

The following framework agreement is in relation to GM's current restructuring initiatives.

### **European framework, dated 5 March 2001 at 20.30**

The European Employee Forum (EEF) of General Motors Europe sets forth the following framework in relation to the current restructuring initiatives, including the run-out of the current Frontera, as discussed in the emergency meeting of the EEF steering committee on 12 December 2000:

1. It is the primary goal of management and employee representatives to institute actions that focus on the support of our employees and their futures. The placement of the people as well as the maintenance and securing of remaining business is of utmost concern.

#### *2. Job security*

Management will avoid forced redundancies in relation to the above mentioned restructuring initiatives and take all reasonable steps to avoid forced redundancies as follows:

In line with the respective national legislation and contractual obligations national management will provide personnel planning and will consult and will work with local employee representation to achieve this goal which may include (in no particular sequence), but is not limited to such processes as:

- part-time work programmes
- transfers to other national locations of General Motors and transfers to other international locations of General Motors
- voluntary separation programmes
- early retirement programmes

If necessary after all openings are filled, career opportunities and placement outside of General Motors will be assisted.

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 times and practices.

Rights described in section 2 of this framework only apply to employees willing to accept reasonable job offers or, in the event of insufficient job opportunities, one of the alternatives described above. Management will afford the opportunity for employee representatives to discuss the situation with individual employees who may be adversely impacted.

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.

On the basis of competitiveness, GME will in concert with the respective national organisation continue to pursue new business opportunities for the ongoing site.

#### *3. Employment terms and conditions*

The transfer of the employees will be handled according to the respective national legislation. It is the intention that employees will not be disadvantaged. Both parties acknowledge that the total packages may vary from case to case. Details are subject to local negotiations.

#### *4. Employee representation*

Union recognition on a local level will remain the same.

Employee representation on a European level will remain unchanged during the current election term.

Current collective agreements will be the subject of local / national negotiations.

With relation to the abovementioned restructuring measures, information will be shared at the national level, through the personnel function, with appropriate employee representatives.

The EEF will continue to be the appropriate forum to discuss this topic where it has transnational implications.

#### *5. Production in Luton*

Vehicle production will be maintained in Luton.

The new Commercial Van X-83 Vivaro will be introduced and the current Frontera will be maintained at the site.

The installed capacity for Vivaro will be 84,000 units and the installed capacity for the Frontera will be 18,000 units.

On the basis of competitiveness, management will continue to pursue new business opportunities, the extension of capacities and future products such as the Frontera replacement for the ongoing site.

Management will also investigate further job opportunities in connection with economic insourcing and will pursue location of suppliers and other non-GM business opportunities.

#### *6. Production in Ellesmere Port*

Epsilon will be placed in Ellesmere Port, as already announced.

The intention to source a suitable replacement model after the run-out of the current Astra in Ellesmere Port is reconfirmed, as stated in the 1998 agreement.

With these initiatives the prerequisites for a future flexibility are given. This will be a tool for more stability in employment and less dependency on product life-cycles.

The overall installed capacity will be at least 180,000 units.

#### *7. Implementation*

Implementation of this framework shall occur on 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.

#### *8. Exceptional circumstances*

The capacity figures used in chapter 5 and 6 are based on the current GME business plan.

Capacity figures will not change management's objective to flexibly balance its European production schedules among all plants.

If in the future further exceptional negative economic conditions occur which will mean a reconsideration of paragraphs 5 and 6, information and consultation will be instituted.

*(signed)*

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