

(xx) Battery Manufacturing

International Union, UAW

Attention: Mr. Shawn Fain

Dear Mr. Fain:

During the 2023 negotiations, the International Union, United Automotive, Aerospace and Agricultural Implement Workers of America ("Union" or "UAW") and FCA US LLC ("Company") discussed at great length the Company's transition to electric vehicles, as well as its 2023 idling of the Belvidere Assembly Plant ("BVAP"), both of which have caused, and are anticipated to cause, disruption to the job security of bargaining unit employees and their economic opportunities. In the context of these discussions, the Company committed to creating solutions to address this transition and the effects of these disruptions on bargaining unit employees. In this regard, this letter sets forth specific agreements between the Company and the Union with respect to battery manufacturing, designed to address the effects of these disruptions.

The Company and Samsung SDI have formed a joint venture entity for purposes of performing battery manufacturing at two facilities in or around Kokomo, Indiana, and the Company intends to form an additional battery manufacturing joint venture entity (or to expand its joint venture entity with Samsung SDI) for purposes of performing battery manufacturing at a facility in or around Belvidere, Illinois.

The Company has and will continue to form these joint venture entities to access the technology, knowledge, and experience the joint venture partners have with respect to battery manufacturing. The Company's contributions to the joint venture entities will include its resources and expertise in developing, in partnership with the Union, a highly competent workforce with equitable employment terms and working conditions.

Accordingly, in the above-referenced forthcoming battery manufacturing facility in or around Belvidere, in recognition of the comprehensive, productive, and efficient labor relations structures that have developed between the UAW and FCA US LLC and its predecessor companies over the last 86 years, the Company has and will exclusively continue to control and retain the right to control the assignment of the production and maintenance work related to battery manufacturing in this facility and will exclusively retain the obligation to manage the labor relations of its Union-represented employees performing production and maintenance work on behalf of the joint venture at that facility, consistent with the labor agreements governing the relationship between the Company and the Union. The Company believes that this structure is critical to its ability to compete in the EV market in years to come.

The Company agrees to ensure that the joint venture entity at the battery manufacturing facility in or around Belvidere will utilize Union-represented FCA US LLC employees for such work, e.g., through an employee leasing or other arrangement in the Company's sole discretion by which those employees will remain Company employees.

Given the foregoing, those Union bargaining unit employees assigned to perform hourly, non-supervisory production and maintenance work for the battery manufacturing joint venture entity at the aforementioned facility in or around Belvidere will be added to the Bargaining Units in Schedule "A" of

the UAW-FCA Production, Maintenance & Parts (PM&P) Agreement, and the inclusion of such unit will be governed by Section (1)(b) of the PM&P Agreement. This battery manufacturing facility will constitute its own Schedule "A" Bargaining Unit.

1. Application of PM&P Agreement to the Belvidere Battery Manufacturing Facility

The following shall apply to the battery manufacturing facility in or around Belvidere, which is to be included as a Bargaining Unit in Appendix Schedule "A" as described above:

- a. All terms of the PM&P Agreement, including Schedule A and Exhibits B through F, as well as the FCA US LLC UAW Savings Plan, the FCA US LLC UAW Pension Agreement, and the Group Legal Services Plan, will apply to bargaining unit employees employed by the Company, except as provided in Section 1.b., below.

b.

- i. **Wages.** All bargaining unit employees newly hired by the Company to work in the battery manufacturing facility (i.e., those employees who do not transfer from a bargaining unit position at another facility covered by the PM&P Agreement) will receive wages according to the following table:

	Non-Skilled	Skilled Trades
Effective 1/1/2024	\$26.45	\$32.09
Effective 1/1/2025	\$27.24	\$33.05
Effective 1/1/2026	\$28.06	\$34.04
Effective 1/1/2027	\$28.90	\$35.06
Effective 1/1/2028	\$30.35	\$36.82

The wage rates set forth in the table will be considered minimum wage rates. In recognition of the evolving nature of the electric vehicle industry and the fact that the battery manufacturing facility in or around Belvidere has not yet been constructed, the Company will have the right to increase the rates in the table during the term of the PM&P Agreement, upon advance notice to the Union. Further, the Company will provide the Union an opportunity to discuss any such increases prior to implementation.

No differentials or other premium payments described in the PM&P Agreement will apply automatically, except for those required by law (e.g., time-and-one-half after 40 hours in a workweek). In recognition of the differences between battery manufacturing and other types of manufacturing, any other differentials or premium payments will be the subject of future bargaining between the parties, as described in Section 1.b.v., below.

- ii. **Paid Time Off.** In recognition of the 24/7 operation required in battery manufacturing, the parties agree that provisions and procedures regarding holidays, vacation, and other paid time off may be different in a battery manufacturing facility. These differences may include, but are not necessarily limited to, identification of specific holidays, the manner in which requests for

time off are granted, and the amount of pay provided for work on a holiday. Accordingly, all items related to paid time off will be the subject of future bargaining between the parties, as described in Section 1.b.v., below, but (1) the total number of holidays and the total amount of paid vacation granted to employees at the battery manufacturing facility will not be less, in the aggregate, than that at other locations covered by the PM&P Agreement, and (2) the amount of paid bereavement leave available for a death in the immediate family, as well as the definition of “immediate family,” shall be the same as in Section 81 of the PM&P Agreement.

- iii. **Fringe Benefits.** The following terms will apply to all bargaining unit employees newly hired by the Company to work in the battery manufacturing facility (i.e., those employees who do not transfer from a bargaining unit position at another facility covered by the PM&P Agreement):
 - a. The spouse of any such employee will not be eligible for coverage under Exhibit B if the spouse has the ability to obtain comparable hospital, surgical, medical, and prescription drug insurance through the spouse’s employer. The Company will have the right to amend Exhibit B to reflect these differences.
 - b. Any such employee will receive a 6% non-elective employer contribution to the Savings Plan, instead of the amounts currently set forth in Appendix V of the FCA US LLC UAW Savings Plan, and the Company will have the right to amend Appendix V to reflect the different contribution rate accordingly.
- iv. **Other Items.** Sections 6, 15-18, 20-21, 39-40, 43, 44, 50-52, 55-66, 68, 70-71, 81, 85-92, 95-103, 104-105, 109, 111 of the PM&P Agreement will not apply automatically to the battery manufacturing facility. Nor will the terms of the Supplemental Agreements for the trades referenced in 76-77. Nor will anything in Section 5, after the word “premises” in the first paragraph, anything in Section 8, after the word “lockout,” or anything in Section 29(b), after the word “Agreement.” Further, none of the Letters, Memoranda and Agreements to the PM&P Agreement will not apply automatically, except Letters 88, 96-97, 106, 109, 146, 186, 210, 222, 231, 288, and M5. Rather, to the extent either party desires for any of the foregoing contract provisions to apply, their application will be the subject of future bargaining between the parties, as described in Section 1.b.v., below.
- v. **Future Bargaining Obligation.**
 - a. In recognition of the unique and open issues regarding the operation of a battery manufacturing facility not addressed by the parties’ prior negotiations and covered by the PM&P Agreement, all mandatory subjects of bargaining not already fixed by Sections 1.b.i. through 1.b.iii will be subject to good-faith bargaining between the parties. The terms and conditions agreed upon in such bargaining will be included in a

separate written Supplemental Agreement to the PM&P Agreement, covering the battery manufacturing facility, in recognition of the need to address specific issues regarding the transition from ICE to EV propulsion systems related to battery manufacturing and any local issues.

Further, the parties may bargain over technical modifications to the details of the grievance procedure, to account for any differences made necessary by the fact that bargaining unit employees will be leased employees working in a joint venture facility.

Such bargaining will commence no later than six months prior to the Company's good-faith estimate of the first date on which bargaining unit employees will be needed to work on a permanent basis at the facility. The Company will provide the UAW with written notification of its estimate in that regard as soon as it is known and will update that estimate promptly if it changes. The parties agree to engage in good-faith bargaining with the objective of concluding those negotiations within 120 days.

Further, in recognition of the critical importance of health and safety, as well as sound training, in any manufacturing environment, the parties agree to focus their bargaining first on those two substantive areas, with the intention of reaching an interim agreement on those subjects before finalizing the complete Supplemental Agreement and with the intention of reaching agreements on these topics that live up to the high standards of the parties at their current manufacturing facilities.

- b. The UAW agrees that it and its bargaining unit members will not strike or conduct or support any job action, economic action, picketing, handbilling, consumer boycott activity or corporate campaign activity in connection with the bargaining described in Section 1.b.v.a. and waives all such rights in that regard. The Company reciprocally agrees not to engage in any lockout during that that time. These reciprocal waivers of the right to strike and lockout shall expire with the expiration of National Agreement on April 30, 2028 at 11:59PM.
- c. The Parties agree that the Supplemental Agreement will expire at the same time as the National Agreement.

c. **Transfers.**

- i. **BVAP Employees.** At the start-up of the joint venture facility in or around Belvidere, and for a period of 18 months thereafter, job opportunities will be offered as follows in seniority order:
 - a. First: to qualified bargaining unit employees who: (1) were employed at BVAP prior to shift reductions caused by Cherokee volume reductions, (2) remain employed by FCA US LLC or are subject to recall from layoff by the

Company, and (3) who are in Labor Market Area (LMA) combined with employees who maintain return-to-home-plant rights and return-to-home LMA pursuant to Memorandum of Understanding 11 (HBU) and Letter 197 (SBU).

If there are not enough employment opportunities at the Belvidere battery manufacturing facility to accommodate employees who meet the criteria set forth above, BVAP seniority, followed by overall corporate seniority, will prevail.

- b. Second: to qualified employees who transferred to any FCA US LLC facility as the result of Cherokee volume reductions, who do not have return-to-home-plant rights.
- c. Third: to qualified bargaining unit employees on indefinite layoff from the Company.

- ii. **Subsequent Transfers.** Transfer rights between the battery manufacturing facility and other facilities covered by PM&P Agreement subsequent to the initial start-up of the battery manufacturing facility will be the subject of bargaining under Section 1.b.v., above.

2. Application of PM&P Agreement to the Kokomo Battery Manufacturing Facilities.

As the Union knows, a majority of the joint venture entity that will operate the two planned battery manufacturing facilities in Kokomo, Indiana, known as StarPlus Energy LLC, is owned by Samsung SDI. Accordingly, the Company agrees that following reaching agreement on the terms of this letter, it will use reasonable and good-faith efforts to obtain Samsung SDI's agreement that it will lease production and maintenance employees from the Company for purposes of operating those two facilities or otherwise enable the Company to make the same or substantially similar commitments to the Union for the Kokomo facilities that are found in this letter pertaining to the Belvidere facility, including application of and inclusion in the PM&P Agreement as described in Section 1. In return, the Union agrees that if the Company can make those commitments, then the Parties will make the same or substantially similar reciprocal commitments for the Kokomo facilities that are found in this letter pertaining to the Belvidere facility, including transfer rights into the Kokomo facilities upon start-up, and for a period of 18 months thereafter, as follows:

- a. First: the Company will canvass from a combined list of HBU employees at all Kokomo locations in order of corporate seniority.
- b. Second: the Company will place indefinitely laid off employees inside the Labor Market Area pursuant to the process described in Letter 247.
- c. Third: the Company will canvass current supplemental employees in the Labor Market Area.

4. Most Favored Nations Status

If the Union enters into any collective bargaining agreement covering a battery manufacturing facility in the United States that enables the employer covered by that agreement to obtain more favorable terms with respect to wage rates, health and welfare benefits (including employee contributions), retirement benefits (including the level of non-elective contributions to a defined contribution retirement plan), or other economic terms than are set forth in this letter or in any subsequent agreement between the parties covering employees at the Belvidere or Kokomo battery manufacturing facilities, then the Union must immediately provide written notice to the Company of that agreement, including a copy of the relevant terms. Upon receipt, the Company may adjust the terms of this letter agreement and/or other aspects of its agreement(s) with the Union concerning the terms and conditions of employment at the joint venture manufacturing facilities to conform with the terms negotiated by the Union with that other employer.

5. No Single or Joint Employer Status

Reflecting the longstanding partnership developed between the UAW and FCA US LLC and its predecessor companies described above, the Union and the Company desire and agree that Union-represented employees assigned to work on behalf of the battery manufacturing joint ventures covered by this agreement will exclusively be employees of the Company; that the Company shall not constitute or be deemed a single or joint employer(s) with any of the joint ventures; and that none of the joint ventures will be a party to or bound by the PM&P Agreement or any agreements entered into pursuant to Section b., above. The Union hereby waives its right to assert any argument to the contrary in any future arbitration or other legal proceeding.

6. Impossibility

If, after reasonable and good-faith efforts, the Company is unable to create a joint venture entity to operate the battery manufacturing facility in or around Belvidere that will enable the Company to satisfy its commitments in this letter with respect to such facility, the parties will promptly meet and bargain over the effects of that development. In such bargaining, the parties will endeavor to reach an agreement on an alternative solution to the issues giving rise to this letter agreement, as described in the first paragraph of this letter agreement.

Very truly yours,

FCA US LLC



By: Christopher Fields

Accepted and approved:

INTERNATIONAL UNION, UAW



By: Shawn Fain