

Zürich/Rüsselsheim, 1 October 2001

Framework

Regarding "Project Olympia" initiatives, as partially presented in the meetings on August 15th and October 2nd, employee representatives and management, supplementary to the document signed on the 20th August 2001, agree on the following framework document. Details are to be solved at the respective national level with the inclusion of national unions and/or employee representation bodies according to national legislation and practice.

Preamble

Employee representatives, in general, support the Olympia objectives as presented in the meeting of the European Employee Forum (Manufacturing Committee) on August 15th, 2001. Management and employee representatives have the joint goal to institute actions leading to company profitability and sustainable growth, thus achieving the turnaround of GME to competitiveness and a successful future of the employees. Both parties agree that the strengthening of the Opel, Vauxhall and Saab brands and bringing them to leadership positions in the European automotive industry is first priority. It is the joint understanding that all initiatives of Project Olympia affect all brands, sites, plants and functions of GME.

Management commits to the implementation of these initiatives with continuing inclusion and consultation during this process with the intention to reach mutually agreed solutions.

Rightsizing of capacity

Overall in the area of manufacturing, GME has to achieve significant structural cost reductions in conjunction with the reduction of 350,000 units installed capacity to contribute to the turnaround of the company.

Necessary capacity adjustments in the areas of assembly, stamping, powertrain and components will be solved on a national level.

With regard to placement of powertrain products and rightsizing of capacity according to newly adjusted requirements in the powertrain assembly area, necessary changes and adjustments of existing contracts are mutually possible while maintaining their substance.

Initiatives will be implemented to meet GME required turnaround goals across all of its European operations. Management agrees that the outcome of the implementation of the Olympia initiatives will not include a site closure.

Productivity

It is the joint understanding of management and employee representatives that immediate action has to be taken to move the productivity levels to world-class benchmark standards, eg leanfield principles. Necessary measures to increase Overall productivity and gain efficiencies will occur at all locations. Best practices and adjustments in the area of salaried staff have to be implemented as well to obtain efficiencies and cost reductions.

Flexibility

In order to increase the flexibility to react to changing customer demands and lifecycle variations (building more customer specified cars and fewer cars for stock) volume flexibility has to be enabled in different ways eg through alternative efficient and innovative working time and staffing models.

New business opportunities

New business and product opportunities for future growth, including export opportunities for all European brands outside of the European market, where competitiveness is ensured, will also be sought.

Partnerships

Management and employee representatives have a general joint understanding that resources and investment have to be focused in our situation. Therefore, increased efforts to find external partners for possible alternative business models will be taken. Both parties acknowledge that this depends on the nature of the business in general. Priority must be to maintain or grow employment at the respective locations. In the case of partnerships, Joint ventures will be established. Exceptions may be agreed at a national level. In both cases, the contents of the EEF framework signed on July 6th, 2000, will be honored. Exceptions to the contents may be agreed on a national level.

Manpower adjustments

Manpower adjustments, where necessary will be handled in socially responsible ways, which depending on individual custom and national legislation may include early retirements, separation programs, transfers to other National and International GM locations to available openings, outplacement assistance etc.

These measures will enable us to avoid forced redundancies while implementing the necessary restructuring. Efforts to place workers in reasonable positions will require an increased willingness of employees with regard to mobility and flexibility for the work location as well as for working time and practices.

It is also necessary to assure that the required numbers of employees are placed in facilities that have urgent start-up needs and requirements due to market conditions.

Information and consultation

Management commits to the implementation of this framework with continuing inclusion and consultation during this process with the intention to reach mutually agreed solutions.

This process will include dialogue at a national level and will be performed according to the respective national legislation and practice.

Implementation

Implementation of this framework shall occur at the national level. According to European legislation and national laws Management and employee representatives will ensure that the agreed provisions will become legally binding for individual employees as well as negotiating partners.

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