



UAW-Volkswagen Works Council Documents

- Pages 2-5** “Exhibit B” from the “Agreement for a Representation Election,” dated January 27, 2014, between the UAW and Volkswagen Group of America
- Pages 6-29** “Vision Statement for a Collectively Bargained Works Council,” expanding on Exhibit B, dated May 7, 2015
- Pages 30-32** Letters to Volkswagen Employees from Mr. Berthold Huber, dated December 18, 2013, and July 18, 2014
- Pages 33-36** Letter of Intent between the UAW, the Volkswagen Global Group Works Council, and IG Metall, dated September 9, 2014

This Exhibit B document was attached to the January 27, 2014, "Agreement for a Representation Election" between the UAW and Volkswagen Group of America.

EXHIBIT B

DUAL MODEL INCLUDING WORKS COUNCIL

1.1 General Description of the Dual Model

The Dual Model is based on the Volkswagen Culture of cooperative labor relations, which is practiced by companies in the Volkswagen Group all over the world. The Dual Model is intended to adopt the practices of the Volkswagen Group culture to the fullest extent possible, in a manner consistent with all applicable US labor and employment laws.

Under the Dual Model employees are represented by a union for collective bargaining with their employer. They also participate in and receive representation by a Works Council that plays an important role in the day to day operation of the plant. In the Dual Model, the respective roles and responsibilities of the union and the Works Council would be established through collective bargaining between the Company and a Union. They would be defined in an agreement, reached in bargaining between the Employer and the Union and put in writing in a collective bargaining agreement and/or other legally binding written agreements (collectively referred to as a "CBA").

The Dual Model is conceived as a model of labor relations that would allow for development and establishment of a robust Works Council through collective bargaining between the Company and a legally recognized/certified labor union that represents a unit of employees. Under this model, the Union and the Works Council would each have defined roles and responsibilities, which would be established and defined through collective bargaining.

As part of their contract negotiations, the bargaining parties will also negotiate to include in their initial **collective bargaining agreement** the establishment of a Works Council including its organizational framework, and the responsibilities and authorities which will be delegated to the Works Council, as more thoroughly explained below. The parties will also establish the process and timing for the Works Council assuming the delegated functions and for the employer's retention, through a retained rights and/or management rights clause in the **CBA**, of responsibility for such matters until they are assumed by the Works Council.

The Employer and the Union in its capacity as the lawful bargaining representative of the Hourly Unit would agree to the delegation of designated topics and responsibilities to the Works Council. They would also define the organizational structure for participation through collective bargaining. These assigned and delegated responsibilities would thereafter be retained by the Works Council unless and until both the Employer and the Union agree to change that.

A Works Council is intended to offer a voice for all plant employees (except employees employed in supervisory and/or managerial capacities as those terms are defined under the National Labor Relations Act). All employees (other than supervisors and managers) (including both hourly and salary employees) would have the right to participate in Works Council elections regardless of whether they are represented by or belong to a union. All employees (other than

supervisory and managerial employees) would also be eligible to run for membership and serve as members of the Works Council.

2. THE WORKS COUNCIL

2.1 The Role of the Works Council

The Works Council would operate on the basis of authority delegated to it by the Union and Employer and in compliance with U.S. labor and employment laws to carry out assigned roles in accordance with direction and procedures, as well as in the spirit of the Volkswagen Group culture as reflected in its Social Charter and Charter on Labour Relations. The functioning of the Works Council would also be guided by and consistent with the terms of the CBA relative to represented employees. It would be expected to carry out its responsibilities in accordance with the best interests of the employees and the employer and with respect for the principles outlined and with respect for the roles of the Union and the Employer as bargaining partners.

The roles of the Works Council would include:

- making decisions by majority vote of its elected members for the good of the employees as well as the Employer on all issues for which the Works Council would have responsibility;
- representing the interests of employees in the day to day running of the plant. The Works Council members would deal with complaints and suggestions and cases where there is a need of individual support or advice;
- serving as the contact for management for all intra-company issues concerning the topics and tasks assigned to the Works Council under the CBA and the documents establishing the Works Council and its operative documents;
- communicating to the employees concerning the Works Council's activities and conveying information given by the Employer to it;
- initiating, discussing and/or negotiating ideas and other intra-company needs with management;
- acting in a respectful and non-discriminatory manner, in the interests of all employees without regard to gender, race, age, religion, sexual orientation or other legally protected characteristics and without regard to union membership or job classification;
- conducting its activities in a manner that ensures compliance with regulations and the adherence to the applicable laws; and
- carrying out operational management and guideline setting with respect to designated matters, in accordance with the direction of the parties.

2.2 Definition of Participation Rights

A CBA would provide for delegation of specific responsibilities to the Works Council. These responsibilities would be described in detail in the CBA and/or other agreements between the bargaining partners. The bargaining parties would also describe in their agreement the respective level of authority, role and rights of the Works Council as to with each such responsibility.

Each delegated topic would be assigned to the Works Council with a particular “participation right,” either Information, Consultation or Co-Determination. In the Charter on Labor Relations, these are defined as follows:

- a. The right to **Information** means that on-site employee representatives must be given comprehensive information in due time in order to have opportunity to assimilate the facts of a given circumstance and form an opinion. “In due time” means that information concerning measures must be provided at the time of commencement of any planning process. “Comprehensive” means that all relevant aspects and data must be relayed in comprehensible form. Information must previously have been provided before any measure can be implemented.
- b. The right to **Consultation** refers to the necessity for active dialogue between on-site employee representatives and management. The aim of consultation is to give employee representatives opportunity for initiative or protest concerning a given issue or circumstance and, where necessary, for discussion about how to prevent detrimental effects. Consultation would be compulsory prior to the implementation of any measure.
- c. The right to **Co-Determination** means the right of on-site employee representatives to consent, control and take initiative in connection with any shared active decision-making process or responsibility. Prior consent must be solicited before any measure can be implemented.

2.3 The Gradual Approach

Since the Works Council would be new for all parties involved, a step by step approach would be followed. At the start, all Works Council members would need to learn to deal with new topics and responsibilities. Similarly, management would have to learn to work with the newly established Works Council. The step by step approach would give the Works Council the opportunity to gain experience and to become engaged with more topics and more rights over what would be an agreed upon period of time, which would be established through negotiations. Through the gradual approach, the parties would seek to avoid overloading and overwhelming the new body with too many tasks and setting expectations too high. Phased assumption of topics and responsibilities would provide it a chance to establish itself.

Initially, the Works Council would be expected to focus on:

- a. topics where a high need for involvement is readily apparent; these include work organization, especially agreements on shift calendars and scheduling of overtime;
- b. “social issues,” such as health and safety; and
- c. participation in the implementation of a grievance procedure. It is envisioned that the grievance procedure would include the Works Council as a first level, where it could pursue informal resolution of problems at the plant level. This would be in furtherance of the shared objectives of avoiding the filing and processing of formal grievances and the prompt, non-adversarial resolution of concerns and issues on the shop floor.

Step by step, the other agreed upon responsibilities and functions would gradually be added to the day to day work of the Works Council. Nevertheless the basic division of responsibilities between the Union and the Works Council, which would be agreed to in bargaining and confirmed in the CBA, would not be affected or reduced by this gradual approach and it would be agreed that matters to be delegated would remain the responsibility of the Employer until they were assumed by the Works Council.

The same gradual approach would apply to the respective Participation rights. At the beginning the Works Council would be granted the rights of Information and Consultation and with the experience gained after an agreed upon time period, it would ultimately assume the right for Co-Determination, as defined in the Volkswagen Charter on Labour Relations and adapted to the US legal setting.

The goal would be to achieve a consensus on the agreements between Works Council and the Employer.

In order to ensure that the Works Council would be able to successfully assume all of its responsibilities, VWGoA would commit to providing the necessary training and resources for the Works Council members and for their Employer counterparts. To the extent applicable, VWGoA and the UAW would explore with the Federal Mediation and Conciliation Service what assistance, training, support and other resources are available under the Labor Management Cooperation Act of 1978 for cooperative programs.

Each of the topics, the timeframe and the level of the rights as to each would be described clearly in an agreement – including the description of the framework regulations that will have to be implemented by the Works Council.

3. FUNCTIONING OF THE WORKS COUNCIL

The CBA would include processes for the formation and sustainability of the Works Council.

3.1 The Election and Eligibility

All hourly and salary employees of Volkswagen Chattanooga (except employees with a leadership/management function such as supervisors, assistant managers, managers, general managers and board) would be eligible to serve on, vote for and would be represented by a Works Council.

3.2 Structure of the Works Council

The initial structure of the Works Council would be described in the CBA.

Members of the Works Council would be elected in secret ballot elections. The election procedures would be structured to ensure that members would be chosen from the various areas of the plant and employees from all areas have a voice on the Works Council.

After the Works Council is elected, it would “constitute” itself by electing a chairperson and vice-chairperson from among its members and defining the Works Council’s guidelines.

This document expands on the concepts contained in the Exhibit B document on the preceding pages.

VISION STATEMENT FOR A COLLECTIVELY BARGAINED WORKS

COUNCIL AT VOLKSWAGEN CHATTANOOGA:

UAW LOCAL 42 AND INTERNATIONAL UNION, UAW,

MAY 7, 2015

UAW Local 42 and International Union, UAW (together, the "UAW") have 816 members among hourly production and maintenance workers (the "Hourly Unit") employed by Volkswagen Group of America ("VWGOA") at its Chattanooga, Tennessee facility, as evidenced by signed membership cards for each of these members and in UAW Local 42's recent filing with the United States Department of Labor. Since this 816 membership number constitutes a majority of all workers in the Hourly Unit at VWGOA, the UAW is, using the words of Section 9(a) of the National Labor Relations Act, the "representative designated or selected for the purposes of collective bargaining by the majority" of VWGOA's production and maintenance employees. As such, UAW is entitled by law to act as the exclusive representative of all employees in the VWGOA Hourly Unit for purposes of collective bargaining.

The purpose of this Vision Statement is to describe the detailed vision of UAW Local 42 and the UAW generally concerning the negotiation and establishment of a VW-style Dual Model Works Council structure at VWGOA. The establishment of such a Dual Model Works Council structure is made possible by the fact that UAW Local 42 and the UAW represent a majority of the

Hourly Unit, and are thus fully entitled to act as exclusive representatives of that unit at VW Chattanooga.

Under American law, such a Dual Model Works Council can be established only by negotiation and agreement between VWGOA, UAW Local 42 and the UAW as majority and thus exclusive representatives of the entire Hourly Unit. It must be established through an initial ratified collective bargaining agreement between VWGOA, Local 42 and the UAW.

Our vision is not new. Local 42 and the UAW have consistently called for the establishment of a Dual Model for worker representation at Chattanooga, including a Volkswagen-style Works Council, pursuant to Local 42 and UAW-negotiated collective bargaining agreements with VWGOA. The Dual Model we envision is described in what follows. Under this Dual Model, the UAW would delegate to the Works Council certain of the duties, responsibilities and functions that are ordinarily performed by unions acting as bargaining representatives in the United States.

Local 42 and the UAW believe that the establishment and continued existence of such a dual model at Chattanooga will strongly benefit both VWGOA and the VWGOA workforce and is in the best interests of all of all. We look forward to working with the members of the hourly unit and VWGOA to accomplish the vision we set out here.

DUAL MODEL INCLUDING WORKS COUNCIL

A. GENERAL DESCRIPTION OF THE DUAL MODEL

The Dual Model to which Local 42 and the UAW are committed is based on the Volkswagen Culture of cooperative labor relations practiced by companies in the Volkswagen Group all over the world, which is characterized by a balance between a union as the legally recognized bargaining representative of a unit of employees on one side and a Volkswagen-model Works Council, adopted to the fullest extent possible and in a manner consistent with all applicable U.S. labor and employment laws.

Under the Dual Model, an employer and lawfully recognized or certified union would negotiate and agree on the basic framework of labor representation and the terms and conditions of employment, particularly those regarding remuneration and working time for the bargaining unit in a collective bargaining agreement and/or other binding agreements (together referred to as a "CBA").

At the same time, the bargaining parties would negotiate in their initial collective bargaining agreement the establishment of a Works Council, so as to describe its organizational framework and the responsibilities and authorities that are to be delegated to the Works Council, in a manner guided by the principles we suggest herein. These negotiations would also cover the process and timing for the Works Council assuming such functions and for the handling of such functions until they are assumed by the Works Council.

The Employer and the Union as the legally recognized bargaining representative of the Hourly Unit, would through collective bargaining delegate the designated topics to the Works Council and would define the organizational structure for participation in the Works Council. Such assigned and delegated responsibilities would thereafter be retained by the Works Council unless and until both the Employer and the Union agree to change that.

The Works Council would offer a voice for all employees of the plant (except employees employed in supervisory and/or managerial capacities as those terms are defined under the National Labor Relations Act). All employees (other than those in supervisory and/or managerial positions) would have the right to participate in Works Council elections regardless of whether they are represented by or belong to a union. The UAW envisions that all employees (other than supervisory and managerial employees) would also be eligible to run for membership and serve as members of the Works Council. Employees not represented by the UAW would participate in the Works Council on the basis of a delegation of authority relative to their employment by the Company.

B. THE WORKS COUNCIL

The Role of the Works Council

The Works Council that the UAW envisions would operate on the basis of authority delegated to it by the Union and Company and in compliance with U.S. labor and employment laws to carry out assigned roles in accordance with direction and procedures, as well as in the spirit of the Volkswagen Group

culture as reflected in its Social Charter and Charter on Labor Relations. The functioning of the Works Council would also be consistent with the terms of the CBA relative to represented employees. Such a Works Council would carry out its responsibilities in accordance with the best interests of the employees and the employer and with respect for the principles outlined and with respect for the roles of the Union and the Company as bargaining partners.

Each of the topics, the timeframe and the level of the rights would be described closely in the collective bargaining agreement between the UAW and VWGOA as the bargaining parties - including the description of the framework regulations that would need to be implemented with respect to the Works Council. The goal under such a model would be to achieve consensus with respect to agreements between the Works Council and the Company.

The roles of the Works Council that the UAW envisions would be to:

- make decisions by majority vote of its elected members for the good of the employees as well as the Employer on all issues for which the Works Council is responsible (see below);
- represent the interests of employees in the day-to-day running of the plant. The Works Council members would be the persons employees would initially contact in case of any appropriate complaints, suggestions or in need for individual support or advice;

- be the persons to be contacted by the management for those intra-company issues that have been assigned to the Works Council via the Collective Bargaining Agreement and the Works Council's founding and operative documents;
- inform the employees about the Works Council's activities and to communicate information given by the Company;
- initiate, discuss and/or negotiate ideas or other intra-company needs with management;
- act in a respectful and non-discriminatory way, in the interests of all employees without regard to gender, race, age, religion or other legally protected characteristics and without regard to union membership or job classification;
- conduct its activities in a manner that ensures compliance with regulations and the adherence to the respective laws; and
- carry out operational management and guideline setting with respect to designated matters, in accordance with the direction of the parties.

Definition of Participation Rights

Under a negotiated collective bargaining agreement, the UAW envisions that certain responsibilities would be delegated to the Works Council. These responsibilities would be described in detail in the CBA and/or other agreements between the bargaining parties. The bargaining parties would also

describe their agreement as to the authorities, responsibilities and rights of the Works Council associated with each one of the responsibilities.

Each topic would be assigned to the Works Council with a “participation right” that would either be Information, Consultation or Co-Determination. As per the Volkswagen Charter on Labor Relations, these are defined as follows:

- a. The right to **Information** means that on-site employee representatives must be given comprehensive information in due time in order to have opportunity to assimilate the facts of a given circumstance and form an opinion. “In due time” means that information concerning measures must be provided at the time of commencement of any planning process. “Comprehensive” means that all relevant aspects and data must be relayed in comprehensible form. Information must previously have been provided before any measure can be implemented.
- b. The right to **Consultation** refers to the necessity for active dialogue between on-site employee representatives and management. The aim of consultation is to give employee representatives opportunity for initiative or protest concerning a given issue or circumstance and, where necessary, for discussion about how to prevent detrimental effects. Consultation is compulsory previous to the implementation of any measure.
- c. The right to **Co-Determination** means the right of on-site employee representatives to consent, control and take initiative in connection with

any shared active decision-making process or responsibility. Prior consent must be solicited before any measure can be implemented.

The Gradual Approach

The UAW envisions that, due to the fact that the Works Council would be new for all parties involved, a step-by-step approach would need to be followed. The idea of such a step-by-step approach would be to give the Works Council the chance to gain experience and to become engaged with more topics and more rights over what would be an agreed upon period of time, to be established in negotiations. All Works Council members would be new to their tasks and would be required to learn to address and manage new topics. On the other hand, management would also have to work with the newly established Works Council. Through such a gradual approach, the parties would seek to avoid overloading and overwhelming the new body with too many tasks and setting expectations too high. Phased assumption of topics and responsibilities would provide it a chance to establish itself.

Initially, the Works Council, as envisioned by the UAW, would be expected to focus on:

- a. topics at the plant where a high need for involvement is readily apparent; these would include work organization, especially agreements on shift calendars and scheduling of overtime;
- b. “social issues,” such as health and safety; and

c. participation in the implementation of the grievance procedure. The UAW envisions that the grievance procedure would include the Works Council as a first level for informal resolution of problems at the plant level. This would be in furtherance of a shared objective of avoiding the filing of formal grievances and the prompt, non-adversarial resolution of concerns and issues on the shop floor.

Step-by-step, other agreed upon responsibilities and functions would gradually be included in the day-to-day work of the Works Council. Nevertheless the basic division of responsibilities between the Union and the Works Council, which would be set forth in a negotiated CBA, and would not be affected or reduced by this gradual approach.

The UAW envisions that the same gradual approach would apply to the respective Participation rights. At the beginning the Works Council would be granted the rights of Information and Consultation and with the experience gained after an agreed upon time period, it would ultimately assume the right for Co-Determination, as defined in the Volkswagen Charter on Labor Relations and adapted to the U.S. legal setting.

In order to ensure that the Works Council will be able to assume its full responsibilities, the UAW envisions that Volkswagen would commit to providing the necessary training and resources for the Works Council members and for their Company counterparts. To the extent applicable, the UAW suggests that Volkswagen and the UAW would explore with the Federal

Mediation and Conciliation Service what assistance, training, support and other resources are available under the Labor Management Cooperation Act of 1978 for cooperative programs.

C. EXAMPLES OF BASIC TOPICS TO BE DELEGATED TO THE WORKS COUNCIL

The UAW envisions that the basis for all regulations concerning the Works Council would be defined in the Collective Bargaining Agreement. The CBA would thus define which topics/issues would be delegated to the Works Council, while identifying other topics that would remain the province of the bargaining partners relative to the Hourly Unit.

In general, the UAW envisions that topics would fall into one of the following three Categories:

1. Category One: Certain subjects would not be subject to any delegation from the Union and the Employer to the Works Council and would remain between the Employer and the Union for the Hourly Unit. Examples of such subjects and matters are issues regarding rates of pay and working time, i.e. the base number of hours in the regular work week and the basic wage rate for each hour of work.
2. Category Two: The Works Council would be tasked, in interaction with the local plant management, with the “operational management” of specified topics on a day-to-day basis, in

accordance with and on the basis of the framework to be defined in the CBA and/or on the basis of other operational guidelines agreed to by the Employer and the Union or the Employer and the Works Council, as the case may be. Once such tasks are assumed by the Works Council, they would remain within its province.

3. Category Three: The Works Council would be tasked with the setting of basic operational guidelines for certain issues on the basis of the framework and principles to be established and described in the CBA.

Example: Organization of Working Time

The UAW envisions that in the CBA the parties would agree on the weekly working time and general frameworks such as number of working days per week, the individual maximum daily working hours and weekly working hours, numbers of paid breaks, number of holidays, etc. In addition all remunerations, including the hourly wages, the wage system, shift and overtime payments and a bonus system would be subject to the agreement between the Company and the Union in the CBA (Category One).

Operational Management

On the basis of the terms of the CBA and the operational guidelines agreed upon between the Company and Works Council, the UAW envisions that the Works Council would manage certain operational day-to-day issues. The Company would include the Works Council in the operational management

according to the level of participation right assigned to the Works Council in the CBA.

For example the Works Council would participate with management in making decisions concerning:

- changes in the shift and or working time calendar;
- extra shift or canceling a shift;
- decisions on overtime.

Considering that the topic of work organization and especially of working time is one of major interest for the employees, the UAW believes that the Works Council should be expected to address and/or manage this matter right from the start. At the beginning the Works Council should have at least the right of Consultation.

Operational Guidelines

On the basis of this framework, the Works Council would have the task to define together with the plant management certain operational guidelines regarding work organization, including shift calendars and other working-time schedules for employees.

This would include, for example, the definition of: the start and end times for the daily working hours;

- the distribution of working hours among the days of the week;
- the number of shifts (e.g. one, two or three shifts per day);
- the weekly shift system (e.g. 10, 12, 15, 17 or 21 shifts per week);

- the number of shift teams (e.g. 1,2,3);
- the situation and distribution of the breaks agreed upon in the CBA (e.g. three breaks in one shift: 10, 20 and 10 minutes);
- temporary reduction and/or extension of the hours normally worked;
- regulations for the scheduling of overtime - voluntary or mandatory overtime and establishing a process for a fair equalization of the distribution of overtime.

Another Example: Workplace Engineering/Ergonomics

The UAW envisions that it would be a joint goal of the Company and the Works Council to improve working conditions where possible.

In the day-to-day operational running of the plant, the Works Council would for example participate in:

- the definition and categorization of the work places; and
- the review of individual work places and addressing the individual problems of employees.

The Works Council would also participate in the setting of Operational Guidelines:

- for addressing red and yellow work places (e.g. rotation);
- for ergonomic improvements; and
- the planning for new work places.

Another Example: Performance

The UAW believes that the Works Council and the Company should consider competitiveness of the Company and the maintaining of a high level of employment as equal goals. The Works Council should be aware that good company performance, including high quality standards, continuous improvement measures and productivity improvements, is the basis for maintaining and creating jobs and good employment conditions.

Therefore, the Works Council should be included in the operational execution of measures and programs according to the level of participation right that would be assigned to the Works Council in the CBA, for example to accompany results of Continuous Improvement Program (“CIP”) workshops.

The UAW believes that the Works Council should be committed to participating in measures and programs designed to improve the Company’s performance and to ensuring high quality standards. Plant management and Works Council should for example define operational guidelines for:

- programs to improve quality;
- quality indicators to be integrated into a reward system;
- a continuous improvement process (with the definition for the involvement of employees in the development of improvement measures and the involvement of the Works Council in the decisions on these measures as well as including regulations for securing the jobs);

- continuous improvement process (CIP) standards and workshops;
and
- the performance of team or group work, where a group of employees is performing a complex task within the production process which has been assigned to it and is executed in a largely autonomous way.

Another Example: Social Issues

All social issues related to the plant and its employees should in the UAW's view play an important role in the interaction between the Works Council and the Company. The UAW knows that the Company places a great importance on attaining and maintaining high standards in all social issues, such as for example health, safety and environmental protection as well as employees services (canteens, vending) and other activities.

Therefore the UAW believes that the Works Council should support and encourage the Company in these activities. The Company should take care to involve the Works Council in the development and implementation of such measures and programs to the extent of the respective right of participation defined in the CBA.

Another Example: Health, Safety and Environmental Provisions

The UAW believes that the Works Council should endeavor to ensure that the provisions on safety and health at work and the accident prevention as well

as the environmental protection – as defined in legal regulations and/or the CBA - are observed in the Company.

The UAW's view is that the Works Council should participate actively in an intra-company safety procedure – bottom up as well as top down.

It should support the occupational safety and health authorities of the Company and other relevant bodies in their efforts to eliminate safety and health hazards by offering suggestions, advice and information.

The Company should invite the Works Council to participate in inspections and issues relating to safety and health at work and the prevention of accidents and inquiries into accidents as well as issues relating to environmental protection in the Company. The Company should inform the Works Council about accidents and discuss health, safety and environmental issues with it on a regular basis. The Works Council should also promote accident prevention.

The UAW also believes that maintaining and improving health and fitness of the employees should be an important joint goal. In cooperation with the Company the Works Council should participate in the design and implementation of programs such as:

- health check-up for all employees;
- preventive programs; and
- fitness programs.

Environmental protection, sustainability and Volkswagen's "think blue" initiative are each, in the UAW's view, in the joint interest of employees and the

Company. The Works Council should support and encourage the Company in its activities and encourage the employees to do so as well. The UAW submits that the Works Council should therefore participate in implementation and development of measures for environmental protection.

Another Example: Employee Services

The UAW envisions that it should be a joint goal to maintain and encourage high standards in all employee services such as, for example, canteens, vending, team wear (uniforms program), PPE and restrooms. The UAW accordingly believes that the Works Council should participate in a regular review of services being provided to the employees and should participate in decisions on for example:

- canteen program (choice of meals and beverages) and the prices;
- number and location of vending machines/canteens;
- variety offered in vending machines;
- decisions on new team wear collections;
- review of restrooms;
- reviews of break/team rooms/places;
- external services provided for the employees in the Company; and
- child care.

Other Areas Of Concern

Personnel Regulations (individual regulations)

The UAW believes that the Company and the Union should agree in the CBA on basic framework regulations and delegate to the Works Council the right to define, together with the plant management, the operational guidelines for personnel regulations. The CBA should also point out the basic principles that should be specifically considered, such as fairness, consistency, transparent criteria.

The UAW also believes that the Company should inform the Works Council on production and personnel status and planning on a regular basis.

Consistent with this, the UAW believes that under the terms of the CBA and operational guidelines established by the Company and Works Council, the Works Council should manage specific operational day-to-day issues.

The UAW also believes that the Company should include the Works Council in operational management according to the level of participation right to be assigned to the Works Council in the CBA.

For example, the UAW envisions that the Works Council would participate in:

- description of job postings;
- selection process for internal job transfers (temporary or permanent);
- selection process for external hirings;

- assignment of temporary works;
- review case before dismissals;
- selection of apprentices; and
- selection of employees for qualification and training measures.

Operational Guidelines:

The UAW also envisions that the Works Council and plant management would define operational guidelines, for example, for:

- recruiting, such as: when to hire externally, recruiting processes, hiring criteria;
- on specific hirings;
- use of temporary workers, consistent with the Volkswagen Charter on Temporary Work (i.e. quota, duration, etc.);
- temporary and permanent job transfers, including matters such as selection criteria, notification, etc.;
- internal job postings and criteria for announcement and selection processes;
- agree or notify on internal transfer;
- dismissals; for example in transferring the peer review process currently in use at the Chattanooga Plant to the Works Council; and
- the development of vocational and advanced training measures.

Remuneration Systems

The UAW envisions that under the Dual Model all forms of remunerations for Hourly Unit employees such as hourly wages, shift allowances, overtime compensation, bonus-system, holiday pay or other monetary compensations, would be subject to the agreement between Company and Union in the CBA. The CBA would also define the pay scale system and the system for wage progressions.

On the basis of the regulations under the CBA and the operational guidelines that the UAW envisions would be established for the Company and Works Council, the Works Council would manage operational day-to-day issues related to remuneration, such as, for example, participation in the assignment of individual employees to job categories, consistent with and on the basis of the wage and the remuneration systems agreed on in the Collective Bargaining Agreement (in respect to Hourly Unit workers).

On such a basis, the Works Council and plant management would define operational guidelines such as for example, criteria for performance related payments, while the amount of such payments would be defined in the CBA.

Grievance Procedure

The UAW believes that a joint goal of any grievance procedure should in the first instance where possible to resolve problems on the plant level without the necessity of a formal grievance.

Therefore, the UAW believes that the Union and Company should agree in the CBA to the establishment of a multi-step grievance process and procedure that would apply to all Hourly Unit Employees, in which the Works Council would play an important role as the first contact for employees in case of any complaints regarding possible violation of regulations on the plant level, with the goal of informal resolution of matters without the need to file and process formal grievances.

The objective of this system would be to try to resolve problems and issues at the lowest level and where this is not possible, to then proceed to the next level of escalation. For example, where an Hourly Unit Employee is complaining of unfair treatment, the UAW envisions that the CBA would prescribe that such a procedure would include the following:

1st: Try to resolve problem directly with the supervisor;

2nd: If without solution, try to resolve problem together with an HR specialist/responsible;

3rd: If without solution at steps 1 and 2, the Works Council would assist in finding a solution;

Last: If all these have been unsuccessful, the formal grievance procedure to be established in the CBA could be invoked.

D. FUNCTIONING OF THE WORKS COUNCIL

The UAW envisions that the CBA should include processes for the formation and sustainability of the Works Council.

The Election and Eligibility

The UAW believes that all hourly and salaried employees of Volkswagen Chattanooga (except employees with a leadership/management function such as supervisors, assistant managers, managers, general managers and board) should be eligible for, able to vote for and be represented by the Works Council.

Structure of the Works Council

The UAW's view is that the initial structure of the Works Council should be described in the CBA consistent with the following.

The Works Council members would be elected in a secret ballot election. The election procedures should be structured to ensure that representatives would be chosen from the various areas of the plant so that employees from all areas will have a voice on the Works Council.

After the Works Council is elected, it would "constitute" itself by electing a chairperson and vice-chairperson from among the members and defining the Works Council's guidelines.

E. ROLE & RESPONSIBILITIES OF THE UNION VIS-A-VIS THE WORKS COUNCIL

The UAW endorses the idea that the Union would have a smaller number of shop stewards than in a comparable plant with a similar number of employees because of the Works Council system and the responsibilities that would be carried out by the Works Council.

By definition, the roles and responsibilities of the Union would be negotiated and defined in the CBA.

F. SALARIED EMPLOYEES

The UAW believes that the Company should delegate certain of its authority with respect to salaried employees not represented by the UAW to the Works Council to permit their full participation in the Works Council. Because salaried employees would not be bargaining unit employees or represented by the UAW, neither their participation in the Works Council nor their terms and conditions of employment would be subject to negotiation between the UAW and the Company, nor would the terms of their participation be covered by an Hourly Unit collective bargaining agreement. The UAW believes that the participation of salaried employees in the Works Council is nevertheless appropriate and would be in the mutual best interests of all employees, the Company and the UAW as the bargaining representative of the Hourly Unit. The UAW anticipates and recognizes that there may need to be some differences in the participation of salaried employees because of the fact that they would not be part of the bargaining unit that would be represented by the UAW or covered by the CBA to be negotiated between the UAW and the Company.

G. DUAL MODEL AS PROVIDED FOR IN INITIAL AND FUTURE COLLECTIVE BARGAINING AGREEMENTS

The UAW believes and endorses the principle that the Dual Model should be an integral and fundamental part of the parties' collective bargaining

relationship unless and until such time as both parties may agree to modify or discontinue the Dual Model. Accordingly, the UAW believes that the Union and the Company should through collective bargaining including for an initial collective bargaining agreement (i) establish the timing and details of the commencement and the functioning of the Dual Model, and (ii) delegate to a Works Council to be established at the Chattanooga Plant certain issues, functions and responsibilities that would otherwise be subject to collective bargaining, including but not limited to those matters set forth herein.

Consistent with this, the UAW believes that it is appropriate and advisable to agree that any and all future collective bargaining agreements that may be entered into by the Company and the Union would also confirm and maintain the UAW's commitment to the Dual Model, including the Works Council's role, and to warrant (i) that the UAW's delegation to the Works Council would be consistent with the foregoing, (ii) that such delegation to the Works Council would be included in any and all subsequent renewals, extensions and future agreements, (iii) that the Dual Model would be established, continued and maintained as the status quo, (iv) that any future changes to the UAW's delegation to the Works Council and/or to the Dual Model would require the express written agreement of both the Company and the Union, and (v) that absent such agreement, the UAW's delegation to the Works Council and its agreement as to the Dual Model would continue in effect.



| Vorstand

Briefanschrift: IG Metall Vorstand, 60519 Frankfurt am Main

Volkswagen employees

Chattanooga

Datum:
18 December 2013

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Unser Zeichen:
01/Hu

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E-Mail:

Dear Volkswagen employees,

You will soon have the opportunity to decide about collective representation for your interests at the Volkswagen plant in Chattanooga. I recommend that you choose to have a democratic voice in your workplace and vote for union representation by the UAW. Thus you will become a part of a global family of solidarity.

If you vote for union representation, you will establish your own local in Chattanooga.

In the next step you can then elect a works council at Volkswagen in Chattanooga. The works council, which will be elected by all employees, will represent directly the interests of the employees in Chattanooga.

Through the works council you will become a part of the Group World Works Council. There, representatives from plants around the world come together in order to exchange information. In Group World Works Council you will receive first-hand information about the company's global strategy and development and can suggest ways to build on the company's success.

Dear colleagues, union representation is a necessary precondition for the election of a works council according to US labor law. Therefore, IG Metall recommends that you vote for union representation through the UAW.

IG Metall has developed excellent relations with the UAW. On behalf of IG Metall I would like to assure you of our support and cooperation.

IG Metall Vorstand

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Datenschutzhinweis: Name, Adresse und zur Bearbeitung nötige Angaben werden vorübergehend gespeichert

IG Metall –
Gewerkschaft für Produktion
und Dienstleistung im DGB

As president of IndustriALL Global Union, the world wide federation of manufacturing industry unions representing almost 50 million workers worldwide, I wish you much success in building a democratic voice for workers in Chattanooga and gaining more influence over your working and living conditions and the direction of your plant.

A handwritten signature in black ink, appearing to read "Berthold Huber". The signature is written in a cursive, slightly slanted style.

Berthold Huber

To all members
of UAW local 42

Dear Volkswagen employees,

I congratulate you and the UAW in chartering Local 42 in Chattanooga.

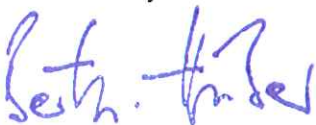
This is a huge step forward and will enable you to defend your interests. Workers' participation and co-determination are key factors for the global success of Volkswagen. Your initiative shows that you want to contribute to VW success story.

As president of IndustriALL Global Union, the world wide federation of manufacturing industry unions representing almost 50 million workers worldwide, I wish you and the UAW much success in building a democratic trade union voice for workers in Chattanooga.

The car industry is getting increasingly globalized. IndustriAll Global Union is putting increasing emphasis on creating global networks of working people in multinational corporations like VW. IndustriAll Global Union, thus, supplements the efforts of the Group world works council of Volkswagen

By forming Local 42 you have joined a global family of solidarity. I want to personally assure you of IndustriAll's support in gaining representation at Volkswagen.

In solidarity



Berthold Huber
President IndustriAll global Union

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18.07.2014

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09th of September 2014

Letter of Intent

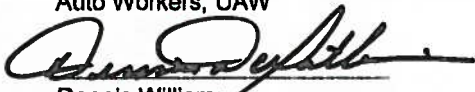
International Union United Auto Workers, UAW ("UAW"), IG Metall ("IGM") and the Volkswagen Global Group Works Council ("GWC") (collectively, the "Parties") have signed this letter of intent to jointly commit to cooperative efforts outlined in the attached document (the "Foundation Document") in order to organize Volkswagen's Chattanooga, Tennessee works as a UAW-represented facility and to begin the process of formation of a works council there.

The Parties further agree to develop and come to definitive agreement on detailed terms on the matters outlined in the Foundation Document, including provisions for the joint financing of the project described therein.


The Parties sign this Letter of Intent in a spirit of solidarity and in recognition of their joint commitment to real co-determination and effective worker representation at Volkswagen's Chattanooga facility and at Volkswagen facilities throughout the world, consistent with Volkswagen's Social Charter, its Charter on Labor Relations and Volkswagen culture.

In Solidarity

For International Union United
Auto Workers, UAW



Dennis Williams



Gary Casteel

For IG Metall



Detlef Wetzel

For Global Group Works Council



Bernd Osterloh



Frank Patta

FOUNDATION DOCUMENT FOR EFFECTIVE WORKER REPRESENTATION AND CO-DETERMINATION AT VOLKSWAGEN CHATTANOOGA

Preamble

Consistent with Volkswagen's Social Charter, its Charter on Labor Relations and Volkswagen culture, International Union United Auto Workers, UAW ("UAW"), IG Metall ("IGM") and the Volkswagen Global Group Works Council (the "GWC") (collectively, the "Parties") jointly support and adopt twin goals for Volkswagen's Chattanooga plant: (1) providing workers a choice free of interference for effective worker representation by UAW at Chattanooga and (2) the establishment of an effective co-determination structure for Chattanooga workers. This Foundation Document is based upon the Parties' joint premise that – given a free choice and with the solidarity of both IGM as well as the GWC – UAW members and supporters at Chattanooga will organize and continue their trade union activities and, once having organized, these workers and all Parties will work together to establish appropriate co-determination structures for Chattanooga. The Parties further believe that worker representation and co-determination at Chattanooga must be fully integrated with worker representation and co-determination structures in place at most Volkswagen facilities throughout the world.

To carry out these goals, UAW, IGM and the GWC agree to the following program points, which they will further develop in the coming months:

Founding of a Local in Chattanooga

- o UAW International Executive Board has chartered Local Union for Chattanooga
- o Local's initial goals will include the representation of its members in dealing with Company and organizing non-members to join the Local Union
- o Local's fundamental goal is to gain majority membership status so that UAW may seek exclusive representation status through company recognition
- o From Day One, Local's members will have full membership status with UAW, and the Chattanooga Local Union will thus establish normal UAW bylaws and elect a complete roster of Local Union officers from among those who choose to join the UAW

Legal Protection

- o Section 7 of the National Labor Relations Act gives the "right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection..."
- o This basic legal protection includes the right to join a members-union, and for that union to deal with the employer, without regard to whether the union has majority support

- o A members-union that has majority support can bind all employees; a member-union that has less than majority support can only bind its members in dealing with the employer

Modalities of Membership (how does one become a member?)

- o Membership in a UAW Local Union is governed by Article 6 of UAW's Constitution
- o Article 6 simply requires that to be eligible for membership an applicant must be "an actual worker in and around the workplace"
- o Workers obtain membership in the members-union simply by signing a membership card affirming their union membership
- o UAW policy is that dues are not payable until a first collective bargaining agreement is negotiated and ratified by the Local Union membership

Examples of Activities and Tasks of the Local

- o Recruiting members
- o Maintain permanent contact with the members
- o General help and advice to members (e.g., on employee rights, social legislation)
- o Offering courses on national and international issues
- o Offering qualification measures on co-determination and the dual model
- o Boosting political presence of UAW/IG Metall in the region
- o Engaging in community/region through sponsorships, fundraising, volunteering
- o Public Relations (Volkswagen employees, local media)
- o Addressing topics brought up by employees/members
- o Offer further services, e.g. legal protection
- o Developing contacts with other Volkswagen, GWC and IGM structures

Staffing/Support by UAW, IG Metall, GWC

- o GWC provides information on Volkswagen
- o Closer linking to the GWC
- o IGM provides assistance in setting up UAW Local Union
- o Joint management and funding of IGM/UAW training program
- o Germany-US internship program involving GWC, IGM and UAW
- o UAW, IGM and GWC each to have dedicated personnel on joint UAW/IGM/GWC activities, ideal would be a temporary representation in Chattanooga
- o Joint Communication Plan among UAW, IGM and GWC

Notice to the workers

- o UAW membership cards do not expire; members are free to resign membership at any time but absent resignation members retain membership
- o UAW's plan is for long term presence in Chattanooga, and the development of innovative representation structures and effective worker co-determination

- UAW goal to obtain exclusive majority status and recognition of this by Volkswagen

Interpretation of the Letter of Intent

- When interpreting this Letter of Intent, the German language version applies in the case of doubt