



Summary of Key Terms Tentative Agreement between **UAW and USW** and **DANA Corp.**

July 2007

Key Terms

No wage cuts for hourly workers. The company initially demanded substantial wage cuts and other givebacks.

\$500 million in new investment by Centerbridge Partners, an investment firm recruited and recommended by the UAW and USW.

Employment security:

Unprecedented sourcing commitments for UAW and USW plants that will end a long-term shift of work that has favored non-union facilities.

Post-emergence bonuses: Dana stock valued at over \$22 million to be distributed as bonuses for union members; projected value of \$6,000 per worker

Retiree health care: \$784 million commitment from Dana to establish VEBAs for UAW and USW retirees.

Health care for active workers:

Protected at legacy and non-legacy plants. Cost-sharing reduced from company demands.

Buyouts: For retirement-eligible employees at Lima, Pottstown, Marion and Fort Wayne.

Common expiration date: June 1, 2011, for all UAW and USW agreements.

UAW and USW members protect wages, health care; Win pledge of new investment

The proposed agreement between UAW and USW and Dana protects wages and health care for active workers, and pensions and health care for retired workers.

It also includes a commitment to new investment, employment security for UAW and USW plants, a neutrality agreement to enhance workers's rights, and a common expiration date for all local agreements, enhancing management accountability and strengthening our bargaining power.

Commitment to new investment

The proposed agreement includes the selection of an investment company, Centerbridge Partners, **recruited and recommended by the UAW and the USW**, which will invest \$500 million in Dana and sponsor the reorganization plan which allows Dana to emerge from bankruptcy. Centerbridge will play a key role in the future of the new Dana Corporation. They recognize and respect the role of our union and have committed to work with us to correct past mismanagement and fully utilize the skill and experience of our membership while at the same time investing and making the necessary changes to achieve profitability.

The company agreed to union requirements for emergence from bankruptcy to increase the likelihood for the future success of Dana. These include: limitations on debt, minimum liquidity and minimum new cash investment. This is such a key element of working toward a profitable future for both Dana and union members that we made Centerbridge's investment and participation in Dana's restructuring a condition of our union settlement, and Dana agreed.

If Dana seeks to substitute Centerbridge with an alternative investor or otherwise attempts to emerge from bankruptcy without the financial requirements mentioned above, the Unions have the ability to terminate the settlement and we will have the right to strike if necessary.

It makes no sense to renegotiate our contracts to make the necessary sacrifices only to continue on the path Dana has been on for years, in which poor management decisions lead to one financial crisis after another. Instead, this proposed agreement creates a path to success for Dana, Dana workers, and the communities where we live and work.

A message to UAW and USW members at Dana

July 9, 2007

Dear Brothers and Sisters,

Thanks to the extraordinary solidarity and the hard work of our local elected bargaining committees and the International Unions of the United Autoworkers (UAW) and the United Steelworkers (USW), we have reached a national UAW and USW Framework Agreement.

This Agreement covers wages and working conditions for UAW locals in Lima, Ohio; Pottstown, Pa.; Auburn Hills, Mich., and Rochester Hills, Mich.; Longview, Texas, and Elizabethtown, Ky.; and for USW locals in Fort Wayne, Ind., and Marion, Ind., and Henderson, Ky.

Most recent negotiations in the auto parts industry have been extremely difficult due to current conditions in the industry. The agreement was negotiated over many months under very difficult circumstances, with a corporation in bankruptcy that was attempting to unilaterally cancel our contracts. In the face of these challenges, our bargaining committees, with strong legal and technical support from the UAW and USW International unions, were able to negotiate important protections on behalf of our active and retired members.

The Dana Union Council (DUC) established a set of guiding principles for these negotiations. These were:

No whipsawing among plants; job security for unionized factories; the opportunity to share in future profit; protect our retirees; and a strong voice in the company's future.

As detailed in this summary, we have achieved an agreement that meets the test of these principles. It is subject to your ratification and approval by the U.S. Bankruptcy Court. Our accomplishments include:

- **No wage cuts for active workers**; a **\$784 million contribution** for retiree health care; **continued health care for active workers**; and a **defined benefit pension plan** for all UAW and USW Dana workers.
- The selection of an investment company, Centerbridge, **recruited and recommended by the UAW and USW**, which will invest \$500 million in Dana and sponsor the reorganization plan which allows Dana to emerge from bankruptcy.
- The company agreed to union requirements regarding debt, equity, and investment as condition for emerging from bankruptcy.
- **Buyouts** for retirement-eligible employees at Lima, Marion, Pottstown and Fort Wayne.
- **A common expiration date** of June 1, 2011, for labor agreements at all UAW and USW plants. This increases our bargaining power and is a gain rarely achieved in today's environment.
- **A corporate neutrality agreement** in which Dana agrees to respect the right to of workers to organize in a fair and expedited matter at all plants which have a union customer.
- A **\$6000 bonus** of *new* Dana common stock, paid upon emergence.

There are, of course, aspects of this agreement that we do not like and where we wish we could have made improvements. We did not negotiate these changes lightly. But since we were negotiating with a company in bankruptcy, it's clear there could have been outcomes far worse for our membership if we did not find a settlement that helps Dana emerge with the potential for future success while preserving our jobs and defending our standard of living.

This agreement preserves health care and pensions for active and retired workers and does not require any wage cuts for active workers. It will include \$500 million worth of new investment in the company and gives us a strong voice in creating a successful future for Dana.

Please read this summary carefully. While it is not the actual agreement, every effort has been made to make it as complete and accurate as possible. And be sure to read the specifics of the local agreements reached at your locations, as they will be an important part of the agreement as it will apply to you personally. Copies of the original language of the agreements, as well as answers to any questions you may have, are available from your local union.

As always, the final decision is up to you.

In Solidarity,

Jim Robinson, Director
USW District 7

Dennis Leazier
President, USW Local 903

Willie Campbell, President
President, USW Local 7-113

Roger Stone
Acting President, USW Local 9443-02

Bob King, VP and Director
UAW CS/IPS Dept.

Scott Williams
President, UAW Local 1765

Jody Grabner
President, UAW Local 1405

Tom Alderfer
Chairman, UAW Local 644

Tony Catanzaro, Chairman
Office Unit, UAW Local 644

James Carrington, Chairman
Auburn Hills, UAW Local 771

Rick Nickolai, Chairman
Rochester, UAW Local 771

Rob Soltau
Chairman- UAW-Dana, Longview

Employment Security for UAW and USW Locations

The proposed agreement **both** protects existing work **and** creates opportunities for future work at UAW and USW facilities.

Work Preservation for UAW and USW Plants

For the first time in the history of negotiations with Dana, we have secured an agreement that prevents the company from moving work from UAW and USW plants to plants where the employees are not represented by our two unions. This will end a long-term shift of work that has favored non-union over union facilities.

The proposed agreement contains a provision that prohibits the company from moving existing work out of a facility where the UAW or the USW represents employees into a facility where they do not (with the exception of the movement of production of end yokes from the Marion plant) unless a customer makes a sourcing decision under an existing contract, ends a sourcing contract, or does not renew a sourcing contract, which prevent(s) the Company from complying with the terms of this provision of the proposed agreement. In such event, the Company may move only the work covered by such event.

Future Work Opportunities

The proposed agreement includes significant commitments by Dana which will give workers at UAW and USW plants the opportunity to participate in any new work that is successfully bid and won by the Company. All violations of this agreement are subject to expedited arbitration.

The Company has agreed:

- To make reasonable and necessary capital expenditures at UAW and USW facilities designed to maintain or expand work performed at these locations.
- The Company will source work on new product lines to UAW and USW facilities, in order to maintain these facilities at full capacity to the extent possible.

- Work on future generations of existing product lines or new product lines or platforms that will be performed in North America will be sourced to UAW and USW facilities, unless there is insufficient capacity or a legitimate business reason to source the work elsewhere.

- If any UAW and USW facilities are operating at less than full capacity, the Company will consider sourcing new work to the facility or facilities.

- The Company will provide UAW and USW members with a meaningful opportunity to participate in decisions involving certain future work to be performed in North America. The Company will provide the Unions with notice of potential future work and partner with the USW and UAW to determine how to win or protect such work.

- If the Company does not direct work to a USW or UAW facility, the Company will give the union notice of its determination within five business days, specifying the reasons for the decision and backed by financial analyses and other supporting documentation. The parties will meet to discuss such information at the Union's request at an expedited, executive-level meeting.

Job Commitments

Under the proposed agreement, the company has made specific commitments to provide specific work at various UAW and USW locations. These commitments will be detailed in information provided by the affected local unions.

Layoff Minimization Plan

In the event that the Company contemplates layoffs (not including temporary layoffs as defined in the respective plant contracts), prior to implementation the company must discuss the reasons for the layoff with the union and negotiate a Layoff Minimization Plan. If the negotiations are unsuccessful, the company's plan and the union's plan will be presented to an arbitrator, who will make a final and binding choice of one or the other.

Productivity savings through local bargaining

The UAW and USW committed to work with Dana to identify \$6.2 million worth of savings from local bargaining, through productivity enhancements and other measures. Each local union was assigned an amount of savings, based on a negotiated formula.

All locations achieved their targets in cost savings agreements, helping to ensure that current workers would not be asked to accept wage cuts. (Those modifications will be detailed by local unions.)

Common Expiration Date

All UAW and USW Local Union agreements will expire on June 1, 2011. This will increase our ability to hold the company accountable for the life of agreement and strengthen our collective bargaining power for the future.

This is a *summary* of proposed contract language. In all cases, the actual language will apply. Copies of the actual language are available to you from your local union.

Wages and bonuses

Wages: Although the company began negotiations by demanding a drastic reduction in our wages, the tentative agreement provides for **no wage cuts** for active workers. Specific wage rates for each year of the proposed agreement have been negotiated for each location, and will be distributed by each Local Union.

Post-emergence Bonus: Dana will distribute new common stock of the reorganized Company in a value not to exceed \$22,530,000 equally among UAW and USW Dana employees at open plants with at least one year of service on the effective date of a plan of reorganization, and to those retiring under a pension plan from those plants on or after May 26, 2007.

The post-emergence bonus shares will be freely tradable. Workers on short and long-term disability from those plants as of the effective date of a plan of reorganization that have at least one year of service will also be eligible.

This is expected to result in a payout of stock worth **\$6000.00** to each such union member when Dana emerges from bankruptcy.

Wages for new hires: The proposed agreement includes a two-tier wage structure, with pay rates for new hires at Lima, Pottstown, Auburn Hills, Marion and Fort Wayne according to the following schedule:

Tier 2 – hourly rate

Starting rate	\$14.00
53-104 weeks	\$14.50
105-156 weeks	\$15.00
157-208 weeks	\$15.50
In 2009	\$16.00, for those at \$15.50 for one year

Current employees will be grandfathered if above the maximum, except Ft. Wayne employees recalled from layoff. Current employees below the maximum could receive increases, based on length of service.

Buyouts

The proposed agreement provides for voluntary buyouts, through lump sum payments in addition to the monthly pension payments, for workers in locations affected by workforce reductions as follows:

Lima, Pottstown, Fort Wayne, & Marion	\$45,000 lump sum payment for retirements (including those by employees eligible for a fractional 30 and out pension benefit with 27 to 30 years of service) payable to those who retire between May 26, 2007 and 90 days after Dana's bankruptcy reorganization plan becomes effective. Fort Wayne employees must have been Tier One employees, at work on January 1, 2007 and must continue to be at work as of May 1, 2007 to be eligible for this buyout offer.
Lima, Pottstown, Fort Wayne, & Marion	\$22,500 for workers who retired between Jan. 1, 2007 and May 25, 2007.

Employees on LTD at Lima, Pottstown, Marion and Fort Wayne who are on LTD status at the time they retire are not eligible for a Buyout offer, and those retiring from terminated vested status are also not eligible for a Buyout offer.

For union members at Syracuse, Indiana, and Cape Girardeau, Missouri, where the plants are being closed, severance has been negotiated. Information will be distributed to those affected at each location.

\$784 million for Retiree Health Care

Our bargaining team won a commitment of up to **\$784 million** from Dana to fund Voluntary Employee Beneficiary Associations (VEBAs) that will provide for health care for current and future retirees. There will be one VEBA for UAW retirees, and another for USW retirees. The payments from the company to the two VEBAs will be allocated based on the number of current and expected future retirees.

A VEBA is a trust fund that provides payment for health care to those covered. All decisions on benefit levels will be the responsibility of the VEBA Trustees. The VEBAs will be funded primarily in cash, payable when Dana emerges from bankruptcy.

Following the change-over to the new VEBAs, any monies left in the location-specific VEBAs will be used as determined at each location.

The \$784 million commitment is approximately 3/4 of the projected cost of benefits for retirees, and there will be modifications in the plan. But in a majority of bankruptcy cases, retirees lose *all* of their health care. We got a much better result. The 3/4 of projected cost funding level is nearly **three times** the funding level agreed to by the salaried retirees.

Active Health Care

The company presented proposals that would have significantly slashed benefits and transferred much of the cost of health care to the pockets of union members. Our bargaining committees, backed by the solidarity of everyone in our Dana Union Council, were able to preserve health care for active employees, with significant guarantees.

We have also secured the commitment to shift the current Dana health care plan, Healthworks, to an established National Network, provided such a network will result in savings as measured by criteria negotiated by UAW and USW.

Effective January 1, 2008, these plants will change to a modified Healthworks plan, with some exceptions. (A summary of the Healthworks plan will be available through your local union.) We also recognized the need to improve the Healthworks plan and we believe that can be achieved by moving from the local Healthworks plans to a new National Network.

Lima, Pottstown, Marion and Henderson, Ky.

Monthly premium contributions will begin at \$36 for an individual, \$70 for an employee plus one, and \$105 for a family. The \$36/\$70/\$105 premiums will be increased each year. To calculate the increase, the company and employees will split the increase in costs 50/50. **However, increases in employee premiums will be capped at 6% per year.**

Maximum increases from 2008 to 2009 are summarized below

	2008 Premium	2009 premium including 6% maximum increase
Employee	\$36	\$38.16
Employee plus one	\$70	\$74.20
Family	\$105	\$111.30

Increases in succeeding years will be limited in the same manner.

All other UAW/USW plants

Health care premiums will be frozen at current levels for the first two years. Starting in 2010, future cost increases will be split 50/50 between the company and employees, but the amount of increase you will pay will not exceed 6% (as at Lima, Pottstown, Marion and Henderson). Your Healthworks plan itself will remain unchanged, subject to the negotiated process for moving to an established National Network. This is expected to provide greater access to services for employees at these plants.

Long-term Disability will be provided through Prudential. While Dana originally wanted the total cost to be paid for by you, this proposed agreement requires the company to pay all premiums.

Long term disability -- All other UAW/USW Plants

Eligibility Description	Active, full-time employees working 30+ hours per week.
Definition of Earnings	Excludes overtime, bonus, and commissions.
Service Waiting Period	Consistent with HealthWorks coverage for new hires
Contribution	None
Elimination Period	24 weeks
Scheduled Benefit	50%
Maximum Benefit	\$5,000/month
Minimum Benefit	\$100/month
Benefit Duration	2 years
Social Security Offset	Family
Third Party liability offset	Applies
Regular Occupation provision	12 months - unable to perform the material and substantial duties of your regular occupation and you have a 20% or more loss in your monthly earnings; and under the regular care of a doctor.
Partial disability	Applies / 80% during Regular Occ. and 60% during Gainful Occ.
Return to work incentive	Applies - 12 months
Rehabilitation requirement	Applies
40 hour work week provision	Applies
Enhanced Rehabilitation Benefits	Applies 5% Rehab Incentive \$500 Day Care Benefits \$500 Spouse/Elder Care 6 months Benefit Duration
Indexing of pre-disability earnings	Applies / Does not apply
Mental nervous / Drug Alcohol limit	Applies - 24 months
Self reported symptoms limit	Does not apply
Survivor benefit	3 x GMB
Conversion provision	Does not apply
Pre-existing conditions	A 3/12 Prudent Person pre-existing exclusion applies, as well as for any increase in benefits to the prior plan
Cost of Living Adjustment	Does not apply

Pension Benefits

New Defined Benefit Pension Plan for all UAW/USW Dana workers

A new Defined Benefit Pension Plan will be provided to all union members at UAW and USW locations.

Going forward, this new defined benefit pension plan will cover employees currently in a defined benefit plan and employees that are now covered by a cash balance or a 401(k) plan to which Dana now makes basic contributions. *Defined benefit pension plans are the most secure type of plan for future retirees. This is a significant gain, especially for workers not currently covered by a defined benefit pension plan.*

Of course, monies currently held in the current cash balance and 401(k) plan accounts will remain the property of the employee and not the company. Those that currently have a Dana defined benefit plan will retain benefits earned to date under that plan, as described below, and will begin earning benefits under the new defined benefit plan.

The new Defined Benefit Pension Plan is the Steelworker Pension Trust. All UAW and USW Dana employees will participate in the Steelworker Pension Trust, effective on the later of January 1, 2008 or the first day of the month following the "Freeze Date." (The "Freeze Date" is the later of January 1, 2008 or the day a court-approved bankruptcy reorganization plan becomes effective.)

Establishment of the Steelworkers Pension Trust

The Steelworkers Pension Trust ("SPT") will cover all UAW and USW represented workers. The SPT is a large, well-funded plan that covers union members working at more than 560 companies.

The Steelworkers Pension Trust is a multi-employer defined benefit pension plan. A Board of Trustees, consisting of an equal number of employer and Union representatives, administers the Trust. **The Board of Trustees has the authority to decide all questions concerning eligibility for and the amount of pension benefits.**

As of May 2007, the Plan had over 52,000 participants, 561 participating employers and slightly less than \$2 billion in assets.

The pension benefit formula and types of retirement options under the Steelworkers Pension Trust differ from those of the current Dana plans. Pension benefits are calculated by a formula based on the contributions made by the company on behalf of each employee. Also, the Trust is a future service plan that will pay benefits based on future years of employment with Dana.

Steelworkers Pension Trust Hourly Contributions

The company contributions to the Steelworkers Pension Trust will be as follows:

- \$0.60 per contributory hour for the first year
- \$0.80 for the second year
- \$1.00 for the third year

Benefits will be based on future years of service; past service will be used for vesting and eligibility purposes.

Hours for Which Contributions Are Made

Hourly pension contributions to the SPT will be made for each hour, including:

1. hours actually worked;
2. hours paid because of vacation, holidays, jury duty, bereavement leave, or union business, but not in excess of forty (40) hours per week;
3. hours for which employees, who are paid for vacations in a lump sum, were absent on vacation;
4. hours for periods on lay-off of up to twelve (12) months, during which time the employee will be deemed for this purpose alone to have worked forty (40) hours per week, per absence; and
5. hours for absences of up to twelve (12) months (or such longer period as may be required by law) during which the employee is receiving workers' compensation or sickness and accident benefits, or is on Union Leave, leave of absence for military service or military encampment, or leave of absence on Family or Medical Leave, provided that the employee returns to employment with the Company from an FMLA leave within the time period allowed by law or bargaining agreement. Such absences will be credited at a rate of up to forty (40) hours per week.

Benefit Formula and Amount

The amount of the pension an employee receives depends directly on the total amount of contributions made on behalf of the employee by the Company.

The monthly benefit payable at Normal Retirement (age 65) under the Trust equals the amount of the annual hourly contributions multiplied by a factor currently projected to be 24.2% and then divided by 12 to obtain a monthly benefit .

Similar to the adjustments under the previous pension plans, benefits payable as joint and survivor annuities or other optional forms of payment are reduced to provide for those payment forms.

Benefit Example

In the last year of the contract, if an employee were to have 2,080 hours for which the Company contributed \$1.00 an hour, the employee would receive a \$41.95 monthly benefit for that year of credited service, in addition to benefits earned during other years.

If, however, the employee had 2,300 hours (due to working overtime hours, for example) for which the Company contributed \$1.00 an hour, that employee would receive a \$46.38 monthly benefit for that year of credited service, in addition to benefits earned during other years.

Immediate Vesting

Current employees who had 5 years of pension service under the Dana plan at the freeze date will be immediately vested. All other employees will be fully vested upon the completion of five years of service.

Incorporation Agreement

The benefits and eligibility are subject to the Incorporation Agreement among the Company, Union and the SPT Trustees and the SPT Plan provisions. Copies of the SPT Summary Plan Description will be distributed to employees and are also available via the Internet at www.steelworkerspension.com

Eligibility for Pension

After an employee is vested, four types of retirement are provided under the SPT.

Normal Retirement

Retirement at age 65, without reduction.

Early Retirement

Retirement at age 55, benefit reduced by 0.25% (1/4%) for each month (or 3% per year) that the retirement is prior to age 65.

Rule-of-85 Retirement

Retirement at any age, without reduction for early retirement, if the employee's age plus the number of years of covered service equals 85 or more. **(Prior pension service with Dana will also count to reach the total of 85.)**

1. The years of covered service with Dana (once participation begins under the SPT) that count for the Rule-of-85 calculation are calendar years in which at least five months of contributions are paid to the Plan.
2. Contributions to the Trust must be made on the employee's behalf for at least ten months during the twenty-four months before the month of retirement.

Disability Retirement

Disability within the meaning of the federal Social Security Act while a covered employee on or after the freeze date, without reduction for early retirement.

Freeze of the Dana Pension Plan

On the "Freeze Date" – which will be the later of January 1, 2008 or the effective date of a plan of reorganization – credited service under the current Dana pension plans covering UAW and USW members will be frozen.

Effective with the Freeze Date, credited service and benefits under the pre-Freeze Date pension plans will not increase. However, employees with 20 or more years of credited service on the Freeze Date will have post-Freeze Date service counted for determining *eligibility* for retirement. See "20 Years Plus Eligibility Service" box on the following page for two examples. (This "20 Year Plus Eligibility Service" provision includes participants at closed plants who would have been eligible to continue to earn credited service – such as while on layoff or various forms of leave – but for the freeze.)

Employees with less than 20 years of credited service on the Freeze Date will not earn credited service under the pension plans after the freeze, but their age will continue to be counted for eligibility purposes for benefits under those pension plans.

Neutrality agreement

Dana has agreed to respect the right to of workers to organize in a fair and expedited matter at all plants which have a union customer. If a majority of workers in any of these facilities sign union authorization cards, Dana will recognize and bargain with these workers. If an agreement is not reached 90 days following card check recognition, contract issues will be submitted by both sides for arbitration.

Examples – 20 Years Plus Eligibility Service Provisions

Example No. 1 – 20 Years Plus Eligibility

Service Provision: An employee who retires under an 85 point “Interim Supplement” provision (with his or her age at retirement, credited service at the Freeze Date, and eligibility service earned after the Freeze Date together totaling 85) with exactly 26 years of credited service at the Freeze Date would have a basic benefit of 26 times (based on his or her credited service as of the Freeze Date) the appropriate basic benefit amount (otherwise reduced for early commencement, with the reduction of the basic benefit amount popping up to an unreduced basic benefit at age 62 and one month), and a Supplemental Benefit based upon 26 years of credited service at the Freeze Date, based upon his or her age at the time of retirement.

Example No. 2 – 20 Years Plus Eligibility Service

Provision: The employee in Example No. 1 above, with exactly 26 years of credited service at the Freeze Date may also, after earning four years of eligibility service after the Freeze Date, be considered to have 30 years of credited service for purposes of determining his eligibility for the “30 and Out” provision. At that time, he or she would be entitled to a basic benefit of 26 times (based on his or her 26 years of credited service as of the Freeze Date) the appropriate basic benefit amount (reduced for early commencement, with the reduction of the basic benefit amount popping up to an unreduced basic benefit at age 62 and one month). He or she will also be entitled to receive 26/30ths of the respective 30 and Out supplement.

Example – 27 to 30 Year Pension Provision

If an employee retires with exactly 27 years of credited service, he or she will be considered to have 30 years of credited service for purposes of determining his or her eligibility for the “30 and Out” provision. He or she will be entitled to a basic benefit of 27 times (based on his or her 27 years of actual credited service as of the Freeze Date) the appropriate basic benefit amount (reduced for early commencement), with the reduction of the basic benefit amount popping up to an unreduced basic benefit at age 62 and one month. He or she will also be entitled to receive 27/30ths of the respective 30 and Out supplement.

By comparison, an employee who retires under a 30 and Out provision with exactly 30 years of credited service would have a basic benefit of 30 times the appropriate basic benefit amount (reduced for early commencement) and a full 30 and Out supplement, with the reduction of the basic benefit amount popping up to an unreduced basic benefit at age 62 and one month.

In addition, those at Lima, Pottstown, Marion and Fort Wayne with 27 but less than 30 years of credited service by the Freeze Date (and who are not on long-term disability status) will be able to qualify for thirty year pensions with a fractional benefit. This form of retirement will be available for retirements beginning on the date Dana files its bankruptcy plan of reorganization and ending on the 90th day following the Freeze Date. See “27 to 30 Year Pension” box above for an example and a comparison to the regular 30 and Out benefit.

Note: At the UAW-represented Syracuse, Indiana plant, which is closing, the “Freeze Date” is the later of August 1, 2009 or the day a court-approved bankruptcy reorganization plan becomes effective.

Successorship

In the uncertain world of today’s economy there is no guarantee that a plant will not be sold to another company or investor. Under the law, when a plant (instead of the entire company) is sold the buyer has no legal obligation to hire the current employees, and in many instances does not have to recognize their union – unless the seller makes those obligations a part of the contract of sale. In these negotiations we have achieved important protections in the case of a plant sale.

Before a plant can be sold, the buyer must have reached agreement with the union on a contract that:

- Recognizes the union, AND
- Either adopts the terms of the old contract for at least one year OR sets new terms in a new contract.

Either option will help ensure that current employees will continue to hold their jobs when a new employer takes over the plant.

In addition, the company must have settled all outstanding issues regarding the current employees *before* the sale.

These protections will ensure that union members cannot be left out in the cold after years of service at the plant, if the company decides to sell.