

# Agreement on Preconditions to a Card Check Procedure Between Freightliner LLC and the UAW

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The following commitment is given by the UAW in exchange for Freightliner's Agreement to enter into a card check recognition procedure which could require Freightliner to voluntarily recognize the UAW as exclusive representative of Production and Maintenance employees at certain Manufacturing Plants. Unless otherwise agreed to in advance by the Parties, this commitment shall remain in effect for a period of no less than five (5) years.

1. There will be separate consideration in terms and conditions of employment for each Business Unit because of industry differences (trucks, parts, busses, fire and rescue, chassis) including competitive wage and benefits packages within comparative product markets. Freightliner will provide proposals, as necessary, which reflect competitive analysis for each Business Unit's targeted market.
2. There shall be no guaranteed employment or transfer rights between Business Units or Plants.
3. There will be no provisions for severance pay or SUB in the event of a layoff or plant closure.
4. There will be no strikes during the term of any collectively bargained agreement. The standard language will be identical to that contained in the Mt. Holly Labor Agreement.
5. There are no future expectations that any Freightliner Business Unit will be required to meet "UAW pattern" Agreements.
6. There will be no subcontracting prohibitions, provided economics reflect non-competitiveness. To the extent required, however, management will share economic and non-competitive conditions with the Union before outsourcing or subcontracting.
7. All production standards, plant layout, and job qualifications shall remain at the Company's discretion.
8. There shall be no additional restrictions imposed against overtime scheduling.
9. There may be a maximum of one paid union representative per plant location with basic office space provided. Further, the Union will ensure that grievance handling and related contract administration activities by committee persons are expedited.


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10. Future benefits cost increases, in excess of normal inflation, will be shared between the Company and the employees proportionately at a rate to be determined between the Company and its employees.
11. The UAW will not attempt to organize any of Freightliner's office or professional employees.
12. In consideration of Freightliner's financial turnaround objectives, there will be no wage adjustments provided at any newly organized manufacturing plant prior to mid-2003.
13. The UAW agrees that it will not require, or pressure, Freightliner or its Business Units to utilize suppliers strictly based upon their union representation status.

Agreed:

 12/14/02  
For Freightliner LLC

 12/16/03  
For the UAW