17), and/or 501(c)(20) of the Internal Revenue Code, or any successor provisions then in effect. In no event shall the assets of the Fund revert to or inure to the benefit of the Company, the Union, or the Named Fiduciary.

D. **No Additional Liability**
   Upon termination of the Plan, the Benefits payable shall be only such as can be provided by the assets of the Fund when distributed pursuant to this Section.

E. **IRS Qualification**
   The Plan’s Funding Instrument(s) shall be, and remain, exempt under Internal Revenue Code Section 501(a) as an organization or trust described in Internal Revenue Code Sections 501(c)(9) and/or 501(c)(20). The Company and Union shall make any amendments which are required by the Internal Revenue Service to keep the Plan so qualified.

F. **Duration**
   This Plan shall continue in full force and effect during the term of the current Ford-UAW Collective Bargaining Agreement.
IN WITNESS WHEREOF, this Agreement is executed on behalf of each party by its duly authorized representatives as of the date first appearing above.

FORD MOTOR COMPANY

Alan R. Mulally  James Brown
William Clay Ford, Jr. Richard J. Krolikowski
Mark Fields Ted A. Stawikowski
Joe W. Laymon Jack Halverson
Martin J. Mulloy Greg Stone
Joe Hinrichs Gregory M. Acquinto
William P. Dirksen Richard D. Freeman
Livio Mezza Stephen M. Kulp
Ken McFarlane Brian Warren
Ken Williams Mary Anderson
Keith A. Kleinsmith Bill Rooney, Jr.
Anu Goel Bridgette M. Morehouse
Elizabeth A. Peacock Eric E. Cuneo
Jim Larese

INTERNATIONAL UNION

Ron Gettelfinger Joel Goddard, Subcouncil #6
Bob King Mike Abell, Subcouncil #2
Wendy Fields-Jacobs Jeff Washington, Subcouncils #2 & #3
Garry Mason Bernie Ricke, Subcouncil #1
Dave Curson Davine El-Amin Wilson, Subcouncil #1
Chuck Browning Dave Berry, Subcouncil #2
Joseph Carter Chris Crump, Subcouncil #3
Dan Brooks Chris Viscomi, Subcouncil #3
Joe Gafa Charlie Gangarossa, Subcouncil #4

UAW

Jeff Terry, Subcouncil #5
Johnny Verellen, Subcouncil #5
Jodey Dunn, Subcouncil #6
Dave Rogers, Subcouncil #7

LEGAL SERVICES PLAN FOR HOURLY EMPLOYEES IN THE UNITED STATES
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