We are pleased to provide this revised edition of the Your Retiree Benefits handbook. It includes changes resulting from the 2007 UAW-Ford Motor Company negotiations. The benefit programs negotiated between the UAW and the Company are excellent – offering comprehensive and valuable coverages for you and your family.

We hope this handbook helps to answer questions you may have regarding your benefits. However, should you have additional questions, please contact the National Employee Services Center (NESC) or your local UAW Benefits Representative. Information on how to contact the NESC or a benefit provider can be found in the Introduction section of this handbook. A wallet card with NESC phone numbers and Email address is also included for your convenience.

This Handbook and any updates are also available on the @FordOnline website, www.at.ford.com.

Sincerely,

Bob King
Vice President and Director
UAW-Ford and CS/IPS Departments

Martin J. Mulloy
Vice President
Labor Affairs
Your NESC Wallet Card
Here is your National Employee Service Center (NESC) wallet card. Tear out this card and keep it handy.

How to change your address with Ford:

**Hourly Retiree:** Submit the change in writing or complete the change of address portion of your pension check stub and return it to Comerica at:
- Pension Unit
- P.O. Box 75000
- Detroit, MI 48275

**Hourly Employee who has terminated employment with the company:**
Contact the NESC at 1-800-248-4444
To reach the NESC call:
• 1-800-24-84444

NESC hours:
• Mon-Wed: 9:00 a.m. to 4:00 p.m. (ET)
• Thur: 1:00 p.m. to 4:00 p.m. (ET)
• Fri: 9:00 a.m. to 12:00 p.m. (ET)

NESC email (for insurance only): NESC@ford.com
Your retiree benefits are divided into two handbooks:

1. This handbook is for UAW-Ford sponsored Non-healthcare coverage.
2. The second handbook is for healthcare benefits that will apply to UAW-Ford sponsored healthcare coverage through December 31, 2009.

Effective January 1, 2010, the UAW Retiree Medical Benefits Trust or VEBA (Voluntary Employees’ Beneficiary Association trust) will be responsible for your healthcare benefits. You will receive a handbook from the VEBA separately.

An electronic copy of the Healthcare book may be viewed or downloaded from www.AT.Ford.com. To request a copy of a description of the retiree health benefits provided by Ford through December 31, 2009; please contact the NESC at 1-800-248-4444 or benefits@ford.com.

This Introductory section contains an overview of your programs, information on how important documents can be obtained and how to obtain assistance.

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Benefits are a valuable part of compensation earned while you or your spouse were a Ford employee represented by the UAW.

As a UAW-Ford retiree, surviving spouse, or same-sex domestic partner of a UAW-Ford retiree, you may be eligible for:

- **Health Care Plan** — provides hospital, surgical, medical, prescription drug, dental, vision care and hearing aid coverages. Effective January 1, 2010, Ford will no longer sponsor the UAW hourly retiree health care plan. Health care coverage will be provided through the UAW Retiree Medical Benefits Trust or VEBA (Voluntary Employees' Beneficiary Association trust). The VEBA is an independent trust fund managed by a Committee independent of Ford Motor Company.

- **Life Insurance Benefits** — provides financial protection in case of the retiree’s death or dismemberment

- **Retirement Plan** — pays a monthly benefit — based on the type of retirement, date of retirement, benefit class code, and years of credited service

- **Tax-Efficient Savings Plan for Hourly Employees (TESPHE)** — offers an opportunity for you as a retiree to have your savings and investments retained in the Plan and to defer the beginning of distributions until age 70\(\frac{1}{2}\)

- **Ford Money Market Account** — provides an investment opportunity

- **UAW-Ford Legal Services Plan** — provides for certain legal services such as will preparation, house closings, adoption and divorce

This handbook contains an explanation of your benefits based on the documents, policies and negotiated Agreements by which these benefits are provided. If there is any difference between the Plan texts and this handbook, the Plan texts and negotiated Agreements always will govern.

The Company reserves the right to end, suspend or amend these plans, subject to the applicable Collective Bargaining Agreement. Amendments also will be made to comply with applicable statutes and regulations. If changes are made, you will be notified.

**Birth certificates**
The Department of Health in your state of birth can tell you how to obtain the birth certificate copies you need.

Check your local phone directory or call directory assistance for the address and phone number of your state Department of Health.

**Marriage certificates**
Copies of marriage certificates can be obtained by contacting the city or county administrative offices where the marriage license was obtained.

**Death certificates**
When a person dies, the death certificate usually is kept on file in the Department of Public Health of the city or county where the death occurred. You may contact that office directly to obtain the number of death certificate copies needed. Usually, only certain members of the immediate family may obtain these copies.

The funeral home director might help obtain the number of copies of death certificates needed.

**Social Security**
You may need to contact your local Social Security office to:

- Apply for a Social Security card
- Obtain information about Medicare
- Get estimates of Social Security benefits
- Find out when you are eligible to receive Social Security benefits or
- Get a copy of your Social Security earnings history

Check your local phone directory or call directory assistance for the address and phone number of your local Social Security office.
How can you obtain assistance?

Primary sources for assistance
Questions concerning your benefits are to be directed to the appropriate office listed below. These include inquiries about eligibility, amount of benefits, survivor information, denied claims, etc.:

<table>
<thead>
<tr>
<th>For Benefit Information About:</th>
<th>Contact:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Insurance</td>
<td>UNICARE</td>
</tr>
<tr>
<td>Accidental Death and Dismemberment Insurance</td>
<td>Dearborn Service Center 3200 Greenfield Road Dearborn, Michigan 48120 1-313-336-5550 1-800-843-8184</td>
</tr>
<tr>
<td>Survivor Income Benefits</td>
<td>UNICARE</td>
</tr>
<tr>
<td>Optional Accident Insurance</td>
<td>Ford-UAW Retirement Board of Administration Post Office Box 6050 Dearborn, Michigan 48121 1-800-829-8833</td>
</tr>
<tr>
<td>Safety Belt User Benefits</td>
<td>Comerica Bank Pension Department P.O. Box 75000 Detroit, MI 48275-3434 1-800-647-3674</td>
</tr>
<tr>
<td>Retirement</td>
<td>Ford-UAW Retirement Board of Administration Post Office Box 6050 Dearborn, Michigan 48121 1-800-829-8833</td>
</tr>
<tr>
<td>Lost pension checks</td>
<td>Comerica Bank Pension Department P.O. Box 75000 Detroit, MI 48275-3434 1-800-647-3674</td>
</tr>
<tr>
<td>Change of address and</td>
<td>Fidelity Service Center 1-800-544-3333</td>
</tr>
<tr>
<td>Change of tax withholding</td>
<td>1-508-787-9444 (from overseas call collect) 1-800-847-0348 (TDD phone line for the hearing impaired)</td>
</tr>
</tbody>
</table>

For Benefit Information About: Tax-Efficient Savings Plan for Hourly Employees (TESPHE) Contact: Fidelity Service Center 1-800-544-3333 1-508-787-9444 (from overseas call collect) 1-800-847-0348 (TDD phone line for the hearing impaired)

For Benefit Information About: Legal Services Contact: Your local UAW-Ford Legal Services Plan Office or UAW-Ford Legal Services Plan 200 Albert Kahn Building 7430 Second Avenue Detroit, Michigan 48202 Within Michigan 1-800-482-5007 From Outside Michigan 1-800-645-5203

For Benefit Information About: Ford Money Market Account Contact: Ford Money Market Account Ford Motor Credit Company P.O. Box 6013 Dearborn, Michigan 48121-6013 1-800-426-2888

Military records
Sometimes when filing for benefits, you will need copies of military service records. In most cases you may obtain these records by contacting the following office for all branches of service:

National Personnel Records Center
Military Personnel Records
9700 Page Boulevard
St. Louis, Missouri 63132
**Other sources for assistance — UAW Retiree Centers**

The personnel at the UAW Regional Retiree Servicing Centers and Drop-In Centers may be another good source for assistance. You may call or visit one of the following offices:

<table>
<thead>
<tr>
<th>State</th>
<th>Address</th>
<th>Phone</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Arizona</strong></td>
<td>1256 West Chandler Boulevard Suite H-8 Room 9, Chandler, Arizona 85224</td>
<td>(480) 899-7394</td>
<td>Open Tuesday and Thursday 9:00 am-1:00 pm</td>
</tr>
<tr>
<td></td>
<td>2030 E. Broadway Suite 100, Tucson, Arizona 85719</td>
<td>(520) 321-0440</td>
<td>Open Tuesday and Thursday 9:00 am-1:00 pm</td>
</tr>
<tr>
<td><strong>Arkansas</strong></td>
<td>Heritage Real Estate Office Building, Mountain Home, Arkansas 72653</td>
<td>(870) 425-7141</td>
<td>Open Tuesday and Thursday 9:00 am-1:00 pm</td>
</tr>
<tr>
<td></td>
<td>3031 Highway #62 West, P.O. Box 541, Pocahontas, Arkansas 72455</td>
<td>(870) 892-9492</td>
<td>Open Monday and Wednesday 9:30 am-2:30 pm</td>
</tr>
<tr>
<td></td>
<td>2611 West Main Street, P.O. Box 133, Jacksonville, Arkansas 72078</td>
<td>(501) 982-7662</td>
<td>Open Tuesday and Thursday 10:00 am-2:00 pm</td>
</tr>
<tr>
<td><strong>California</strong></td>
<td>2653 Bechelli Lane #A, Redding, California 96002-0926</td>
<td>(530) 224-995</td>
<td>Open Tuesday and Thursday 10:00 am-2:00 pm</td>
</tr>
<tr>
<td></td>
<td>ILWU Building, 600 4th Street, Broderick, California 95605</td>
<td>(916) 372-3242</td>
<td>Open Tuesday and Thursday 10:00 am-2:00 pm</td>
</tr>
<tr>
<td></td>
<td>41635 East Florida Avenue Suite B, Hemet, California 92544</td>
<td>(951) 658-4121</td>
<td>Open Tuesday and Wednesday 10:00 am-2:00 pm</td>
</tr>
<tr>
<td><strong>Florida</strong></td>
<td>Emerald Coast Professional Center, 5 Miracle Strip Loop Suite #12, Panama City, Florida 32407</td>
<td>(850) 234-7810</td>
<td>Open Tuesday and Wednesday 10:00 am-2:00 pm</td>
</tr>
<tr>
<td></td>
<td>1515 E. Silver Springs Boulevard Suite W #12, Ocala, Florida 34470</td>
<td>(352) 867-0888</td>
<td>Open Tuesday and Thursday 9:00 am-1:00 pm</td>
</tr>
<tr>
<td></td>
<td>15 Cypress Branch Way Suite 207 B, Palm Coast, Florida 32137</td>
<td>(386) 447-1030</td>
<td>Open Tuesday and Thursday 10:00 am-2:00 pm</td>
</tr>
<tr>
<td></td>
<td>5623 US-19 South Suite #240, New Port Richey, Florida 34652</td>
<td>(727) 846-8080</td>
<td>Open Monday and Tuesday 10:00 am-2:00 pm</td>
</tr>
<tr>
<td></td>
<td>5111 66th St. North Suite 206, St. Petersburg, Florida 33709</td>
<td>(727) 548-4300</td>
<td>(727) 548-4319</td>
</tr>
<tr>
<td></td>
<td>1825 W. Oakridge Road, Orlando, Florida 32809</td>
<td>(407) 857-3854</td>
<td>Open Tuesday and Wednesday 9:00 am-1:00 pm</td>
</tr>
<tr>
<td></td>
<td>12811 Kenwood Lane Unit #107, Fort Myers, Florida 33907</td>
<td>(239) 936-7866</td>
<td>(239) 936-6715</td>
</tr>
<tr>
<td></td>
<td>Executive Suite of Stuart Incorporated, 901 Martin Downs Boulevard Suite #312F, Palm City, Florida 34990</td>
<td>(561) 223-1037</td>
<td>Open Tuesday and Wednesday 10:00 am-2:00 pm</td>
</tr>
</tbody>
</table>

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**Introduction**

4 UAW Retiree

UAW Retiree
### Florida (Con't)

<table>
<thead>
<tr>
<th>Address</th>
<th>Phone Numbers</th>
</tr>
</thead>
</table>
| 6635 W. Commercial Boulevard  
  Suite #108  
  **Tamarac**, Florida 33319  
  Open Tuesday and Thursday  
  10:00 am-2:00 pm  
  1273 West Forest Hill Blvd.  
  Suite 211  
  **Wellington**, Florida 33414 (West Palm Beach)  
  Open Tuesday and Wednesday  
  10:00 am-2:00 p.m.  
  Fraternal Order of Eagles  
  2926 Wilkinson Road  
  **Sarasota**, Florida 34231  
  Open Tuesday and Thursday  
  9:00 am-1:00 pm  
  1900-B Havendale Blvd.  
  **Winter Haven**, Florida 33881  
  Open Tuesday and Thursday  
  9:00 am-1:00 pm  | (954) 724-8181  
 (954) 724-8124  
 (561) 422-1911  
 (941) 922-4533  
 (863) 293-5556  |

### Kentucky

<table>
<thead>
<tr>
<th>Address</th>
<th>Phone Numbers</th>
</tr>
</thead>
</table>
| **Senior Citizens Building**  
  1713 Golf Course Road  
  **Benton**, Kentucky 42025  
  Open Tuesday and Thursday  
  10:00 am-2:00 pm  
  675 Monticello St. Suite 3  
  **Somerset**, Kentucky 42501  
  Open Tuesday and Thursday  
  10:00 am-2:00 pm  | (270) 527-5653  
 (606) 676-0030  |

### Louisiana

<table>
<thead>
<tr>
<th>Address</th>
<th>Phone Numbers</th>
</tr>
</thead>
</table>
| 2600 VFW Lane  
  P.O. Box 1114  
  **Chalmette**, Louisiana 70044  
  Open Tuesday  
  11:30 am-3:30 pm  | (504) 277-9845  |

### Michigan

<table>
<thead>
<tr>
<th>Address</th>
<th>Phone Numbers</th>
</tr>
</thead>
</table>
| 734 S. Michigan  
  **Howell**, Michigan 48843  
  Open Tuesday and Friday  
  10:00 am-2:00 pm  
  2601 N. 30th Street  
  **Escanaba**, Michigan 49829  
  Open Monday  
  8:00 am-12:00 noon  
  Eckerman Corners  
  Junction M-28-M-123  
  P.O. Box HC 65  
  **Traverse City**, Michigan 49684  
  Open Tuesday and Wednesday  
  10:00 am-2:00 pm  
  757 East Silver Lake Road  
  **Alpena**, Michigan 49707  
  Open Wednesday and Thursday  
  10:00 am-2:00 pm  
  819 West Houghton Drive  
  **Prudenville**, MI 48651  
  Open Tuesday and Thursday  
  10:00 am-2:00 pm  
  810 S. Otsego, Suite 125  
  **Gaylord**, Michigan 49735  
  Open Wednesday and Thursday  
  9:30 am-2:00 pm  
  The Impact Building  
  709 Lake Street  
  Suite 103  
  P.O. Box 85  
  **Roscommon**, Michigan 48653  
  Open Tuesday and Thursday  
  10:00 am-2:00 pm  | (517) 548-4171  
 (906) 786-4828  
 (906) 274-5326  
 (231) 943-9611  
 (989) 356-4959  
 (517) 366-7760  
 (989) 705-7313  
 (989) 275-8484  
 (601) 982-7674  |

### Mississippi

<table>
<thead>
<tr>
<th>Address</th>
<th>Phone Numbers</th>
</tr>
</thead>
</table>
| Golden Key Center  
  3450 Albermarle Road  
  **Jackson**, Mississippi 39213  
  Open Tuesday  
  10:00 am-3:00 pm  | (601) 982-7674  |
Missouri

Truman Hills Mall
P.O. Box 1625
Junction 65 & 7
Warrenton, Missouri 65355
Open Tuesday and Thursday
10:00 am-2:00 pm

Hillsdale Plaza
2720 North Westwood
Suite #14
Poplar Bluff, Missouri 63901
Open Tuesday and Thursday
8:30 am-Noon

111 East Main Street
Park Hills, Missouri 63601
Open Tuesday and Thursday
10:00 am-2:00 pm

(660) 438-4681
(573) 686-6670
(573) 431-4865

Nevada

2235 East Flamingo Road
Suite #204
Las Vegas, Nevada 89119
Open Tuesday and Thursday
9:00 am - 1:00 pm

1335-4 Hancock
P.O. Box 20776
Bullhead City, Arizona 86439
(Laughlin)
Open 1st and 3rd Tuesday and
2nd and 4th Thursday
Noon-4 pm

(702) 791-2930
(520) 758-7828

New Mexico

2921 Carlisle Blvd. NE,
Suite 117
Albuquerque, New Mexico 87110
Open Monday and Wednesday
10:00 am-2:00 pm

2211 North Main Street
Las Cruces, New Mexico 88001
Open Monday
10:00 am-2:00 pm

(505) 889-3782
(505) 523-6775

South Carolina

1012 16th Street NW
Suite #123
Surfside Beach, South Carolina
29575 (Myrtle Beach)
Open Monday and Wednesday
10:00 am-2:00 pm

(803) 238-5104

Tennessee

1124 North Broadway
Knoxville, Tennessee 37917
Open Monday and Wednesday
10:00 am-2:00 pm

(865) 521-5061
(865) 521-6404

These addresses and telephone numbers may change in the future. You should note any changes to keep these addresses and telephone numbers up to date.
The following table shows how your benefits work together:

<table>
<thead>
<tr>
<th>Life Insurance Benefits</th>
<th>As a retiree</th>
<th>If you die (surviving spouse)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage continues for:</td>
<td>Life Insurance paid to beneficiary. Optional Group Life Insurance, if in effect, paid to beneficiary. Accidental Death and Dismemberment Insurance may be payable if death is a result of an accident. Transition and Bridge Survivor Income Benefits may be payable.</td>
<td>Safety Belt User Benefits coverage may continue for retiree’s spouse and eligible dependents.</td>
</tr>
<tr>
<td>• Life Insurance (until age 65 – then, reduced amounts may be provided for the rest of your life)</td>
<td>Life Insurance paid to beneficiary. Optional Group Life Insurance, if in effect, paid to beneficiary. Accidental Death and Dismemberment Insurance may be payable if death is a result of an accident. Transition and Bridge Survivor Income Benefits may be payable.</td>
<td>Safety Belt User Benefits coverage may continue for retiree’s spouse and eligible dependents.</td>
</tr>
<tr>
<td>• Accidental Death and Dismemberment Insurance (until age 65)</td>
<td>Life Insurance paid to beneficiary. Optional Group Life Insurance, if in effect, paid to beneficiary. Accidental Death and Dismemberment Insurance may be payable if death is a result of an accident. Transition and Bridge Survivor Income Benefits may be payable.</td>
<td>Safety Belt User Benefits coverage may continue for retiree’s spouse and eligible dependents.</td>
</tr>
<tr>
<td>• Survivor Income Benefits for disability retirees (until age 65)</td>
<td>Life Insurance paid to beneficiary. Optional Group Life Insurance, if in effect, paid to beneficiary. Accidental Death and Dismemberment Insurance may be payable if death is a result of an accident. Transition and Bridge Survivor Income Benefits may be payable.</td>
<td>Safety Belt User Benefits coverage may continue for retiree’s spouse and eligible dependents.</td>
</tr>
<tr>
<td>• Safety Belt User Benefits</td>
<td>Life Insurance paid to beneficiary. Optional Group Life Insurance, if in effect, paid to beneficiary. Accidental Death and Dismemberment Insurance may be payable if death is a result of an accident. Transition and Bridge Survivor Income Benefits may be payable.</td>
<td>Safety Belt User Benefits coverage may continue for retiree’s spouse and eligible dependents.</td>
</tr>
<tr>
<td>• Optional Group Life Insurance is available, depending upon retirees’ age (if age 70 or over at reduced amounts) and the amount of insurance which was in force on their last day worked (Retiree-Paid)</td>
<td>Life Insurance paid to beneficiary. Optional Group Life Insurance, if in effect, paid to beneficiary. Accidental Death and Dismemberment Insurance may be payable if death is a result of an accident. Transition and Bridge Survivor Income Benefits may be payable.</td>
<td>Safety Belt User Benefits coverage may continue for retiree’s spouse and eligible dependents.</td>
</tr>
<tr>
<td>• Dependent Group Life Insurance is available at reduced amounts depending on retirees’ age (if age 70 or older at reduced amounts) and the amount of insurance which was in force on their last day worked or for surviving spouse, depending on their age (if age 70 or older at reduced amounts) and the amount of insurance in force on date of retirees’ death (Retiree-Paid)</td>
<td>Life Insurance paid to beneficiary. Optional Group Life Insurance, if in effect, paid to beneficiary. Accidental Death and Dismemberment Insurance may be payable if death is a result of an accident. Transition and Bridge Survivor Income Benefits may be payable.</td>
<td>Safety Belt User Benefits coverage may continue for retiree’s spouse and eligible dependents.</td>
</tr>
<tr>
<td>• Optional Accident Insurance if in effect at retirement (Retiree-paid)</td>
<td>Life Insurance paid to beneficiary. Optional Group Life Insurance, if in effect, paid to beneficiary. Accidental Death and Dismemberment Insurance may be payable if death is a result of an accident. Transition and Bridge Survivor Income Benefits may be payable.</td>
<td>Safety Belt User Benefits coverage may continue for retiree’s spouse and eligible dependents.</td>
</tr>
</tbody>
</table>

| Retirement Plan | A monthly benefit may be paid, based on the type of retirement, benefit class code, date of retirement and years of credited service. | If a survivorship option is in effect, the surviving spouse may receive a benefit. |

| Tax-Efficient Savings Plan for Hourly Employees | Contributions end. You may request distribution of all or part of your account at or after termination. Distribution will begin at age 701/2, unless you elect to take distribution earlier. | Your account is paid to your beneficiary as provided under the Plan. |

| Ford Interest Advantage | You may participate in the Plan. Family members of retirees also may participate. | Disposition of your savings depends on the type of account you establish. |

| UAW-Ford Legal Services Plan | Participation continues. | Participation may continue for your eligible spouse and eligible dependents. Under some conditions, coverage for covered dependents and surviving spouses not otherwise eligible shall continue only until the end of the twelfth month following the month in which the employee or surviving spouse dies. |
Life Insurance Benefits

This section provides an overview of retiree Life Insurance and answers these questions:

<table>
<thead>
<tr>
<th>Question</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who is eligible for retiree Life Insurance benefits?</td>
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</tr>
<tr>
<td>Who is eligible and what are Accidental Death and Dismemberment benefits?</td>
<td>13</td>
</tr>
<tr>
<td>Are Survivor Income Benefits available?</td>
<td>14</td>
</tr>
<tr>
<td>Who is eligible and what are Safety Belt User Benefits?</td>
<td>15</td>
</tr>
<tr>
<td>Who is eligible and what are Optional Group Life Insurance benefits?</td>
<td>16</td>
</tr>
<tr>
<td>Who is eligible and what are Dependent Group Life Insurance benefits?</td>
<td>19</td>
</tr>
<tr>
<td>Who is eligible and what are Optional Accident Insurance benefits?</td>
<td>22</td>
</tr>
<tr>
<td>How do I or my survivor apply for benefits?</td>
<td>27</td>
</tr>
<tr>
<td>What other circumstances might affect benefits?</td>
<td>27</td>
</tr>
<tr>
<td>What if a claim is denied for Company-paid Life Insurance, AD&amp;D, Safety Belt User or Survivor Income?</td>
<td>28</td>
</tr>
<tr>
<td>What if an appeal is denied for Company-paid Life Insurance, AD&amp;D, Safety Belt User or Survivor Income Benefits?</td>
<td>29</td>
</tr>
</tbody>
</table>
Life Insurance Benefits

An overview of the Benefits

Your life insurance coverage may continue in retirement. As a retiree, you or your family may have financial protection from these sources if you die:

- **Life Insurance** — paying a benefit to your beneficiary if you die or become terminally ill
- **Accidental Death and Dismemberment Insurance** — paying a benefit if you suffer a covered dismemberment or to your beneficiary if you die as the result of an accident before age 65
- **Survivor Income Benefits** — paying monthly income to your eligible survivors if you die before age 65, while covered as a disability retiree under the Retirement Plan
- **Optional Group Life Insurance Benefits** — paying a benefit, if you have enrolled and maintained this coverage, to your beneficiary in the event of your death
- **Dependent Group Life Insurance Benefits** — paying a benefit to you, if you have enrolled and maintained this coverage, and a covered dependent dies
- **Safety Belt User Benefits** — paying a $15,000 benefit if you or another covered participant dies as a result of an automobile accident while wearing a qualified passenger restraint

Who is eligible for retiree Life Insurance benefits?

**Eligibility for benefits**

As provided under the Collective Bargaining Agreement, you are eligible for retiree Life Insurance Benefits if, at the time you retired, you had 10 or more years under the Retirement Plan and the Life and Disability Insurance Program. This coverage does not apply if you are receiving a deferred vested benefit under the Retirement Plan.

In determining whether you have the required 10 years, your years under the Retirement Plan and the Life and Disability Insurance Program are the sum of:

If you retired prior to November 19, 2007

- Your years of credited service under the Retirement Plan
- Your years of participation in the Life and Disability Insurance Program after you last ceased active work and before you reached age 65

If you retired on or after November 19, 2007

- Your years of credited service under the Retirement Plan (years of participation do not apply)

If you were totally and permanently disabled before October 29, 1984, and elected to have your Life Insurance paid in monthly installments under the Total and Permanent Disability Benefits provision of the Collective Bargaining Agreement in effect at the time you retired, the amount of your Life Insurance will be affected.

**Benefit amount prior to age 65**

If you last worked on or after November 19, 2007, are under age 65 and die from any cause while insured, your beneficiary will receive the Life Insurance amount shown on the next page:
If Your Base Hourly Rate on Your Last Day Worked Was: | Your Life Insurance Is: |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to but less than $14.30</td>
<td>$32,500</td>
</tr>
<tr>
<td>$14.30 but less than $14.65</td>
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<td>$80,500</td>
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<td>$81,000</td>
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<td>$84,500</td>
</tr>
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<td>$36.70 but less than $37.05</td>
<td>$85,000</td>
</tr>
<tr>
<td>$37.05 but less than $37.40</td>
<td>$86,000</td>
</tr>
<tr>
<td>$37.40 and over</td>
<td>$86,500</td>
</tr>
</tbody>
</table>

If you last worked before November 19, 2007, your Life Insurance amount is shown in the Collective Bargaining Agreement in effect when you last worked.

**Benefit amount after age 65**

When you reach age 65, your Life Insurance in force will be gradually reduced. The reduction each month is 2% of the amount in force at age 65, until an ultimate amount of Life Insurance called "Continuing Group Life Insurance" ("CGL") is reached.

Your Continuing Group Life Insurance amount is determined in the following manner:

\[
\text{Your Continuing Group Life Insurance amount} = \text{Your Life Insurance in force at age 65 or later (based on your last day worked)} \times 1\frac{1}{2} \% \times \text{Your years of credited service under the Retirement Plan.}
\]

The minimum amount of your CGL is the greater of 15% of Company provided Life Insurance in force at age 65 (with 10 years) or $5,000 if you last worked on or after October 4, 1993; $4,500 if you last worked on or after October 22, 1990, but before October 4, 1993; $3,500 if you last worked on or after October 5, 1987, but prior to October 22, 1990.

If you last worked prior to October 5, 1987, the minimum amount of your CGL is the greater of 15% of Company provided Life Insurance in force at age 65 (with 10 years) or $3,000. If, however, the amount of CGL in force at the end of the month you attained age 65 was less than $3,000 because of prior payments of Permanent and Total Disability Benefits of Life Insurance, the CGL amount will be the amount of Company provided Life Insurance remaining in force at age 65 or $500, whichever is greater.
How your Life Insurance benefits are paid
As soon as satisfactory proof of your death or accident is submitted to the insurer (UNICARE Health & Life Insurance Company), your life insurance benefit will be paid to your beneficiary(ies). If $10,000 or more is payable to a beneficiary, an interest paying money market account will be established for the beneficiary under the provisions of UNICARE’s “Access Advantage” Account. A beneficiary may withdraw the account balance at any time. Additional information will be provided to your beneficiary in the event of your death.

At your death, the insurer may deduct up to the minimum CGL amount from the benefit to be paid to any person or persons who may have incurred burial expenses on your behalf.

Benefit if you become terminally ill
You may elect to receive a portion of your life insurance proceeds, in advance of death if you become terminally ill. Accelerated benefits may be paid to a retiree only once. “Terminal illness” means an injury or sickness expected to result in death within one year without any reasonable prospect of recovery as determined by the insurer.

Under this option, retirees who are diagnosed with a terminal condition may receive up to 50% of coverage in force in a one-time lump-sum payment. The amount of life insurance remaining in force will be reduced by the amount paid out under the accelerated benefits option. This option does not apply to individuals who:

- Are cash paying for life insurance while a grievance is pending, or while on layoff or leave of absence
- Are permanently and totally disabled individuals who have drawn on their life insurance benefits
- Have irrevocably assigned their life insurance or
- When all or a part of life insurance is to be paid to a former spouse as a part of the divorce decree.

Converting to an individual policy
If you no longer are eligible for coverage, you can convert, within 31 days of the time coverage ends, to any individual life insurance policy then customarily issued by the insurer except term insurance. This is done by making application and paying the required premium to the insurer. The premium required for the individual policy will be that required by the class of risk to which the retiree belongs, the form and amount of the individual policy and age. The maximum amount of the individual policy will be equal to the amount of your Life Insurance in force when you left the Company, including Survivor Income Benefits.

If the Company’s Group Policy is terminated or changed to exclude certain participants, a retiree who has been (1) insured under the Group Policy for at least five years, or (2) whose life insurance was not fully replaced by another group insurance plan within the 31 day period for converting coverage, may convert to an individual policy up to $2,000.
Who is eligible and what are Accidental Death and Dismemberment benefits?

Eligibility for benefits
If you take Regular Early, Special Early, or Disability Retirement under the Retirement Plan, Accidental Death and Dismemberment Insurance coverage continues until you reach age 65.

Benefit amount
If you are insured for Accidental Death and Dismemberment Insurance, you are covered for two types of benefits:

- **Death benefits.** If you die while insured as the result of an accidental bodily injury within two years after the injury occurred, your beneficiary will receive an accidental death benefit. The benefit equals one-half of the Life Insurance amount in force. This amount is paid in addition to your Life Insurance benefit.

- **Dismemberment benefits.** Accidental Death and Dismemberment Insurance also pays a benefit if you suffer a covered dismemberment or loss of sight as a result of an accidental bodily injury within two years of the injury. The benefit you receive will be a percentage of your Life Insurance benefit determined based on the nature of your loss:

<table>
<thead>
<tr>
<th>Accidental Death Loss Dismemberment Benefit</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accidental death including presumption of accidental death due to disappearance, or death due to exposure to elements as a result of an accident, or accidental loss of more than one of the following: hand, foot or sight of an eye</td>
<td>Equal to ½ Life Insurance in force</td>
</tr>
<tr>
<td>Accidental loss of one of the following: hand, foot or sight of an eye</td>
<td>Equal to ¼ Life Insurance in force</td>
</tr>
</tbody>
</table>

Loss of a hand or foot means loss by severance at or above the wrist or ankle joint; and loss of sight of an eye means total and irrecoverable loss of sight.

If you file a dismemberment claim, the insurer reserves the right to examine you while a claim is pending — at its expense — as often as it may reasonably require. (In the case of an accidental death, the Insurer also reserves the right to conduct an autopsy, if permitted by law.)

Maximum benefits
Total payment for losses from a single accident cannot be more than one-half of your Life Insurance benefit unless you die as a result of a job-related accident. In that instance, the Accidental Death and Dismemberment benefit paid will equal one and one-half times your Life Insurance benefit. Your beneficiary will receive this benefit if your death results:

- From accidental bodily injuries caused solely by your employment with the Company and
- Solely from an accident in which the cause and results are unexpected and definite as to time and place

Some losses are not covered
Accidental Death and Dismemberment Insurance does not pay benefits for any loss caused by:

- An act of war
- Self-destruction or intentionally self-inflicted injury
- Disease, or bodily or mental infirmity, or medical or surgical treatment of that condition
- Any infection (except infection caused by an external visible wound sustained in an accident)
- Your act of aggression, participation in a felonious enterprise or illegal use of drugs

How your benefits are paid
As soon as satisfactory proof is submitted to the insurer, your accidental death benefit will be paid to your beneficiary(ies). If $10,000 or more is payable to a beneficiary, an interest paying money market account will be established under the provisions of UNICARE’s “Access Advantage” Account. A beneficiary may withdraw the account balance at any time. Additional information will be provided to your beneficiary in the event of your death.

Accidental dismemberment benefits will be paid in a lump sum only, as soon as satisfactory proof of your loss is received by the insurer.

Beneficiary
Accidental death benefits are paid to the beneficiary of your Life Insurance.

Accidental dismemberment benefits are paid to you.

Assignment
Accidental Death and Dismemberment Insurance is not assignable unless the assignment is made in writing and consented to by the insurer in writing.
**When coverage ends**
Your Accidental Death and Dismemberment Insurance coverages may continue until you reach age 65.

**Are Survivor Income Benefits available?**
If you are a disability retiree under the Retirement Plan and die before you reach age 65, your eligible survivor may receive up to 24 months of the Transition Survivor Income Benefit at your death. Your eligible spouse or qualified same sex domestic partner may qualify for an additional Bridge Survivor Income Benefit at the end of the Transition Survivor Income Benefit period.

**Transition Survivor Income Benefit**
If you die while covered for Survivor Income Benefits, your eligible survivor will receive a monthly Transition Survivor Income Benefit for up to 24 months. Payments will begin on the first day of the month after you die and continue for the next 23 months as long as there is at least one eligible survivor. If on the first day of any month after your death there is no eligible survivor, no benefit will be paid for that or any subsequent month.

If you last worked on or after November 19, 2007, the monthly Transition Survivor Income Benefit is $700. The benefit is reduced to $375 if your eligible survivor is entitled to receive one of the following Social Security benefits:
- Unreduced old-age (retirement) benefits
- Survivor benefits not reduced for age
- Disability benefits

For months in which two or more eligible survivors share a benefit, each survivor’s share is computed as a fraction of the benefit that would be paid to him or her as a sole survivor, according to his or her own eligibility for Social Security benefits.

If you last worked prior to November 19, 2007, your Transition Survivor Income Benefit amounts are shown in the Collective Bargaining Agreement in effect when you last worked.

**Your eligible survivors**
Survivor Income Benefits are paid:
- First, to your eligible surviving widow, widower or qualified same sex domestic partner (Class A or B)
- Next, if you do not have an eligible surviving widow, widower, or qualified same sex domestic partner, to your eligible surviving children, divided equally (Class C)
- Finally, if you do not have an eligible widow, widower, qualified same sex domestic partner, or child, to your eligible surviving parents, divided equally between the two (Class D)

If on the first day of any month after your death there is no eligible survivor, no benefit will be paid for that or any subsequent month.

The eligibility requirements for a survivor are:

<table>
<thead>
<tr>
<th>Survivor classes</th>
<th>At the time of your death</th>
<th>At the time a benefit is payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Widow or qualified same sex domestic partner, whether or not remarried</td>
<td>Married to you for at least one year</td>
<td>Living</td>
</tr>
<tr>
<td>B. Widower or qualified same sex domestic partner, whether or not remarried</td>
<td>Married to you for at least one year</td>
<td>Living</td>
</tr>
</tbody>
</table>
| C. Children | • Unmarried and under age 21
• Unmarried, legally residing with you and dependent on you at the time of your death:
- Either under age 25
- Totally and permanently disabled | Living and still satisfying the eligibility requirements at the time of your death |

Children include:
- Natural-born children born prior to the first of the month following your death, legally adopted children, or children for whom legal adoption proceedings were undertaken or stepchildren who resided with you at your death
- In certain circumstances, unmarried children of a Qualified Same Sex Domestic Partner

| D. Father or mother by blood or adopting parent | You were providing at least 50% of support during calendar year immediately preceding your death | Living |
Qualified same sex domestic partners are eligible for benefits if they are determined to be qualified for at least one year. Qualified same sex domestic partner status must be demonstrated when filing a claim (at time of death).

**Bridge Survivor Income Benefit**

If you have an eligible spouse or qualified same sex domestic partner, he or she may qualify for an additional Bridge Survivor Income Benefit at the end of the Transition Survivor Income Benefit period. Your spouse or qualified same sex domestic partner is eligible if:

- He or she has not remarried and/or entered into a qualified same sex domestic partner relationship and
- He or she was at least 45 years old at the time you died or his or her age at your death (rounded to the nearest 1/12) plus your years of credited service under the Retirement Plan totals 55 or more
- He or she was eligible to receive 24 Transition Survivor Income Benefit payments

If your spouse is eligible, he or she will receive a monthly Bridge Survivor Income Benefit of $700 if you last worked on or after November 19, 2007, until the earliest of:

- Death
- Remarriage/New qualified same sex domestic partner
- Reaching age 62
- Reaching age 62 and one month if your spouse or qualified same sex domestic partners:
  - Not eligible to receive a Social Security Widow’s or Widower’s benefit during that additional month
  - Not eligible for a survivor benefit under the Retirement Plan
  - Eligible to receive and has applied for a reduced Social Security old-age (retirement) benefit that first will be paid during the second month following his or her 62nd birthday
- Reaching an age when full Widow’s or Widower’s insurance benefits are available under the Social Security Act, as amended

No additional Bridge Survivor Income Benefit will be payable for any month your widow or widower is eligible (because of the care of a child) to receive Social Security Mother’s Insurance benefits or comparable benefits for a Father.

If you last worked prior to November 19, 2007, your Bridge Survivor Income Benefit amount is shown in the Collective Bargaining Agreement in effect when you last worked.

**Waiver of benefits**

When it is to your surviving spouse’s advantage to waive Survivor Income Benefits, he or she may do so by completing the insurer’s form. The waiver will take effect on the first day of the second month after the waiver is received by the insurer or, if later, at the beginning of the period covered by the waiver.

Survivor Income Benefits will not be payable for any period covered by the waiver. Any month in which a Transition Survivor Income Benefit is not paid because of a waiver, however, still will be counted for purposes of determining the 24-month Transition Survivor Income Benefit payment maximum.

Your eligible surviving spouse may revoke the waiver by completing the appropriate form furnished by the carrier insurer.

**Attachment of benefits**

To the extent permitted by applicable law, monthly Survivor Income Benefits shall not be subject to attachment or other encumbrance or subject to the debts or liability of any eligible survivor.

**Who is eligible and what are Safety Belt User Benefits?**

**Eligibility**

Eligibility for Safety Belt User Benefits is based on eligibility for Company-paid Hospital-Surgical-Medical coverage for you, your surviving spouse, qualified same-sex domestic partner or eligible dependents. If your healthcare is not sponsored by the Company, this coverage does not apply to you.

**Benefit amount**

If you or another participant dies as a result of a bodily injury caused solely by an automobile accident, that occurs while the participant is properly wearing a qualified passenger restraint, the insurer under the program pays $15,000. The accident must occur in the United States or Canada.

The death must occur within 365 days of the accident’s date.

The program pays only one $15,000 benefit for each eligible person who dies as a result of a covered automobile accident.
A passenger restraint qualifies for purposes of the program as long as it is:

- An unaltered seat belt or lap and shoulder restraint installed by the automobile manufacturer or an authorized dealer of that manufacturer
- If the covered participant is a child, a restraint that has been approved by the National Highway Traffic Safety Administration and is:
  ◊ Properly secured
  ◊ Used as recommended for children of like age and weight

For purposes of the program, an automobile is a conventional, private passenger land motor vehicle. Automobiles include:

- Vans
- Four-wheel drive vehicles
- Self-propelled motor homes
- Trucks with a factory-rated load capacity of 2,000 pounds or less

Automobiles do not include:

- Custom-made specialty vehicles
- Vehicles such as:
  ◊ Motorcycles
  ◊ Dune buggies
  ◊ Snowmobiles
- Vehicles used for:
  ◊ Farming
  ◊ Commercial business
  ◊ Military business
  ◊ Racing
  ◊ Any type of competitive speed event

Some deaths are not covered
The Program will not pay benefits for death of a covered participant caused by:

- An act of war
- Self-destruction or intentionally self-inflicted injury while sane or insane
- Disease or bodily or mental infirmity, or medical or surgical treatment of that condition
- Any infection (except infection caused by an injury sustained in a covered automobile accident)
- An act of aggression or participation in a felonious enterprise by the covered participant

Beneficiary
You are the beneficiary if you are living. If you die before the covered participant, the benefit will be paid, in this order, to:

- Your surviving wife or husband
- Your surviving qualified same sex domestic partner
- Your surviving children (divided equally among them)
- Your surviving mother or father (or to both equally)

If there are no such survivors, the benefits will be paid to the estate of the deceased covered participant.

When coverage ends
Coverage will end when eligibility for Company-paid Health Care Plan coverage ends.

Who is eligible and what are Optional Group Life Insurance benefits?

Eligibility
You are eligible for Optional Group Life Insurance while you are insured for Life Insurance under the Life and Disability Insurance Program if you had Optional Group Life Insurance in effect when you retired. You may continue that amount of insurance in force on the last day you worked, or at a reduced amount according to the schedule below, until you reach age 70.

- You may continue that coverage until you reach age 70, by making premium contributions to the insurer. Coverage and rates change upon reaching your 70th birthday and will continue to change based upon age brackets.
- At age 70, if you are participating in the program, the maximum amount of coverage an employee may continue will be seventy-five percent (75%) of the amount of insurance on their last day worked prior to retirement.
- At age 75, if they are participating in the program, the maximum amount of insurance the retired employee may continue thereafter will be thirty-seven and a half percent (37.5%) of the amount of insurance in force on the last day worked prior to retirement.
If you did not have Optional Group Life Insurance in effect at retirement or if you discontinued this coverage after retirement, you are not eligible to purchase this coverage.

**Benefit amount**

If you last worked on or after November 19, 2007, and subsequently retired, the level of coverage you had in effect when you last worked may be continued unless you were age 70 or older at the time of your retirement. If you are a retiree age 70 or older, the above described reductions in the amount of your coverage apply. In the event of your death from any cause while insured, your beneficiary will receive the amount you had in effect at the time of your death. Optional Insurance amounts available to employees and retirees under age 70 are shown below:

| Schedule 1 | $10,000 |
| Schedule 2 | $20,000 |
| Schedule 3 | $30,000 |
| Schedule 4 | $40,000 |
| Schedule 5 | $50,000 |
| Schedule 6 | $75,000 |
| Schedule 7 | $100,000 |
| Schedule 8 | $125,000 |
| Schedule 9 | $150,000 |
| Schedule 10 | $175,000 |
| Schedule 11 | $200,000 |
| Schedule 12 | $225,000 |
| Schedule 13 | $250,000 |
| Schedule 14 | $275,000 |
| Schedule 15 | $300,000 |
| Schedule 16 | $400,000 |
| Schedule 17 | $500,000 |

**Decreasing your coverage amounts**

You may decrease your Optional Group Life Insurance amount if you wish. If you do, the change in coverage will take effect on the first day of the month after the last month for which you made the required contribution for coverage at the higher amount.

**Your contribution**

Optional Group Life Insurance is voluntary. To continue this coverage, you will have to continue to pay a monthly premium in advance. As a retiree, your required monthly premium is based on the amount of coverage you elected (may not exceed the insurance amount in effect when you last worked) and your age as shown here:

<table>
<thead>
<tr>
<th>Retiree’s age*</th>
<th>Monthly contribution for each $1,000 of insurance: After 1-1-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 30</td>
<td>$0.044</td>
</tr>
<tr>
<td>30-34</td>
<td>$0.061</td>
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<tr>
<td>35-39</td>
<td>$0.078</td>
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<td>40-44</td>
<td>$0.120</td>
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<td>45-49</td>
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<td>50-54</td>
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<td>55-59</td>
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<td>60-64</td>
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<td>70-74</td>
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<td>75-79</td>
<td>$5.793</td>
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<tr>
<td>80-84</td>
<td>$8.312</td>
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<tr>
<td>85-89</td>
<td>$11.973</td>
</tr>
<tr>
<td>90-94</td>
<td>$16.816</td>
</tr>
<tr>
<td>95 &amp; over</td>
<td>$28.501</td>
</tr>
</tbody>
</table>

*When you reach a birthday placing you in a higher age bracket, your monthly contributions will increase on the first day of the calendar month following the month your birthday occurs. Premiums are subject to adjustment based on experience of the group.

Premiums are payable directly to the insurer in the month before the month of coverage. Payments and inquiries should be directed to:

Ford Hourly Optional Insurance Plan  
Suite 116  
2720 South River Road  
Des Plaines, Illinois 60018  
(847) 299-9393 or  
1-800-742-8215

The insurer will not advise you of payments due.
Naming a beneficiary

Your benefit election for Company-paid Life Insurance does not apply to your Optional Life Insurance. Therefore, you must complete a beneficiary form for Optional Life Insurance. You have the right to change the beneficiary of your choice at any time by notifying the insurer.

Your beneficiary will be the last designation indicated on the insurer’s records. When the insurer receives notice of a beneficiary change, the change takes effect on the date the notice was signed even though the insurer may receive the notice of change after your death. If the insurer makes a payment on account of your death before receiving the notice of change, however, the insurer will not be liable for another benefit payment.

If your last named beneficiary dies before you do, or if no beneficiary designation is in effect at your death, your insurance will be paid, in this order, to:

- Your surviving wife or husband or qualified same sex domestic partner, if living
- Your surviving children (divided equally among them), if living
- Your surviving mother or father (or to both equally)

If there are no such survivors, your insurance will be paid to your estate.

Be sure to update your beneficiary designation on file with the insurer. If you don’t, your benefit could be delayed or paid to someone other than the person you want to receive the benefit. Remember to update your beneficiary designations on both your Company-paid and Optional Group Life Insurance.

How benefits are paid

The amount of Optional Group Life Insurance will be paid — as soon as satisfactory proof of your death is submitted to the insurer — in one sum, or if you request, in accordance with any of the settlement options available by the insurer. In the event that you have not elected a settlement option prior to your death, then the option provision may be made by the beneficiary entitled to receive the Optional Group Life Insurance.

This insurance is term insurance without cash, loan or paid-up values.

Assignment

Optional Group Life Insurance may be assigned if the assignment is made by you in writing and the insurer consents in writing.

Accelerated Benefits

The Accelerated Benefits provision is provided for terminally ill retirees insured under the Optional Group Life Insurance Program. A terminal illness is one in which life expectancy is less than 12 months. A terminally ill retiree or legal representative may request a one-time lump sum payment of up to 80% of their life insurance amount in advance of their death by submitting the request for such payment to the insurer. The insurer will determine if the benefits is payable.

The Accelerated Benefits provision is not available if:
- You irrevocably assigned Optional Group Life benefits under the program
- All or part of your Optional Group Life benefits are to be paid to a former spouse as part of a divorce agreement
- All or part of your Optional Group Life benefits are to be paid to a former qualified same sex domestic partner as part of a court order/divorce agreement.

The amount of coverage that remains in force will be reduced by the amount paid out under the Accelerated Benefits provision.

The amount of Optional Group Life Insurance that may be converted in accordance with the Conversion Privilege provision of the program will be reduced by the amount of Accelerated Benefits paid.

The premium payments must continue to be paid on the full amount of the Optional Group Life Insurance for which the retiree was enrolled.

When coverage ends

The following chart shows when Optional Group Life Insurance ends:

<table>
<thead>
<tr>
<th>Your Situation:</th>
<th>When Coverage Ends:</th>
</tr>
</thead>
<tbody>
<tr>
<td>You cease to be insured under the Life and Disability Insurance Program</td>
<td>That date</td>
</tr>
<tr>
<td>You do not make your contribution for coverage required</td>
<td>Last day of the month for which you made the monthly contribution</td>
</tr>
<tr>
<td>You terminate employment</td>
<td>Last day of that month</td>
</tr>
<tr>
<td>The Optional Group Life Insurance Program is terminated</td>
<td>That date</td>
</tr>
</tbody>
</table>
**Converting to an individual policy**

If you no longer are eligible for coverage, you can convert, within 31 days of the time coverage ends, to any individual life insurance policy then customarily issued by the insurer except term insurance. This is done by making application and paying the required premium to the insurer. The maximum amount of the individual policy will be equal to the amount of your Optional Group Life Insurance in force when your coverage ends.

**Portability Provision**

An insured retiree who loses coverage under the Optional Group Life Insurance Program may be eligible to continue their coverage by electing Life Insurance under the Insurance Portability Provisions of the program without providing evidence of insurability if the loss of coverage is due to one of the following reasons:

- Failure to meet the eligibility requirements of the Optional Group Life Insurance program or
- Termination of the Policy by the Company or insurer without its replacement with a substitute program from the same insurer.

To be eligible for Portability coverage, you must submit written application to the insurer and payment of the first premium within 31 days after your insurance under the Optional Group Life Insurance program ends.

The amount of insurance ported under the provision may not exceed the amount of coverage in effect when coverage under the Optional Group Life program ended, but the coverage may be for a lesser amount. Once elected, the amount of insurance may not be increased.

Premium rates for portability are age banded. Premium rates will increase with age and are set by the insurer. Insurance under the Portability provision will end the earliest of the day the retiree:

- Reaches the age limit as specified in the insurance policy
- Fails to pay an applicable premium when due
- Receives reinstated coverage under the Optional Group Life Insurance Program
- Enters the Armed Forces, National Guard or Reserves of any state or country on active duty (except for temporary active duty of two weeks or less) if the insurance policy includes this provision.

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**Who is eligible and what are Dependent Group Life Insurance benefits?**

**Eligibility**

You are eligible for Dependent Group Life Insurance while you are insured for Life Insurance under the Life and Disability Insurance Program if you had coverage for your dependents in effect when you retired.

If you did not have Dependent Group Life Insurance in effect at retirement or if you discontinue this coverage after retirement, you are not eligible to purchase this coverage.

**Your eligible dependents**

For purposes of Dependent Group Life Insurance benefits, your eligible dependents are your spouse or qualified same sex domestic partner and unmarried dependent children over 14 days of age. Dependents include:

- Your children by birth, legal adoption or legal guardianship while they legally reside with and are dependent upon you
- Your spouse’s children who are:
  - In your spouse’s custody
  - Dependent on your spouse
  - Residing with you
- Children as defined above who do not reside with you but are your legal responsibility for the provision of health care
- Children who reside with and are related to you by blood or marriage and for whom you provide principal support as defined by the Internal Revenue Code and who:
  - Were reported as dependents on your most recent income tax return
  - Qualify in the current year for dependency tax status

Children are included until the end of the calendar year in which they reach age 25. Children will be covered, however, regardless of age if they are totally and permanently disabled, provided that after the end of the calendar year a child reaches age 19, that child:

- Is dependent on you according to the Internal Revenue Code
- Legally resides with you and is a member of your household
- Is “totally and permanently disabled” as long as the disability:
  - Is a medically determinable physical or mental condition
Keeps your child from engaging in substantial gainful activity
Is expected to result in death or to be of long-continued or indefinite duration

If your spouse or qualified same sex domestic partner also is eligible for this coverage due to his or her employment with or retirement from the Company, only one of you may cover your children as dependents under this Program.

**Benefit amount**

As a retiree, the level of coverage you had in effect when you last worked may continue. If your dependent dies from any cause while insured, you will receive the amount you had in effect as an employee, as shown here:

<table>
<thead>
<tr>
<th>Benefit Amount</th>
<th>Your Spouse</th>
<th>Each Child</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option I</td>
<td>$5,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>Option II</td>
<td>$10,000</td>
<td>$4,000</td>
</tr>
<tr>
<td>Option III</td>
<td>$15,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>Option IV</td>
<td>$20,000</td>
<td>$8,000</td>
</tr>
<tr>
<td>Option V</td>
<td>$25,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Option VI</td>
<td>$30,000</td>
<td>$12,000</td>
</tr>
<tr>
<td>Option VII</td>
<td>$35,000</td>
<td>$14,000</td>
</tr>
<tr>
<td>Option VIII</td>
<td>$40,000</td>
<td>$16,000</td>
</tr>
<tr>
<td>Option IX</td>
<td>$50,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Option X</td>
<td>$60,000</td>
<td>$24,000</td>
</tr>
<tr>
<td>Option XI</td>
<td>$75,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>Option XII</td>
<td>$100,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>Option XIII</td>
<td>$125,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Option XIV</td>
<td>$150,000</td>
<td>$60,000</td>
</tr>
</tbody>
</table>

**Decreasing your coverage amounts**

You may decrease your Dependent Group Life Insurance amounts (for example, from Option II to Option I) if you wish. If you do, the change in coverage will take effect on the first day of the month after the last month for which you made the required contribution for coverage at the higher amount. (Satisfactory proof of good health is not required.)

**Your contributions**

Dependent Group Life Insurance is voluntary. To continue this coverage, you will have to continue to pay a monthly premium. Regardless of the number of dependents you have, your premium is based on the benefit level in effect when you last worked and your age, as shown here:

**Monthly Rates per $1,000 of Insurance**

(Effective 1-1-2008)
Dependent of Retirees and Surviving Spouses/qualified same sex domestic partners of Deceased Employees and Retirees

<table>
<thead>
<tr>
<th>Employee’s or Retiree’s Age</th>
<th>Monthly Rate (Includes coverage for dependent children)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td>$0.080</td>
</tr>
<tr>
<td>30-34</td>
<td>$0.102</td>
</tr>
<tr>
<td>35-39</td>
<td>$0.128</td>
</tr>
<tr>
<td>40-44</td>
<td>$0.178</td>
</tr>
<tr>
<td>45-49</td>
<td>$0.256</td>
</tr>
<tr>
<td>50-54</td>
<td>$0.390</td>
</tr>
<tr>
<td>55-59</td>
<td>$0.618</td>
</tr>
<tr>
<td>60-64</td>
<td>$0.892</td>
</tr>
<tr>
<td>65-69</td>
<td>$1.488</td>
</tr>
<tr>
<td>70-74</td>
<td>$2.349*</td>
</tr>
<tr>
<td>75-79</td>
<td>$3.403**</td>
</tr>
<tr>
<td>80-84</td>
<td>$4.672**</td>
</tr>
<tr>
<td>85-89</td>
<td>$6.155**</td>
</tr>
<tr>
<td>90-94</td>
<td>$7.931**</td>
</tr>
<tr>
<td>95 and over</td>
<td>$10.389**</td>
</tr>
</tbody>
</table>

*For dependents of retirees and surviving spouses, or qualified same sex domestic partners of deceased employees and retirees, maximum coverage is 75% of scheduled insurance amount in force on last day employee or retiree worked.

**For dependents of retirees and surviving spouses of deceased employees and retirees, maximum coverage is 37.5% of scheduled insurance amount on last day employee or retiree worked.

When you reach a birthday placing you in a higher age bracket, your monthly contributions will increase on the first day of the calendar month following the month your birthday occurs. Premiums are subject to adjustment based on experience of the group.

Premiums are payable directly to the insurer in the month before the month of coverage. Payments and inquiries should be directed to:

Ford Hourly Optional Insurance Plan
2720 South River Road Suite 116
Des Plaines, Illinois 60018
(847) 299-9393 or 1-800-742-8215

The insurer will not advise you of payments due.
**Beneficiary**
You are the covered dependents' beneficiary for purposes of Dependent Group Life Insurance.

**How benefits are paid**
The insurance will be paid to you in a lump sum as soon as satisfactory proof of your dependent's death is submitted. The insurance is term insurance without cash, loan or paid-up values.

**Accelerated Benefits**
The Accelerated Benefits provision is proved for terminally ill spouses or qualified same sex domestic partner insured under the Dependent Group Life Insurance Program. A terminal illness is one in which life expectancy is less than 12 months. A terminally ill spouse or qualified same sex domestic partner or their legal representative may request a one-time lump sum payment of up to 80% of their life insurance amount in advance of their death by submitting the request for such payment to the insurer. The insurer will determine if the benefits is payable.

The Accelerated Benefits provision is not available if the spouse or qualified same sex domestic partner has irrevocably assigned Group Life benefits under the program.

The amount of coverage that remains in force will be reduced by the amount paid out under the Accelerated Benefits provision.

The amount of Dependent Group Life Insurance that may be converted in accordance with the Conversion Privilege provision of the program will be reduced by the amount of Accelerated Benefits paid.

The premium payments must continue to be paid on the full amount of the Dependent Group Life Insurance for which the retiree was enrolled.

**When coverage ends**
Dependent Group Life Insurance ends on the dates listed below:

<table>
<thead>
<tr>
<th>Your Situation:</th>
<th>When Coverage Ends:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your dependent no longer is an &quot;eligible dependent&quot;</td>
<td>The day before the dependent ceases to be eligible</td>
</tr>
<tr>
<td>You cease to be insured under the Group Life and Disability Insurance Program</td>
<td>That date</td>
</tr>
<tr>
<td>Your death</td>
<td>That date*</td>
</tr>
<tr>
<td>You do not make your required monthly contribution for coverage</td>
<td>Last day of the month for which you made the required monthly contribution</td>
</tr>
<tr>
<td>The Dependent Group Life Insurance Program is terminated</td>
<td>That date</td>
</tr>
</tbody>
</table>

*See section titled Continuation of Coverage for Survivors of Deceased Retirees

**Continuation of Coverage for Survivors of Deceased Retirees**
A surviving spouse or qualified same sex domestic partner of a retiree who at the time of death was enrolled for dependent coverage, may continue coverage for themselves and the eligible enrolled dependents by notifying the insurer and paying the required premiums within 31 days of the retiree's death. The required premium will be based on the age of the surviving spouse or qualified same sex domestic partner. That amount of coverage may not exceed the amount in force at the time of the employee's death but may be decreased.

Continuation of coverage for dependents shall terminate automatically at the earliest of the date of expiration of the period to which the last premium payment is applicable or the date immediately preceding the date a dependent ceased to qualify as a dependent.

If a spouse or qualified same sex domestic partner is insured as an employee or retiree under the Optional Group Life Insurance Plan and as a dependent under the Dependent Group Life Insurance Plan, the surviving employee/retiree has the option to continue coverage as either an employee/retiree or a surviving spouse/qualified same sex domestic partner, but not both.
Converting to an individual policy
If coverage ends, your dependent, at his or her option, may convert to any individual life insurance policy then customarily issued by the insurer, except term insurance. This is done by making application within 31 days of cessation of coverage and paying the required premium to the insurer. The maximum amount of the individual policy will be equal to the amount of life insurance provided for the dependent under this policy.

Portability Provision
An insured retiree who elects Optional Group Life Insurance Coverage may also port coverage for a spouse/qualified same sex domestic partner or child who loses coverage under the Dependent Group Life Insurance program by electing Life Insurance under the Insurance Portability Provisions of the program without providing evidence of insurability.
To be eligible for Portability coverage, you must submit written application to the insurer and payment of the first premium within 31 days after you insurance under the Dependent Group Life Insurance program ends.
In addition, when an insured spouse is no longer eligible under Dependent Group Life Insurance due to death of retiree or due to a divorce, he/she may elect coverage under this Portability Provision. Benefits for a child insured under the Portability Provision may be provided by only one parent, not both.
The amount of insurance ported under the provision may not exceed the amount of coverage in effect when coverage under the Dependent Group Life program ended, but coverage may be for a lesser amount. Once elected, the amount of insurance may not be increased.
Premium rates for portability are age banded based on the spouses age. Premium rates will increase with age and are set by the insurer. Premium rates will not change as a result of changes in the age of a child. Insurance under the Portability provision will end the earliest of:
- Surviving spouse/ qualified same sex domestic partner reaches the age limit as specified in the insurance policy
- Failure to pay an applicable premium when due
- Receives reinstated coverage under the Dependent Group Life Insurance Program
- Insured enters the Armed Forces, National Guard or Reserves of any state or country on active duty (except for temporary active duty of two weeks or less) if the insurance policy includes this provision.
- Child no longer meets the definition of dependent.

Who is eligible and what are Optional Accident Insurance benefits?

Eligibility
You are eligible for Optional Accident Insurance, providing you are insured for Company-paid life insurance under the Life and Disability Insurance Program, and you had Optional Accident Insurance in effect at retirement. If you did not have Optional Accident Insurance in effect at retirement or if you discontinued this coverage after retirement, you are not eligible to participate.

Amount of Insurance
You may continue either Employee Coverage (now Retired Employee Only Coverage) or Family Coverage (now Retired Employee and Family Coverage), up to a maximum benefit of $150,000 or the amount you were carrying before you retired, whichever is less.

If you sustain an accidental bodily injury which results in one of the following losses within 365 days of the accident, the following schedule applies:

<table>
<thead>
<tr>
<th>Loss*</th>
<th>Amount of Accident Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss of life</td>
<td>The Principal Sum</td>
</tr>
<tr>
<td>Loss of both hands or both feet</td>
<td>The Principal Sum</td>
</tr>
<tr>
<td>Loss of one hand and one foot</td>
<td>The Principal Sum</td>
</tr>
<tr>
<td>Loss of the entire sight of both eyes</td>
<td>The Principal Sum</td>
</tr>
<tr>
<td>Loss of speech and hearing</td>
<td>The Principal Sum</td>
</tr>
<tr>
<td>Loss of the entire sight of one eye and one hand or foot</td>
<td>The Principal Sum</td>
</tr>
<tr>
<td>Loss of one hand or one foot</td>
<td>One-Half of the Principal Sum</td>
</tr>
<tr>
<td>Loss of the entire sight of one eye</td>
<td>One-Half of the Principal Sum</td>
</tr>
<tr>
<td>Loss of speech or hearing</td>
<td>One-Half of the Principal Sum</td>
</tr>
<tr>
<td>Loss of thumb and index finger (of the same hand)</td>
<td>One-Quarter of the Principal Sum</td>
</tr>
</tbody>
</table>

*“Loss," used with reference to hand or foot, means complete severance through or above the wrist or ankle joint; as used with reference to eye, means irrecoverable loss of the entire sight thereof.
If you have Retired Employee and Family Coverage, both you and eligible family members are insured; your spouse is covered for an amount equal to fifty percent (50%) of your coverage and each other eligible dependent is covered for ten percent (10%) of your coverage.

Benefits under this provision will not be paid under any circumstances for more than one of the losses, the greatest sustained by you or your covered family member as the result of any one injury.

**Paralysis Benefits**

If you sustain an accidental bodily injury that results in permanent paralysis within 365 days of the accident, the following schedule applies:

<table>
<thead>
<tr>
<th>Paralysis Type</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quadriplegia</td>
<td>The Principal Sum</td>
</tr>
<tr>
<td>Paraplegia/Triplegia</td>
<td>Three-Quarters of the Principal Sum</td>
</tr>
<tr>
<td>Hemiplegia/Uniplegia</td>
<td>One-Half of the Principal Sum</td>
</tr>
</tbody>
</table>

If you elect Retired Employee and Family Coverage, your spouse or qualified same sex domestic partner is covered for an amount equal to fifty percent (50%) of your coverage and each other eligible dependent is covered for ten percent (10%) of your coverage.

If you sustain an accidental bodily injury that results in a permanent paralysis within 365 days of the accident, and less than the Principal Sum is payable by reason of such loss and you thereafter suffer a greater loss as a result of the same accidental bodily injury within such 365 day period following the accident, the excess benefit amount will be payable.

**Comatose Benefit**

If you sustain an accidental bodily injury that results in a comatose state within 365 days of the accident, a benefit equal to one percent (1%) of the Principal Sum shall be payable on the 32nd day of the coma and each month thereafter for a maximum of 100 months, or until death if earlier, at which time any balance would be paid. If you regain consciousness, benefits shall cease and coverage for Optional Accident Insurance would resume only upon re-enrollment and payment of premiums.

If you elect Retired Employee and Family Coverage, your spouse or qualified same sex domestic partner is covered for an amount equal to fifty percent (50%) of your coverage and each other eligible dependent is covered for ten percent (10%) of your coverage.

**Common Disaster Benefit**

If Retired Employee and Family Coverage is elected and you and your insured spouse or qualified same sex domestic partner suffer a loss of life in the same covered accident, or separate covered accidents which occur within 48 hours of each other (common disaster), the amount payable by reason of your spouse’s death will equal the amount payable by reason of your death. The common disaster benefit for you and your insured spouse will not exceed $1,000,000.

**Repatriation Benefit**

For losses occurring on or after January 1, 2004, if an insured employee or retiree or, if family coverage is elected, a covered spouse or dependent child, sustains a loss of life as a direct result of a covered accident, both the accident and death occurring at a distance of 100 miles or more from the deceased person’s principal residence, reimbursement up to a maximum benefit of $5,000 will be made for the expenses incurred for preparation of the body and its transportation to the city of his/her principal residence.

**Seat Belt Benefit**

If you, your surviving spouse, qualified same-sex domestic partner or an eligible dependent dies as a result of an automobile accident while wearing a qualified passenger restraint, 10% of the principal sum up to a maximum of $10,000 is payable for each member whose life is lost.

A passenger restraint qualifies for purposes of the program as long as it is:

- An unaltered seat belt or lap and shoulder restraint installed by the automobile manufacturer or provided by the manufacturer and installed by an authorized dealer of that manufacturer
- If the covered participant is a child, a restraint that has been approved by the National Highway Traffic Safety Administration and is:
  - Properly secured
  - Used as recommended for children of like age and weight

For purposes of the program, an automobile is a conventional, private passenger land motor vehicle. Automobiles include:

- Vans
- Four-wheel drive vehicles
- Self-propelled motor homes
- Trucks with a factory-rated load capacity of 2,000 pounds or less
Automobiles do not include:

- Custom-made specialty vehicles
- Vehicles such as:
  - Motorcycles
  - Dune buggies
  - Snowmobiles
- Vehicles used for:
  - Farming
  - Commercial business
  - Military business
  - Racing
  - Any type of competitive speed event

**Continuation of coverage for surviving spouse**

If an employee’s or retiree’s coverage ends due to their death, a covered spouse or qualified same sex domestic partner may continue coverage for themselves and dependent children by paying the applicable premium.

For enrolled survivors, coverage is provided at no cost for the first 12 months from the date of the employee’s death.

The elected coverage for the surviving spouse or qualified same sex domestic partner may be continued until age 65, at which time they will be allowed to convert coverage to the Retiree Plan. Eligible dependents who are enrolled at the time of conversion to the Retiree Plan may also be covered provided they continue to meet eligibility requirements and pay applicable premium.

Coverage will terminate if spouse or qualified same sex domestic partner remarries or establishes a new qualified same sex domestic partner or for non-payment of required premium.

**Exclusions**

The policy doesn’t cover loss caused or contributed by:

- Suicide or self-destruction or any attempted threat, whether sane or insane
- Bodily infirmity, sickness or disease
- Medical or surgical treatment (except medical or surgical treatment necessitated only due to an injury)
- War, declared or undeclared, or any act of war, except while you are outside the United States and Puerto Rico on Company assignment or while your insured dependents are outside the United States and Puerto Rico because of your assignment, provided, however, that a member of an Organized Reserve Corps or National Guard Unit is covered during short periods of training or participation in public ceremonies
- Injury sustained while serving in the armed forces of any country, for which period premiums will be refunded
- Injury sustained while engaged in or taking part in aeronautics and/or aviation of any description or resulting from being in an aircraft. This policy covers riding as a passenger but not as an operator or crew member, in or on, boarding or unloading from any aircraft having a current and valid airworthiness certificate or any transport type aircraft operated by the Military Airlift Command (MAC) of the United States of America or by any similar air transport service of any duly constituted governmental authority of the recognized government of any nation anywhere in the world. Persons who are not members of the operating crew of any aircraft, who are engaged in testing, measuring, calibrating and similar operations, shall be considered passengers and not crew members
- You or your insured dependent’s act of aggression, participation in a felonious enterprise or illegal use of drugs.
Changing your coverage
You have the option to change your Optional Accident Insurance. Your change in coverage will take effect as shown below:

<table>
<thead>
<tr>
<th>If you elect to:</th>
<th>The change will take effect:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change your coverage from Retired Family to Retired Employee Only</td>
<td>The first day of the month following the date of change</td>
</tr>
<tr>
<td>Change your coverage from Retired Employee to Retired Family</td>
<td>The change may be made only on the anniversary of the employee’s retirement date and will take effect the first day of the month following the date of change</td>
</tr>
<tr>
<td>Decrease or cancel your coverage amount (you may not increase your coverage amount)</td>
<td>First day of the month after the last month for which you made required contributions for coverage at a higher amount</td>
</tr>
</tbody>
</table>

Your contributions
Optional Accident Insurance is voluntary. If you remain enrolled for this coverage, you have to pay a premium in advance. The required annual contributions for each $10,000 is $4.50 for Retired Employee Only Coverage and $6.75 for Family Coverage, which includes Retired Employee.

Once you cease active employment, payroll deductions will be discontinued and you must make your premium contributions directly to the insurer to continue coverage. If you do not make premium contributions, your coverage will terminate. The insurer will not advise you of payments due. Pension check deductions are available.

Some examples
You want $40,000 of Retired Employee Only Coverage; your annual contribution would be $18. That is:

\[
\frac{40,000}{10,000} = 4 \\
4 \times 4.50 = 18.00
\]

You want $150,000 of Retired Employee and Family Coverage; your annual contribution would be $101.25. That is:

\[
\frac{150,000}{10,000} = 15 \\
15 \times 6.75 = 101.25
\]

Your eligible dependents for Retired Employee and Family Coverage
For purposes of Optional Accident Insurance benefits, your eligible dependents are your spouse, qualified same-sex domestic partner and unmarried dependent children. Dependent children include:

- Your children by birth, legal adoption or legal guardianship, while they legally reside with and are dependent on you
- Your spouse’s children who are:
  - In your spouse’s custody
  - Dependent on your spouse
  - Residing with you
- Children as defined above who do not reside with you but are your legal responsibility for the provision of health care
- Children who reside with and are related to you by blood or marriage, for whom you provide principal support as defined by the Internal Revenue Code and who:
  - Were reported as dependents on your most recent income tax return
  - Qualify in the current year for dependency tax status

Children are included until the end of the calendar year in which they reach age 25. Children will be covered, however, regardless of age if they are totally and permanently disabled, provided that after the end of the calendar year a child reaches age 19, that child:

- Is dependent on you according to the Internal Revenue Code
- Legally resides with you and is a member of your household

Your child is “totally and permanently disabled” as long as the disability:

- Is a medically-determinable physical or mental condition
- Keeps your child from engaging in substantial gainful activity
- Is expected to result in death or to be of long-continued or indefinite duration

If your spouse also is eligible for this coverage, only one of you may enroll your children as dependents.
**Determining a beneficiary and how benefits are paid**

If you die as a result of accidental death while insured for Optional Accident Insurance, the amount of the insurance in force will be paid to the person or persons you designated as beneficiary.

Your beneficiary will be the last designation indicated on the insurer’s records. When the insurer receives notice of a beneficiary change, the change takes effect on the date the notice was signed even though the insurer may receive the notice of change after your death. If the insurer makes a payment on account of your death before receiving the notice of change, however, the insurer will not be liable for another benefit payment.

When the insurer receives notice of a beneficiary change, the change takes effect on the date the notice was signed.

If your last named beneficiary dies before you do, or if no beneficiary designation is in effect at your death, the Optional Accident Insurance will be paid, in this order, to:

- Your surviving wife or husband
- Your surviving qualified same sex domestic partner
- Your surviving children (divided equally among them)
- Your surviving mother or father (or to both equally)

If there are no such survivors, your insurance will be paid to the executor or administrator of your estate.

If your covered spouse or other covered dependent dies as a result of an accident while insured for Optional Accident Insurance, the amount of such insurance in force on account of the dependent shall be paid in a lump sum to you (the employee is the beneficiary for Optional Accident Insurance). Your insurance certificate shall set forth the procedure for payment of insurance in case a covered dependent dies after your death.

All other benefits are payable to the injured person suffering the loss.

**When coverage ends**

For you, Optional Accident Insurance automatically ends on the earliest of the following:

- The date you cease to be insured under the Group Life and Disability Insurance Program
- If you do not make your required contribution for Optional Accident Insurance when due, the last day of the month immediately preceding the month for which such contribution was due
- The date of discontinuance of Optional Accident Insurance under the Insurance Program

For a dependent, other than in the instance of your death, Optional Accident Insurance shall automatically end on the earliest of the following:

- On the date of termination of your insurance
- On the date your dependent no longer is an “eligible dependent”
- If you do not make your required contribution, the last day of the month for which you made the required monthly contribution

For a dependent, in the event you die while enrolled in the Retired Employee and Family Coverage Option, Optional Accident Insurance shall automatically end on the earlier of the following:

- On the date your dependent ceases to be an “eligible dependent”
- On the date your surviving spouse remarries
- On the date of discontinuance of Optional Accident Insurance under the Insurance Program
- On the anniversary date of your annual premium next following the date of your death.
How do I or my survivor apply for benefits?

**Claiming death, dismemberment or Survivor Income Benefits**

You or your beneficiary should make a claim as soon as possible in the event of death or dismemberment.

**To begin the process for a death claim,** your family or beneficiary will need to provide copies of the death certificate certified by the governmental unit maintaining the record.

Death certificates usually are kept on file in the Department of Health of the city or county where death occurred. You may contact that office directly to obtain the number of death certificate copies you need. Usually, only certain members of the immediate family may obtain these copies. The funeral home director might obtain the death certificate copies for your family.

To file a claim for Life Insurance, Accidental Death and Dismemberment Insurance, Survivor Income Benefits or Safety Belt User Benefits, the claim should be reported directly to:

**UNICARE Life & Health Insurance**
Dearborn Service Center
3200 Greenfield
Dearborn, Michigan 48120
1-313-336-5550 or 1-800-843-8184
Mailing Address:
P.O. Box 2090C
Dearborn, Michigan 48123-2090

To file a claim for Optional Group Life Insurance, Dependent Group Life Insurance, and Optional Accident Insurance, follow these steps:

1. **Contact the insurer directly:**
   - Ford Hourly Optional Insurance Plan
   - Suite 116
   - 2720 South River Road
   - Des Plaines, Illinois 60018
   - 1-800-742-8215 or 1-847-299-9393

2. **Complete the notice of claim form obtained from the insurer. Then return the form and a certified copy of the death certificate (if filing a death claim) to the insurer.**

3. **You may receive a form requesting additional information from the insurer.**

What other circumstances might affect benefits?

**Assigning your benefits**

You and your beneficiary may assign your Life Insurance, Accidental Death and Dismemberment Insurance and Optional Group Life Insurance by making the assignment in writing with the insurer. Neither you nor your survivors may assign your Survivor Income Benefits, Dependent Life Insurance, Optional Accident Insurance, or Safety Belt User Benefits.

Certain court orders relating to domestic relations matters could require that your benefits (or a part of your benefits) be paid to someone else — your spouse or children, for example. This could apply to benefits paid to you as well as to any beneficiary. If the insurer determines that the court order qualifies, payments will be made according to the order. As soon as you are aware of any court proceedings which may affect your Life Insurance benefits, contact the appropriate insurer.

**Attachment of Survivor Income Benefits**

To the extent permitted by applicable law, Survivor Income Benefits are not subject to attachment or other encumbrance or subject to the debts or liability of any survivor.

**Filing claims**

No benefits can be paid until you or your beneficiary file a claim. Contact the appropriate insurer for such.

**If you or your beneficiary is incompetent**

If you or your beneficiary is incompetent or otherwise incapable of giving a valid release, the insurer may withhold payment until state guardian or custody is appointed.
**Naming a beneficiary**

You may name a beneficiary you want to receive your Life Insurance. You have the right to name the beneficiary of your choice and to change that beneficiary at any time by notifying the insurer.

Your beneficiary will be the last designation indicated on the insurer’s records. When the insurer receives notice of a beneficiary change, the change takes effect on the date the notice of change was signed even though the insurer may receive the notice of change after your death. If the insurer makes a payment on account of your death before receiving the notice of change, however, it will not be liable for another payment.

If you name more than one primary beneficiary and a primary beneficiary predeceases you, the full death benefit upon your death is paid to the remaining beneficiaries.

If your last named beneficiary dies before you do, or if no beneficiary designation is in effect at your death, your Life Insurance will be paid in this order to:

- Your surviving spouse or qualified same sex domestic partner
- Your surviving children (divided equally among them)
- Your surviving mother or father (or to both equally)

If there are no such survivors, your Life Insurance will be paid to the executor or administrator of your estate.

Be sure to update your beneficiary designation on file with the insurer. If you do not, your benefit could be delayed or paid to someone other than the person you want to receive the benefit.

Life insurance is not assignable, unless the assignment is made in writing and consented to by the insurer in writing.

These beneficiary details do not apply to your Survivor Income Benefits or Dependent Group Life Insurance.

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**What if a claim is denied for Company-paid Life Insurance, AD&D, Safety Belt User or Survivor Income Benefits?**

If a claim for benefits or participation is denied, you or your beneficiary will receive written notification within ninety (90) days of the date that the claim is received by the insurer. If the claim requires more additional time for review due to special circumstances, the determination may be delayed an additional 90 days. You will receive notice of the delay which will include the reasons for delay and the date a final decision can be expected, which will be made no later than 90 days following the initial 90-day period.

**Review of denial by insurer**

Your first level appeal is a review of the denied claim by the insurer.

If a claim for benefits is denied in whole or in part, the written notification will include:

1. The specific reason for the denial;
2. Reference to the specific Plan provision(s) on which the denial is based;
3. A description of any additional material or information necessary for you or your beneficiary to perfect the claim and an explanation of why such material or information is necessary; and
4. A description of the Plan's review procedures and the time limits applicable to such procedures, along with a statement of your right to bring civil action under Section 502(a) of the Employee Retirement Income Security Act (ERISA) of 1974, as amended, if the claim is denied after an appeal.

In the event the insurer denies a claim for Life Insurance, AD&D, Safety Belt User or Survivor Income Benefits, you or your beneficiary may request reconsideration/appeal of the claim. Your request for appeal must be submitted in writing to the Insurer within 60 days of the original denial notice. You may submit written comments, documents, records and other information relating to your claim. You will be provided, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to your claim for benefits.
You will be notified of the insurer's decision within 60 days after your letter is received. The insurer's review will take into account all comments, documents, records and other information you submit relating to your claim, without regard to whether such information was submitted or considered in the initial determination. If your request for reconsideration/appeal requires additional time for review due to special circumstances, the determination may be delayed an additional 60 days. You will receive notice of the delay, which will include the reasons for the delay and the date a final determination can be expected, which will not be later than 60 days after the initial 60-day review period.

To request a review (appeal) of a claim for Company-paid Life Insurance, AD&D or Survivor Income benefits or Safety Belt User Benefits, you or your beneficiary must your request in writing to:

UNICARE Life and Health Insurance Company
P.O. Box 2090
Dearborn, MI 48123-2090

What if an appeal is denied for Company-paid Life Insurance, AD&D, Safety Belt User or Survivor Income Benefits?

In the event that the insurer denies an appeal for Company paid Life Insurance, AD&D, Safety Belt User or Survivor Income Benefits, you may request reconsideration/appeal of the claim. You or your beneficiary may submit your request for appeal in writing to the UAW-Ford Group Life and Disability Appeal Committee* within 60 days of receipt of the appeal denial notice from the Insurer.

The request for appeal should clearly indicate the reason(s) why you or your beneficiary believe the claim should not have been denied. You are encouraged to submit written comments, documents, records and other information relating to your claim.

Address your appeal request to:

Ford Motor Company
P.O. Box 3139
Melvindale, MI 48122-0139
Attn: UAW-Ford Group Life and Disability Appeal Committee

*The UAW will appoint three members and alternate members to the Appeal Committee. Three additional members of the Appeal Committee are appointed by the Company. The members of the Appeal Committee and the alternate members receive no additional compensation for Appeal Committee services.

Appeals received will be considered at the Appeal Committee’s next regularly scheduled meeting. However, if it is filed within (30) days of the next meeting, the decision will be made by the date of the second meeting after receipt of your appeal. If special circumstances require an extension of time for processing, a decision will be made at the third meeting. If an extension is required because information is incomplete, the review period will be tolled from date the notice was sent to the date information is received. If an extension is needed, you will receive a written notice before the extension period begins.

Written notice of a decision will be made not later than five (5) days after the decision has been made by the Appeal Committee. Your notice will include the final decision and the specific reasons for denial and reference to pertinent Plan provisions on which the denial is based and a statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of, all documents, records and other information relevant to your claim for benefits. The notice will also advise you of your rights to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination of appeal. No legal action may be brought until after the claims and appeals procedures have been exhausted. No legal action can be taken later than two years after the claim accrues.

Decisions of the Appeal Committee

Decisions of the Appeal Committee are final and conclusive, and are only subject to the standards of judicial review.

Denial of employee-paid Optional Group Life Insurance, Dependent Group Life Insurance and Optional Accident Insurance

In the event that a claim for these benefits is denied, the insurer is responsible for providing such benefits and handling the initial claim and any requests for review of the denial according to their applicable claims procedures and policies. The UAW-Ford Group Life and Disability Appeal Committee will have no responsibility to review any such claims or the denials of any such claims by the insurer.
After an overview, this section of your handbook answers these questions:

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An overview of the Plan

An important source of income after you retire is available from the Ford-UAW Retirement Plan. This Plan became effective March 1, 1950, and has been amended many times since then.

The retirement benefit you are receiving was determined by the provisions of the Plan in effect when you retired. The amount of your benefit at retirement may have increased as a result of Plan amendments.

What circumstances affect your monthly retirement benefit?

Your monthly retirement benefit

Regardless of your type of retirement, your benefit was based on your credited service and the Plan provisions in effect at the time you retired. If you retired prior to October 1, 2007, your retirement benefit may have increased as a result of prior Plan amendments.

Benefit Improvements

Life Income Benefit

In addition to past improvements, all employees who retired before October 1, 2007, and were receiving a benefit (other than a deferred vested benefit) from the Ford-UAW Retirement Plan had their monthly Life Income Benefit increased (effective October 1, 2007) by $2.00 for each year of credited service. This increase was subject to any applicable early retirement reduction factors and any survivorship reduction factors.

Temporary Benefit

If you qualified for a Special Early or Disability Retirement, you may be receiving a temporary benefit. This benefit is intended to supplement your retirement income until you become eligible for Social Security Benefits.

Temporary Benefit rates also increased by $1.00 per month for each year of credited service (up to a maximum of 30 years) effective October 1, 2007.

Early Retirement Supplement

If you elected a Regular Early Retirement, you may be receiving a supplemental allowance. Generally, the supplemental allowance begins when you retire and is payable until the earlier of:

- Age 62 and one month
- The date you begin to receive unreduced Social Security Benefits

The total benefit paid to a current retiree who is receiving a 30-and-Out supplement increased by $120 per month (less applicable charges for the survivor’s coverage).

The monthly interim supplement paid to retirees with less than 30 years of service increased between $0.45 (for age 55 retirees) and $0.95 (for age 60 and older retirees) per year of credited service.
**Lump-Sum Payments**

The Company will make four (4) lump-sum payments to eligible retirees and surviving spouses (other than those retirees and surviving spouses who are receiving deferred vested benefits). Beginning December 2007 and again in December 2008, December 2009 and December 2010, a lump sum payment will be paid from either the Ford-UAW Retirement Plan Fund, Company funds or a combination of both Retirement and Company funds. To be eligible, the retiree or surviving spouse must have commenced their benefit on or before November 1, 2007.

**How it works**

The December 2007 lump sum was a flat $700 for all retirees and $455 (65% of $700) for all surviving spouses.

**Note:** For retirees and surviving spouses who commenced their benefit prior to October 2007, this payment was issued in December 2007; for retirees and surviving spouses who commenced their benefit effective October 1, 2007 or November 1, 2007, this payment was issued in July 2008.

Lump sums payments to be made in December of 2008, 2009 and 2010 will vary by individual, based on credited years of service and will be calculated as follows:

\[ \$23.33 \times \text{years of credited service} \]

(Minimum of $233.33 and Maximum of $700)

Surviving spouses will receive 65% of the retiree amount or a maximum of $455.

If all or a portion of the lump-sum is paid from the Retirement Fund and you are divorced, a portion of your lump sum may be paid to an alternate payee if assigned under the terms of a Qualified Domestic Relations Order (QDRO). Not all QDROs or divorce decrees will affect payment of the lump sum.

Effective October 1, 2007, if you have an overpayment balance under the Group Life and Disability Insurance Program, any rate increase and/or lump sum payment paid to you will be reduced by 50% until your Group Life and Disability Insurance Program overpayment equals zero.

**What is the Special Age 65 Benefit?**

A Special Age 65 Benefit is included in your retirement check when you are receiving a retirement benefit (other than a deferred vested benefit), you are at least age 65 and enrolled in Medicare Part B. Although included in your retirement check, the Special Age 65 Benefit is a health benefit and is funded through the health plans.

In some circumstances, you may be eligible to receive a Special Age 65 Benefit before you are age 65. You must apply for this benefit. To be eligible, you must be enrolled for voluntary medical insurance under Medicare, commonly known as Medicare Part B.

Commencing on or after January 1, 2004, the monthly age 65 benefit is the lesser of $76.20 or the applicable Medicare Part B premium.

Your surviving spouse who is at least age 65 may receive a Special Age 65 Benefit when he or she is receiving a retirement benefit and is enrolled in Medicare Part B (other than a surviving spouse benefit payable as a result of a deferred vested benefit or a pre-retirement survivor benefit). Surviving spouses must be enrolled or enroll for Medicare Part B when first eligible to continue Company-paid health care.

Retirees eligible for Medicare Part B must enroll and maintain continued enrollment in Medicare Part B to be eligible to receive the Special Age 65 Benefit. Proof of Part B participation may be required.
If you retired from the Company on a Disability Retirement, disability retirement benefits end when you no longer meet the requirements for total and permanent disability. At that time, you may retire on a non-disability retirement if you meet the eligibility requirements, or if approved by the Retirement Board, you may return to work for the Company. If you remain disabled until you attain age 65, your Life Income Benefit will be continued.

**Definition of disability**

You are considered totally and permanently disabled under the Plan if:

- You have an injury or disease that prevents you from engaging in any regular occupation or employment with the Company at the plant or plants where you had seniority
- You are not engaged in any regular occupation or employment for pay or profit (unless for purposes of rehabilitation)
- Your disability is considered to be permanent and continuous for your lifetime

If you become disabled after you retire, you do not qualify for Disability Retirement under the Plan.

**If you become eligible for a Social Security disability benefit (or other Social Security benefit not reduced because of your age) after retirement**

Supplemental Allowances and/or Temporary Benefits are benefits generally provided until you are eligible for Social Security benefits. You must notify the Board if you become eligible for a Social Security Disability benefit or other unreduced Social Security benefit after retirement.

Any Supplemental Allowance or Temporary Benefit you receive after you become eligible for a Social Security disability benefit or other Social Security benefit not reduced because of your age will be recovered from your future Life Income Benefit. If you notify the Retirement Board within 15 days after your receipt of a retroactive Social Security disability award, the amount of overpayment of any temporary benefit or supplement for the earlier period will be reduced by the attorney fees awarded by Social Security for a successful appeal not exceeding 25% of the award. You will, however, need to pay the Board within 30 days of written notice of the award of the net overpayment.

If you retired on a Disability Retirement before age 55 with less than 30 years of credited service, your spouse will be entitled to the Special Disability Survivorship Option if:

- You and your spouse have not rejected the Special Disability Survivorship Option
- You have been married for at least one year at your death
  ◇ Effective January 1, 2008, if you die during the month the survivor coverage was to become effective, it will be considered that you met the one year eligibility requirement and your surviving spouse will receive the surviving spouse benefit elected.

If you die while this option is in effect, 50% of your reduced Life Income Benefit will be paid for the lifetime of your spouse. Payments will begin on the first of the month following the month you would have been age 55.

Your spouse will not receive a benefit in any month he or she is receiving a Transition or Bridge Survivor Income Benefit under the Life and Disability Insurance Program.

If you had the Special Disability Survivorship Option in effect before age 55, remember that this option remains in effect only until you attain age 55. At that time, you may elect the automatic 65% Survivorship Option or the Optional 75% Surviving Beneficiary coverage, unless you and your spouse reject the option. You will be notified by the Retirement Board of applicable provisions shortly before your 55th birthday.

If prior to your becoming age 55, your spouse dies or you become divorced, the provisions regarding cancellation described in the “What if my Situation Changes” section later in this document would apply.
Can my surviving spouse or beneficiary receive Retirement Plan benefits?

Your spouse or beneficiary (for retirements on or after January 1, 2004) may be eligible to receive payments from the Plan if you have:

- The automatic survivorship option or optional surviving beneficiary benefit (for retirements on or after January 1, 2004) in effect at the time of your death
- Been married for at least one year as of the date of your death for the automatic survivorship option

◊ Effective January 1, 2008, if you die during the month the survivor coverage was to become effective, it will be considered that you met the one year eligibility requirement and your surviving spouse will receive the surviving spouse benefit elected.

Survivor benefits begin on the first day of the month following your death and receipt of an application from your surviving spouse or beneficiary. A copy of your death certificate (and marriage certificate for surviving spouse benefits) will be required at the time of your surviving spouse or beneficiary’s application.

If you are a disability retiree with less than 30 years of credited service, you have not attained age 55 when you die and you have a Special Disability Survivorship Option in effect, payments to your spouse will begin on the first day of the month following the month you would have been age 55.

Your surviving spouse or beneficiary will not be eligible to receive payments from the Retirement Plan in the event of your death if:

- No survivorship option was available;
- You cancelled due to spouse’s death or divorce - or you did not elect the automatic survivorship option; or
- You did not elect the optional surviving beneficiary benefit for retirements on or after January 1, 2004, at the time of your retirement

The Special Survivor Option benefit was increased by $1.00 per year of credited service. (From $13.10 to $14.10 per year of credited service.)

Employees who did not elect survivorship coverage for their spouse at retirement and retired on or after January 1976 and before January 1985, will be given a one-time opportunity to elect the 50% optional survivorship coverage for their original spouse during a 2008 window period.
What if my situation changes?

If you are divorced after you retire or your spouse dies before you

Generally, if you have the automatic Survivorship Option in effect, your Life Income Benefit will be increased to the amount that would be payable without the option if:

- Your spouse dies before you and you submit a certified copy of the death certificate to the Retirement Board.
  ◊ The increase will be effective the first day of the month following the date of your spouse's death, provided that proper notice and proof of death is submitted to the Board within six months of the date of your spouse's death. If proper notice and proof of death is provided more than six months after your spouse's death, the increase will be effective six months prior to the receipt of the notice by the Board.
- You are divorced and the divorce decree specifically provides for the cancellation of the Survivorship coverage, and you cancel your election, or you obtain written notarized consent from your former spouse on a Company approved waiver form, or you obtain a Qualified Domestic Relations Order (QDRO) that specifically cancels the option.
  ◊ The increase will be effective the first of the month following receipt of documentation that is approved by the Plan Administrator.

The amount of the restoration is based on the type of Survivorship Option in effect and the date you elected the option.

If you are covered by the Special Disability Survivorship Option, and your spouse dies before you, or you become divorced, the provisions regarding cancellation described above would apply.

If you marry or remarry after retirement

Generally, you may elect the Survivorship Option if you marry or remarry after retirement and you:
- Have not previously rejected a survivorship option
- Do not have a survivorship option in effect
- Apply before you have been married 18 months

The amount of your benefit reduction and the percentage that will be payable to your spouse will be determined by Plan provisions in effect at the time of your retirement.

Contact the Retirement Board if you need information or have any questions about the benefit amount or your eligibility for a Survivorship Option.

Optional forms of survivorship coverage - 50%, 75% or 100% Surviving Beneficiary Benefit

If you retired on or after January 1, 2004, you had the option to elect someone other than a spouse for a survivor’s benefit. If you were married, your spouse had to agree to this decision by giving written consent witnessed by a notary public.

The Optional 50% or 100% Beneficiary Benefit (effective January 1, 2004) and Optional 75% Beneficiary Benefit (effective January 1, 2008):
- Were available to members who applied for Normal, Regular Early, Special Early or a Deferred Vested retirement
- Cannot be elected after retirement benefits commence
- Cannot be cancelled due to death of the beneficiary
- Cannot be cancelled due to divorce
- Does not go into effect if the employee dies before the effective date of the election. The election shall automatically be cancelled.
What other important information do I need to know?

Receiving your retirement benefit
Payment of your retirement benefits is made by Comerica Bank (the trustee is Northern Trust Company). All retirement payments are dated the first day of the month and represent payment in advance for that month. Your pension check will be mailed to your home unless you elect to have payment electronically transferred to a bank or other financial institution of your choice. You may change these arrangements by advising the Retirement Board.

Checks are mailed to your home or electronically transferred to the financial institution you have designated on the last business day of the prior month. If the last calendar day of the month falls on Saturday, Sunday, or a holiday, checks will be mailed and wire transfers done on the work day just before the weekend or holiday.

Paying taxes on your benefits
When you receive benefits from the Ford-UAW Retirement Plan, those benefits are taxed as ordinary income.

Federal tax law requires the Ford-UAW Retirement Plan to withhold income taxes from your benefits unless you tell the Ford-UAW Retirement Plan not to withhold. Whether or not you want tax withheld, or if you wish to change your current withholding, you should complete Form W-4P and submit it to the Retirement Board. Form W-4P is available from the NESC, the Retirement Board or a local office of the Internal Revenue Service (IRS).

If you do not submit any Form W-4P, the Ford-UAW Retirement Plan will automatically withhold taxes from your benefits and will assume you are married and claim three withholding allowances at the federally mandated rate.

If no taxes are withheld from your benefit, or if the amount withheld is not enough to cover the actual taxes due, you may be required to make estimated tax payments.

You may elect state withholding from your pension checks for any state. Many states, including Michigan, do not impose an income tax on all or a portion of your retirement benefit.

Current address
It is important that you keep your current home address on file with the Retirement Board so you will receive your taxable income statement (Form 1099-R) and other important information about your retirement benefits. Your benefits could be delayed if you move and do not provide your new address.

If your address does change, complete and submit the address change form included with your retirement check (or advise the Retirement Board). Be sure to include your Social Security number (or your spouse’s Social Security number, if he or she was the retiree) along with your name and new address.

Health Care Coverage at Retirement
Presently, you must have 10 years of credited service to be eligible for Company sponsored post-retirement healthcare and life insurance. Based upon the 2007 Collective Bargaining Agreement, employees with a Ford Service Date prior to November 19, 2007 who meet the eligibility requirements will be provided post-retirement healthcare through a new Voluntary Employee Beneficiary Association (VEBA).

Payment of small amounts
If the present cash value of your surviving spouse’s retirement benefit is less than $3,500, your spouse will receive his or her benefit in a single lump sum. If the lump sum payment is at least $200, your surviving spouse may elect to have any portion of the distribution paid directly to an IRA or his or her tax-qualified Plan. Effective January 1, 2008, if the lump sum payment is greater than $1,000 and your surviving spouse does not elect to receive the benefit as a direct rollover or as a cash distribution, the benefit will be rolled over to an individual retirement plan designated by the Board. If a direct rollover is not elected, the taxable portion of the distribution will be subject to mandatory 20% federal income tax withholding.

Assignment of benefits and deductions
Generally your retirement benefits cannot be assigned, transferred, pledged, sold or attached. However, certain court orders could require that part of your benefit be paid to someone else -- your spouse, former spouse, child, or other dependents, for example. You will be notified if the Plan receives any such order. Also, the trustee may be authorized by the Retirement Board and as approved by you to deduct Blue Cross/Blue Shield payments, union dues, TESPHE loan repayments, benefit plan overpayments or as required by law to deduct...
required taxes from your retirement benefits. Certain Workers’ Compensation payments are deducted, if you file the claim later than two years after retiring or after breaking seniority.

**In Case of Divorce or Legal Separation**

Benefits under qualified retirement plans generally may not be assigned or alienated, except in accordance with a judgment, decree, or order that is issued under state domestic relations law that relates to the provision of child support, alimony, or marital property rights to a spouse, former spouse, child, or other dependent of a Plan participant. Such an order must meet the requirements of a Qualified Domestic Relations Order (QDRO) as defined in Section 206(d) of the Employee Retirement Income Security Act (ERISA) of 1974, as amended, as determined by the Company.

You can obtain a copy of Ford Motor Company's QDRO Approval Guidelines and Procedures in one of two ways.

1) The Fidelity QDRO Center at [http://qdro.fidelity.com](http://qdro.fidelity.com) is an internet website available to attorneys, plan participants, and alternate payees to generate a web Order or to obtain a copy of the QDRO Approval Guidelines and Procedures. This free online application does not interface with any participant account or benefits information.

2) You can obtain a copy of the QDRO Approval Guidelines and Procedures through NetBenefits. From the Fidelity NetBenefits home page, select your Pension Plan, "Request a Pension Form" and then "QDRO Guidelines".

If you would like to submit your QDRO for review, send it to:

Fidelity Services Center for Ford Motor Company
P.O. Box 770003
Cincinnati, OH 45277-0066
Attention: QDRO Administrative Group

If the QDRO is acceptable, you will be notified and the QDRO will be implemented according to its terms. Other forms of QDROs may be acceptable if they comply with the legal requirements set forth in Section 206(d) of ERISA as determined by the Plan Administrator.

Other forms of marital dissolution documents may be acceptable as QDROs if they comply with the legal requirements set forth in Section 206(d) of ERISA as determined by the Plan Administrator.

Please submit any of the following documents to Fidelity Services Center for Ford Motor Company, P.O. Box 770003, Cincinnati, OH 45277-0066 Attention: QDRO Administrative Group:

- Domestic Relations Orders (DROs) (original, true or court certified copies of original Orders filed in a court of competent jurisdiction)
- Proposed DROs
- Decrees of Divorce
- Judgments
- Property Settlement Agreements

**In Case of a Federal Garnishment**


**If you or your spouse is incapacitated**

If the Retirement Board finds that any person to whom a benefit is payable is unable to handle his or her affairs, payments may be made to a duly appointed representative as determined by the Retirement Board.

**In Case of Guardianship**

If you are physically or mentally unable to handle your affairs, or if your beneficiary is a minor, payments may be made to a legal guardian or representative on your behalf or on behalf of your beneficiary.

**Durable Power of Attorney**

In limited circumstances, the Plan will recognize a Durable Power of Attorney (DPOA) to conduct certain transactions on behalf of an employee who is incapacitated or otherwise unable to handle their personal affairs. For example, a DPOA can direct the monthly retirement check to a new address or affect a direct deposit transfer to the employee's financial institution.

A DPOA is also authorized to assist an employee with the retirement application process. In this situation, for example, an employee's spouse who holds DPOA may sign the employee's retirement application.

A general Power of Attorney will not be accepted for any transaction.
Any questions
If you have any questions about your retirement benefits, write or call:

Ford-UAW Retirement Board of Administration
Post Office Box 6050
Dearborn, MI 48121
1-800-829-8833

Be sure to include your Social Security number (or your spouse’s Social Security number, if he or she was the retiree) on any correspondence.

Can plan provisions change?
Under certain circumstances, Plan provisions may change. Those circumstances are explained here.

Neither the Company nor the UAW may amend or terminate the Plan while the 2007 Agreement is in effect without the consent of the other party. The Agreement expires on November 19, 2011.

At that time, the Plan may be renewed automatically for successive one-year periods, unless Ford or the UAW gives written notice at least 60 days before the applicable expiration date. When such notice is given, the Agreement and Plan may be modified, amended or terminated.

The Pension Benefit Guaranty Corporation (PBGC)
Your pension benefits under this Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people will receive all of the pension benefits they would have received under their Plan, but some people may lose certain benefits.

The PBGC guarantee generally covers:
- Normal and early retirement benefits
- Disability benefits if you become disabled before the Plan terminates
- Certain benefits for your survivors

The PBGC guarantee generally does not cover:
- Benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates
- Some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than 5 years at the time the Plan terminates
- Benefits that are not vested because you have not worked long enough for the Company
- Benefits for which you have not met all of the requirements at the time the Plan terminates
- Certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the plan’s normal retirement age
- Non-pension benefits such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact:

PBGC’s Technical Assistance Division
1200 K Street N.W., Suite 930
Washington, D.C. 20005-4026
or call (202)326-4000 (not a toll-free number)

TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to (202)326-4000. Additional information about the PBGC’s pension insurance program is available through the PBGC’s website at http://www.pbgc.gov.
How do I file a claim?

A member may make a claim for benefits or participation by making a request in accordance with the Plan.

What if a claim of benefits or participation is denied?

**Denial of a claim**

If a claim for benefits or participation is denied in whole or in part, the member will receive written notification from the Plan Administrator or an employee of the Board of Administration within ninety (90) days (within forty-five (45) days if the claim is related to a disability pension claim) from the date your claim for benefits or participation is received. The notice will be deemed given upon mailing, full postage prepaid in the United States mail or on the date sent electronically to you. The decision will be in writing and it will include:

- The specific reason or reasons for the denial;
- Reference to the specific Plan provisions on which the denial is based along with a copy of the Plan provisions or a statement that one will be furnished at no charge per your request;
- A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material is necessary; and
- A description of the Plan’s review procedures and the time limits applicable to such procedures, along with a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act (ERISA) of 1974, as amended, following a denial for benefits on review.

If the denial for benefits is because of a disability claim, the denial of claim will also include:

- If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the claim denial, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion that was relied upon in making the claim denial will be provided free of charge to you at your request; and
- If the claim denial is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that the explanation will be provided free of charge upon your request.

If the Plan Administrator or an employee of the Board of Administration determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial ninety (90) day period (forty-five (45) day period if the claim is related to a disability pension claim). In no event will the extension exceed a period of ninety (90) days (or a period of thirty (30) days for disability pension claims) from the end of the initial period. For general claims, the extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan Administrator or the employee of the Board expects to render the determination.

In regard to a disability pension claim, if prior to the end of the first thirty (30) day period, the Plan Administrator or an employee of the Board of Administration determines that, due to matters beyond control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional thirty (30) days. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination.

If an extension is required because the information in the disability claim is incomplete, the extension notice will specifically explain:

- The standards on which entitlement is based;
- The unresolved issues that prevent a decision;
- The additional information required for a decision; and
- That you have at least forty-five (45) days to provide the information being requested.

If such additional information is required, the period between the date of the request and the date of your response is not included when calculating the decision deadline.
**Review of denial of the claim (other than disability) to the Board of Administration**

In the event that the Plan Administrator or an employee of the Board of Administration denies a claim, you may:

- Request a review upon appeal by written application to the full Board of Administration;
- Review pertinent documents; and
- Submit issues and comments in writing.

The Board of Administration must take into account all comments, documents, records, and other information submitted by you relating to the claim, without regard to whether the information was submitted or considered in the initial benefit determination.

You must request a review upon an appeal of the denial of the claim within sixty (60) days after you receive the written notification of denial of the claim. It will be considered at the Board of Administration’s next regularly scheduled meeting. If it is filed within thirty (30) days of the next meeting, a decision by the Board of Administration will be made by the date of the second meeting after receipt of your request for review. Under special circumstances, an extension of time for processing may be required, in which case, a decision will be rendered by the date of the third meeting. If an extension is required because information is incomplete, the review period will be adjusted from the date the notice was sent to the date information is received. In the event an extension is needed, written notice of the extension will be provided to you prior to the commencement of the extension.

Written notification of a decision will be made not any later than five (5) days after the Board of Administration has made a decision. The decision will be in writing and if adverse, it will include:

- The specific reason or reasons for the denial;
- Specific reference to pertinent Plan provisions on which the denial is based along with a copy of the Plan provisions or a statement that one will be furnished at no charge upon your request;
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of all documents, records, and other information relevant to your claim for benefits; and
- A statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act (ERISA) of 1974, as amended.

**Review of denial of disability pension claim to the Board of Administration**

In the event that the Plan Administrator or the Board of Administration denies a disability pension claim, you may:

- Request a review upon appeal by written application to the full Board of Administration;
- Review pertinent documents; and
- Submit issues and comments in writing.

The Board of Administration must take into account all comments, documents, records, and other information submitted by you relating to the claim, without regard to whether the information was submitted or considered in the initial benefit determination.

You must request a review upon an appeal of the denial of the claim within one hundred eighty (180) days after you receive the written notification of denial of the claim. The Board of Administration:

- Will give no deference to the earlier decision;
- Will provide for review by a person who did not make the initial decisions and who is not a subordinate of the initial decision maker;
- If the decision involves a medical judgment, provide that named fiduciary must consult with a health care professional who is independent of any health care professional involved in the initial denial; and
- Provide for identification of all medical or other experts consulted who have appropriate training and experience in the field of medicine involved in the medical judgment.

A decision, as appropriate, will be made within forty-five (45) days after receipt of your request for review, unless special circumstances require an extension of time for processing. One forty-five (45) day extension will be available to the Board of Administration if necessary due to matters beyond the control of the Plan and with written notice to you. The extension notice will specify the circumstances requiring the extension and the expected date of the determination. If an extension is required because the information is incomplete, the extension notice will specifically explain the standards on which entitlement is based, the unresolved issues that prevent a decision and the additional information required for a decision. You will have forty-five days to provide the information being requested. If additional information is required, the period between the date of the request and the date of your response will not be included in calculating the decision deadline.
The decision will be in writing and it will include:

- The specific reason or reasons for the claim denial;
- Reference to the specific Plan provisions on which the determination is based along with a copy of the Plan provisions or a statement that one will be furnished at no charge upon your request;
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits;
- A statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act (ERISA) of 1974, as amended;
- If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the claim denial, either the specific rule, guideline, or protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion that was relied upon in making the claim denial will be provided free of charge to you at your request;
- If the claim denial is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances or a statement that the explanation will be provided free of charge upon your request; and
- The following statement: “You and your Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U. S. Department of Labor Office and your state insurance regulatory agency.”

Such notice shall be deemed given upon mailing, full postage prepaid in the United States mail or if provided electronically to you.

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**Decision of the Retirement Board of Administration**

Decisions of the Board of Administration are final and conclusive and are only subject to the arbitrary and capricious standard of judicial review.

**Limitations period**

No legal actions for benefits under the Plan may be brought against the Plan until after the claims and appeal procedures have been exhausted. Unless the Employee Retirement Income Security Act (ERISA) of 1974, as amended, specifically provides a different period of limitations, legal actions under the Plan for benefits must be brought no later than two (2) years after the claim arises. No other action may be brought against the Plan more than six (6) months after the claim arises.
After an overview of the Tax-Efficient Savings Plan for Hourly Employees (TESPHE), this section of your handbook answers these questions:

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An overview: The Tax-Efficient Savings Plan for Hourly Employees ("TESPHE" or the "Plan")

Before you retired, you may have invested in the Tax-Efficient Savings Plan for Hourly Employees (TESPHE). Now that you have retired, you will need to know what happens to assets you may have in the plan.

As a retiree, you are eligible to withdraw all or part of your assets. In most cases, you may elect to defer distribution of your account until age 70½. If you leave your assets in the Plan, you may elect to have assets transferred to other investment options.

If you took out a loan against your TESPHE account while you were an active employee of Ford Motor Company (the "Company" or "Ford") and you did not repay your loan by the time you retired, generally, you may elect to repay your loan during retirement by using a coupon book (unless you have a history of loan default). As a retiree, you may not make additional contributions to the TESPHE. In addition, you may not initiate any new loans after you retire.

The Tax-Efficient Savings Plan for Hourly Employees is intended to constitute a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended, and Title 29 of the Code of Federal Regulations Section 2550.404c-1. The fiduciaries of the TESPHE may be relieved of the liability for any losses which are the direct and necessary result of investment instructions given by a member or beneficiary.

Account statements
As soon as practicable after the end of each quarter, a statement of your account will be provided, unless you elect to receive your statements online. If you elect to receive your statement online, an annual statement covering the entire year will be mailed to you. You will also be able to request a statement whenever you want one. The statement shows your savings and investments, the value of your account, and other information regarding your account.

If you think that there is an error in your quarterly statement, you should notify the Fidelity Service Center for Ford Motor Company in writing within 30 days after you receive it. If you do not notify the Fidelity Service Center for Ford Motor Company of errors, we will assume that your statement is correct.

Performance History Sheet
If you are a participant in the TESPHE, you will be provided with the Performance History Sheet with your Quarterly Account Statement. Members who receive mailed statements will receive this document with the quarterly statements. Members who elect to receive their statements online can access this document at any time through Fidelity NetBenefits® at netbenefits.fidelity.com. Otherwise, the Performance History Sheet may be requested by calling the Fidelity Service Center for Ford Motor Company.

You can always obtain performance data on all of the available investment options through Fidelity NetBenefits at netbenefits.fidelity.com. From the NetBenefits home page, select Investment Choices and Research from the "quick links" menu. Select any investment option to obtain additional information (e.g., fund overview, quick stats, rankings/ratings, performance, volatility measures, top holdings, fees and expenses, fund facts and prices and distributions). If you do not have web access, call the Fidelity Service Center for Ford Motor Company and request a mutual fund prospectus.
What are the investment options?

You can invest in any of the available investment options.

The TESPHE offers a diversified line-up of passively managed, actively managed and life stage (or target-date retirement) investment options from which you may choose. These options provide a range of risk/return preferences. A booklet entitled 'Your Investment Guide' contains a brief description of the available investment options as well as some educational material. Please call Fidelity at 1-800-544-3333 to obtain a copy of this booklet. You may also print a copy from NetBenefits at netbenefits.fidelity.com. The current investment options and the accompanying Voice Response System (VRS) codes are listed below.

Available Investment Options (VRS Code)

Life Stage (or Target-Date Retirement) Funds:*  
- BGI LifePath Index® Retirement Fund NL (13020)  
- BGI LifePath Index® 2015 NL Fund (13022)  
- BGI LifePath Index® 2020 NL Fund (13023)  
- BGI LifePath Index® 2025 NL Fund (13024)  
- BGI LifePath Index® 2030 NL Fund (13025)  
- BGI LifePath Index® 2035 NL Fund (13026)  
- BGI LifePath Index® 2040 NL Fund (13027)  
- BGI LifePath Index® 2045 NL Fund (13028)  
- BGI LifePath Index® 2050 NL Fund (13029)  

* - Plan Default Investment Option

Equity Funds - Actively Managed - Domestic:  
- Fidelity Capital Appreciation Fund (00307)  
- Fidelity Contrafund® (00022)  
- Fidelity Equity-Income Fund (00023)  
- Fidelity Growth Company Fund (00025)  
- Fidelity Real Estate Investment Portfolio (00303)  
- Janus Aspen Large Cap Growth Portfolio - Institutional (20569)  
- Neuberger Berman Genesis Fund – Institutional Class (45418)  
- Royce Low-Priced Stock Fund – Institutional Class (40390)

Equity Funds - Actively Managed - International:  
- Fidelity Overseas Fund (00094)  
- T. Rowe Price International Discovery Fund (99542)

Fixed Income:  
- Bond Index Fund (99529)  
- Interest Income Fund (18988)  
- PIMCO Real Return Fund - Institutional Class (96095)  
- PIMCO Total Return Fund - Institutional Class (99622)  
- PIMCO Total Return Fund III - Institutional Class (91391)  
- T. Rowe Price Institutional High Yield Fund (99544)

Equity Funds - Passively Managed:  
- BGI EAFE Equity Index Fund - Class T (44715)  
- Common Stock Index Fund (99527)  
- Ford Stock Fund (20207)  
- U.S. Extended Market Index Fund (10152)  
- Vanguard Institutional Index Trust - Institutional Plus Shares (20745)  
- Vanguard FTSE Social Index Fund - Institutional Shares (43131)
What are the Fees and Expenses?

This explanation is intended to provide you with important information regarding how plan administrative expenses and investment fees affect your savings plan account. You should not base your investment decisions on expense and fee information alone. There are many other features that may make a particular investment option an appropriate choice for you; expenses and fees are only one component.

Plan Administrative Expenses

Plan administrative expenses are the separately stated costs of maintaining the TESPHE's day-to-day operations. These expenses include the cost of all basic services that are necessary for administering the TESPHE as a whole, as well as for additional services such as recordkeeping fees, annual maintenance fees, electronic services, statements, education, transactional services, etc.

Generally, administrative costs incurred by the TESPHE are paid by the Company or from non-participant TESPHE assets. These costs may be offset as described below under the Expense ratio section. Your TESPHE account is not assessed fees for transactional services (e.g., loans, withdrawals, Domestic Relation Order processing, etc.). However, your account is charged if you request expedited mail delivery. Before requesting this service, be sure you understand the specific cost.

Investment Fees

- Sales charges. Also known as loads or commissions, sales charges are waived for any fund offered under the TESPHE.
- Redemption fees. A fee (expressed as a percentage) imposed on fund shares sold if the transaction is processed within a specified period of time after the purchase of such assets. Any redemption fees are deducted from your account when you sell your shares.
- Expense ratio. The percentage of the fund's assets used to pay for the fund's total operating expenses (management fees, 12b-1 fees and other expenses).

Management fees (the largest component of the expense ratio) are paid to the fund's investment manager or advisor for overseeing the portfolio.

12b-1 fees (sometimes called a distribution fee) are used to cover marketing and advertising costs for the fund.

Other expenses include the costs for operating the fund (administrative services, transfer agent fees, shareholder reports, auditing and financial statement preparation fees, participant recordkeeping, preparing and distributing prospectuses, custodial fees, etc.).

Mutual fund expense ratios are reported in "basis points". A basis point is 1/100th of one percent.

Hypothetical Example: If a fund charges an expense ratio fee of 55 basis points, the fund's return is reduced by 55/100ths of one percent (.0055) annually to cover total operating expenses. For each $10,000 invested in that hypothetical fund, $55 annually ($10,000 X .0055) is deducted from that fund.

Expense ratio fees accrue daily on the average daily fund balance and are paid monthly. The total is deducted from the fund's assets and they are realized through reduced returns. These fees are factored into the daily share price, or net asset value ("NAV"), and are not charged directly to your account.

In some instances, mutual fund companies will make payments to the record keeper or to the TESPHE to offset administrative services.

Ford Motor Company - Specific Funds

Ford Motor Company pays:

- All fees and expenses (including brokerage commissions) for the Ford Stock Fund.
- The management fees of the Common Stock Index Fund and the Bond Index Fund. (Any brokerage fees and other expenses of these funds are paid from the fund assets and reduce the value of your investment in the funds.)
Summary

Higher investment management fees do not necessarily mean better performance, nor is cheaper necessarily better. Fees are only one factor to consider when selecting an investment. The bigger picture includes investment risk, investment returns, diversity of portfolio, cost averaging by making regular contributions, and the extent and quality of the services the TESPHE provides.

For each mutual fund, fees are included in the fund's prospectus. Please refer to the prospectus for more detailed information. Call the Fidelity Service Center for Ford Motor Company at 1-800-544-3333 for a free prospectus for each mutual fund offered under the Plan.

Where to get Information on investment fees

The Fees and Expenses Information brochure and the Performance History sheet provide fee information. Currently, the Fees and Expense Information brochure is updated and distributed annually. The Performance History sheet is distributed each quarter with your TESPHE account statement if you elect to receive your statement via mail. Otherwise, both documents are available through Fidelity NetBenefits.

You may also request a mutual fund prospectus free of charge from the Fidelity Service Center for Ford Motor Company or through Fidelity NetBenefits. Additional mutual fund financial information may be obtained from a mutual fund's Summary of Additional Information ("SAI"). This is a separate document and must be specifically requested from the mutual fund company. Generally, the SAI is available online through the mutual fund's website.

Responsibility of members

Under the TESPHE, you are solely responsible for the selection of your investment options. Ford Motor Company, the Trustee, any appointed Fiduciary, the Plan Administrator, the Fidelity Service Center for Ford Motor Company, the Union, and employees and agents of the Company are not empowered to provide investment advice. The fact that an investment option is available for investment under the TESPHE should not be construed as a recommendation for investment in that option. It should be noted that the market price and the rate of return on each investment option may fluctuate over time and in varying degrees. Accordingly, the proceeds realized from such investments, if any, will depend on the prevailing market price of the investments at a particular time, which may be more or less than the amount expended initially. There is no guarantee that the investment options will achieve their objectives.

The TESPHE is intended to constitute a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended, and Title 29 of the Code of Federal Regulations Section 2550.404c-1. The fiduciaries of the TESPHE may be relieved of liability for any losses which are the direct and necessary result of investment instructions given by a member or beneficiary.
Appointment of Independent Fiduciary and Investment Manager for the Ford Stock Fund

Effective April 19, 2006, Ford Motor Company appointed an independent fiduciary and investment manager for the Ford Stock Fund available under the TESPHE. Effective May 1, 2009, Evercore Trust Company, N.A. ("Evercore Trust Company") succeeded to the role previously held by Bank of America, N.A., acting through U.S. Trust, Bank of America, Private Wealth Management ("U.S. Trust"). The decision of how to invest your TESPHE account is yours to make, but we would like to remind you that the best way to reduce market risk is to diversify your investments. The TESPHE offers numerous investment choices with a wide range of risk and return that allow you to construct a diversified portfolio tailored to your own investment goals. You may transfer the portion of your TESPHE account that is invested in the Ford Stock Fund into other investment funds under the TESPHE at any time. You should periodically review your asset allocation strategy and consider whether the level of your investment in the Ford Stock Fund is appropriate in light of your own situation and your personal retirement goals.

The Ford Stock Fund holds shares of Ford common stock. Evercore Trust Company has the authority to restrict investments in the Ford Stock Fund, or to sell or otherwise dispose of all or any portion of the Ford common stock held in the Ford Stock Fund. In such event, Evercore Trust Company would designate an alternate investment fund under the TESPHE for the temporary investment of any proceeds from such sale. Evercore Trust Company is required to consider the sale of the Ford common stock held in the Ford Stock Fund only if it determines, on the basis of reliable public information, that there is a serious question as to the short-term viability of Ford as a going concern.

Evercore Trust Company will not be in possession of any inside information concerning Ford or its financial condition. Also, Evercore Trust Company will not take any action with respect to the Ford Stock Fund simply because of fluctuations in the market price of Ford common stock, even if a substantial or prolonged decline in the market price of Ford common stock occurs as a result of adverse disclosures concerning Ford or its businesses or for any other reason, unless the situation calls into serious question the short-term viability of Ford as a going concern. While Evercore Trust Company intends to communicate to members any significant action it takes with respect to the Ford Stock Fund, circumstances may require Evercore Trust Company to act prior to doing so.

If you have any questions regarding matters such as fund transfers, distributions, loans and account balance information you should contact the Fidelity Services Center for Ford Motor Company at 1-800-544-3333. Please check the Evercore Trust Company website established for TESPHE members at http://www.evercoretrustcompany.com/fordplans for communications from Evercore Trust Company concerning the Ford Stock Fund. If you have questions or comments regarding this letter or the Ford Stock Fund, please contact Evercore Trust Company at fordmotorco@evercore.com or at 1-800-573-4395. You may also contact U.S. Trust by mail at:

Ford Participant Inquiry
c/o Evercore Trust Company, N.A.
601 S. Figueroa Street
44th Floor
Los Angeles, CA  90017

Note: The contact information and website address may change. If you have a balance in the TESPHE, you will be provided with any updated information.

Making an investment option selection

Before you select any of the investment options, be sure to request a prospectus for the mutual funds offered through the TESPHE from Fidelity. You can also view fund information online at Fidelity NetBenefits. From the home page, select Investment Performance and Research from the quick links menu, and then click on the investment option you wish to research. You can obtain complete descriptions of certain funds that are only publicly traded from the investment guide. You may also obtain brief descriptions of the remaining investment options and general investment information from the brochure. Contact the Fidelity Service Center for Ford Motor Company at 1-800-544-3333 to obtain a copy. You may also view or print a copy of the brochure from NetBenefits. Once logged on to your account, select the Your Investment Guide and Plan Information link under the Employer News section then select the Enrollment Guide link.

Designated Default Investment Option

Effective March 19, 2008, the TESPHE designated default investment option is a target date retirement fund, presently, the BGI LifePath® Index NL Funds. (See the Appendix for the default schedule.)
How can you exchange assets?

You can exchange assets between investment options daily.

Assets may be exchanged from any one investment option directly to any other investment option, subject to certain fund exchange restrictions. You may initiate one or more exchanges daily. For example, on any day, you could exchange the value of a portion of your Interest Income Fund assets and reinvest the value of those assets in the Bond Index Fund and then request a second exchange from the Interest Income Fund and reinvest the value of those assets in the Neuberger Berman Genesis Fund – Institutional Class.

Assets may be exchanged in dollar amounts, percentage of current balance (in increments of 1%) or number of shares or units. The minimum exchange amount is $250, or the entire value of the assets invested in the option if $250 or less.

Making an exchange

You may request an exchange by calling the Fidelity Service Center for Ford Motor Company or through Fidelity NetBenefits at netbenefits.fidelity.com. Your exchange will be effective as of the close of business on any business day if your request is made and confirmed prior to the close of the New York Stock Exchange (usually 4:00 p.m. Eastern Time) on that day. If your request is made or confirmed after this time or on non-business days, such as weekends or holidays, your exchange will be effective as of the close of business on the next business day. Because of high call volume near the close of the market at times, you may wish to call early to be sure your request is made and confirmed before the deadline. A business day is any day that the New York Stock Exchange is open. Note: Interest Income Fund transactions cannot be completed on bank holidays even though the New York Stock Exchange may be open.

Short-term Redemption Fees

Several mutual funds in the TESPHE impose a short-term redemption fee which is charged to discourage short-term buying and selling of fund shares. These fees are paid to the fund and are disclosed in each mutual fund’s prospectus. You can also find this information on the Performance History sheet (accessed by clicking on the Investment Performance link under the Employer News section on NetBenefits), or by clicking on the investment option from the Investment Option and Research category which you can access from the quick links menu. Since these fees are subject to change at any time by the fund, you should always consult the fund’s most recent prospectus or contact the Fidelity Service Center for Ford Motor Company for current short-term redemption fee information.

Trading Restrictions

The investment options in the TESPHE may impose limits on how frequently you may trade into and/or out of the investment option. For example, a fund may not allow you to exchange back into the fund if you exchange out of the fund within the previous 90 days. You may contact the Fidelity Service Center for Ford Motor Company for up-to-date information on a fund’s trading restrictions.

Exchange Privileges

The investment options available through the TESPHE reserve the right to modify or withdraw the exchange privileges at any time, including rejecting any transactions deemed to be disruptive to the fund manager’s ability to manage the fund’s portfolio. This may include, but is not limited to substantive dollar amounts and/or frequent “round-trip” transactions. (Generally, a “round-trip” is defined as an exchange into and out of, or out of and into, the same fund.) You are able to make exchanges out of a fund at any time.

If your transaction is rejected by the fund, Fidelity, as the provider of recordkeeping services for the TESPHE, is not notified until the following business day. At that time, affected members are notified and the transaction is reversed (monies are reinvested into the fund(s) from which the exchange was originally processed). Please note that neither Ford nor Fidelity has the ability to influence the fund’s decision with respect to modifying or withdrawing exchange privileges.

Exchange Privileges regarding the Ford Stock Fund

Effective April 18, 2007, there are no restrictions on the number of times members may exchange into the Ford Stock Fund. You may continue to exchange out of the Ford Stock Fund at any time. As with other investment options, be sure to confirm trading restrictions on the Ford Stock Fund with the Fidelity Service Center for Ford Motor Company prior to investing in this Fund.
Loan repayments

Effective January 1, 2004, you can accelerate the payoff of your loan by making additional payments above your scheduled payments. These payments must be made in the form of a cashiers or certified check or a money order. Call the Fidelity Service Center for Ford Motor Company at 1-800- 544-3333 for details.

Generally, if you do not pay off your loans in full at the time of retirement or termination, you will be sent a coupon book for your use in making loan repayments directly to Fidelity.

Note: If you are on a coupon eligible status, you can also request that payments be deducted directly from your bank account (ACH payments).

Loans taken out beginning January 1, 2004

Internal Revenue Code regulations stipulate that TESPHE members who have a history of a loan default will not be allowed to continue repayment of loan via coupons or ACH. The member must pay off any loans taken out beginning January 1, 2004, in full or they will default, and the principal and any accrued interest will be subject to income taxes and, if applicable, the penalty for early withdrawal.

Loans taken out prior to January 1, 2004, are not subject to this Internal Revenue Code regulation and members may continue to make repayments on these loans via a coupon book or ACH if they become ineligible for repayment via payroll deduction.

If you are required to make loan payments via coupons, Fidelity will mail the coupon book within 15 days of notification of your change in status to retirement. If you do not receive the coupon book within this timeframe, contact Fidelity immediately so that they can take corrective action.

Ultimately, YOU are responsible for loan repayments. If you have not received coupons to make loan payments, you must contact the Fidelity Service Center for Ford Motor Company immediately.

Loan default service

If you do not comply with the TESPHE loan repayment provisions (e.g., failure to make payments on time), the delinquent loan payments will subject your loan to the default service. This service will generate a warning letter reflecting the delinquent payments and the due date. The letter will be sent to your address of record at Fidelity. If you fail to remit the total delinquent payments by the due date and in the form of payment requested, your loan will default. The outstanding loan balance (principal and accrued interest) will be treated as a deemed distribution of assets in the year of default and will be subject to federal, state, and local income taxes, and early withdrawal penalties. Fidelity will report the taxable amount of this distribution to the IRS and you will be sent a Form 1099-R.

Investment of loan repayments

Loan repayments, including interest, will be invested in accordance with your most recent investment elections except as noted in the following paragraph. Loan repayments, including interest, will be allocated to Pre-Tax Contributions, After-Tax Contributions, and/or rollover contributions from which they were borrowed and in the same proportion. For example, if you take a loan of $5,000, and 60% of the amount is from Pre-Tax Contributions and 40% is from After-Tax Contributions, 60% of each repayment will be invested in your Pre-Tax Contributions investment options and 40% will be invested in your After-Tax Contributions investment options.

If you took a loan from Pre-Tax Contributions, After-Tax Contributions, and/or rollover contributions, and there are no investment elections on file for your contributions, your repayments, including interest, will be invested in the TESPHE designated default investment option. You can exchange your assets out of the designated default investment option into other investment options at any time, subject to the Plan's exchange rules as described in "Exchanges."
**How are assets paid from the TESPHE?**

*As a retiree, you may withdraw all or a portion of your account balance on any business day.*

**Lump sum, partial or systematic withdrawal with a series of payments from your account**

At any time after you retire, you may elect to receive payment of your TESPHE account in a lump sum, partial payments or in monthly, quarterly, semi-annual or annual installments over a period of time you specify. You may choose any period of time in whole years over which you would like payments to be made as long as the period is at least one year, and no greater than a number of years approximately equal to your life expectancy at the age at which you make the election, or a number of years approximately equal to your joint life expectancy with your spouse or other beneficiary. The Fidelity Service Center for Ford Motor Company will be able to tell you from IRS tables what the average life expectancy is, based on your age and information on the age of your beneficiary that you provide.

Regardless of how you choose the number of years over which you want systematic payments to be made, the manner of determining the amount of each payment will be the same and will be based on the value of your account at the effective date of payment of each installment and the number of installments remaining to be paid. For example, if you specify a period of ten years and monthly payments, the number of installments would be 120. The amount of the first payment will be equal to the value of your account on the effective date of payment divided by the total number of installments; that is, 120. The amount of the next installment would be based on the value of your account at the time of payment of the next installment divided by the number of installments remaining; that is, 119. For the last installment, the entire value of your account would be paid to you.

The amount for each installment will be withdrawn proportionally from each investment election in which you have assets on the effective date of each installment.

**Members who are not active employees**

If you make an election for systematic withdrawal with payments before you reach age 59½, you may be subject to an early withdrawal tax penalty of 10% of the amount of each installment paid to you before you reach age 59½, unless you elect payment over a period at least equal to your life expectancy (based on your age) or to your life expectancy jointly with that of your beneficiary under TESPHE (based on your age and the age of your beneficiary). If you make this election so that you avoid the penalty and later change your election before you reach age 59½, payments under your changed election must be made over the longer of: a period of at least five years or a period extending beyond your attainment of age 59½, if you wish to avoid the tax penalty of 10% that would be imposed on payments made before you attain age 59½, including payments already made before you changed your election. You should consult with your tax advisor.

In the event the payments made under the systematic withdrawal you have elected are less than the amounts required to be distributed after you reach age 70½, an additional amount will be distributed to you in December of each year in an amount necessary to satisfy the minimum required distribution amounts as described in the “When would assets be paid automatically from the TESPHE?” section.

**Making a withdrawal**

You may request a withdrawal of all or a portion of your eligible assets by calling the Fidelity Service Center for Ford Motor Company or through Fidelity NetBenefits at netbenefits.fidelity.com.

Your withdrawal will be effective as of the close of business on any business day if your request is made and confirmed prior to the close of the New York Stock Exchange (usually 4:00 p.m. Eastern Time) on that day. If your request is made and confirmed after this time or on non-business days such as weekends or holidays, your withdrawal will be effective as of the close of business on the next business day.

Because of high call volume near the close of the market at times, you may wish to call early to be sure your request is made before the deadline. A business day is any day that the New York Stock Exchange is open.
Withdrawal checks will be mailed to you within three to five business days after your request has been processed. You may also request that proceeds be paid to you electronically (wired to your bank account).

**How withdrawals are paid**

If you request a withdrawal, the value of your Ford Stock Fund assets, if any, will be paid in cash, unless you request an "in-kind" distribution (a distribution in Ford common stock). You may request that any whole shares of Ford common stock represented by your units in the Ford Stock Fund be issued in-kind by talking to a representative at the Fidelity Service Center. If you request a withdrawal from the Ford Stock Fund and you request an "in-kind" distribution, you will receive a stock certificate for your Ford common stock assets in the Fund. A certificate representing whole shares will be issued in your name or, if you request it, in your name and the name of another person you designate. Any fractional shares will be paid in cash.

Any assets withdrawn from other investment options will be paid to you in cash.

**Direct rollover**

If you elect to withdraw assets or expect to receive a distribution of assets from TESPHE, you may instruct the Trustee to make a direct rollover of eligible assets to another employer’s qualified plan (similar to TESPHE), governmental plans, plans of tax-exempt organizations or to a traditional or Roth IRAs (if the receiving plan permits and agrees to separately account for the transferred amounts).

In a direct rollover, assets can be transferred without penalty or payment of income tax. Generally, your assets attributable to pre-tax contributions (including catch-up contributions) and all associated earnings are eligible for direct rollover. After-tax contributions may be rolled over to an IRA or annuity described in Sections 408(a) or (b) of the Internal Revenue Code, or to a qualified plan described in Sections 401(a) or 403(b) of the Internal Revenue Code that agree to account for the transferred after-tax amounts separately. To qualify as a direct rollover, the assets must be transferred by Fidelity to the receiving eligible plan or IRA. You should contact the Fidelity Service Center for Ford Motor Company at 1-800-544-3333 for the forms necessary to arrange a direct rollover.

If you receive a withdrawal or distribution from TESPHE and you do not elect a direct rollover, the taxable portion of the withdrawal or distribution is subject to a mandatory 20% federal income tax withholding from any cash distributed. You may make a rollover of eligible assets after you receive a withdrawal or distribution, but the 20% withholding on the taxable portion of the withdrawal or distribution from TESPHE still applies. Special tax rules apply to direct rollover of an eligible rollover distribution to a Roth IRA.

See the special tax notice which was prepared by the Internal Revenue Service and modified for TESPHE. You should consult a tax professional to ensure that any actions you take are to your best advantage.
When would assets be paid automatically from the TESPHE?

In some circumstances, distributions will be made by TESPHE even if you do not request them.

All or a portion of your TESPHE assets will be distributed to you under certain circumstances even if you do not request them. You will be notified before a distribution is made. In this situation, you may wish to consult your tax advisor regarding alternatives available to you.

AFTER TERMINATION OF EMPLOYMENT

Accounts valued at less than $3,500

Your assets in the TESPHE will be distributed to you after termination of employment if the value of your assets is less than $3,500. This value is determined within 90 days after termination and effective January 1, 2009, includes any rollover amounts. Effective January 1, 2008, the only members excluded from this provision are members receiving installment payments or who are subject to minimum required distributions described below.

Effective for small account distributions paid after March 28, 2005, unless you provide specific instructions to Fidelity upon receipt of the prior notification of the distribution, vested account balances equal to or less than $1,000 will be distributed in cash. The TESPHE will automatically withhold 20% of the taxable portion of amounts eligible for a rollover. If your vested account balance is greater than $1,000 but less than $3,500, it will be automatically liquidated and transferred to a Fidelity Rollover IRA and invested in the Fidelity Cash Reserves Fund. Appropriate fees will be applied to your Fidelity Rollover IRA. Presently, these fees do not include the mutual fund small balance fee or annual account maintenance fee.

If you do not want your monies automatically transferred to a Fidelity Rollover IRA, be sure to provide Fidelity with specific instructions as to how you would like your account balance distributed within the timeframe prescribed in the notification of distribution.

Required Minimum Distributions

If you elect to have the TESPHE retain your assets after you attain age 70½, they will be distributed to you by the required beginning date. These distributions are referred to as minimum required distributions, or MRDs. The required beginning date is April 1 of the calendar year following the later of the calendar year in which you: (i) attain age 70½ or (ii) retire from the Company. Thereafter, the MRDs must be distributed by December of each year.

In general, the applicable distribution period is obtained from the Internal Revenue Code Uniform Lifetime Table and is based solely on your age as of your birthday in the relevant distribution calendar year. If the sole beneficiary is your spouse, however, the distribution period is the longer of the distribution period from the Uniform Lifetime Table, or in the case of a spouse beneficiary who is more than 10 years younger than you, the joint life expectancy of you and your spouse.

Generally, payout under the distribution schedule for mandatory age 70½ payments would permit you to leave your assets in TESPHE for the longest possible period (if you have terminated employment). The amount of any mandatory age 70½ distribution would be reduced by the amount of payments made earlier in the year under any other withdrawal election. For example, assume during any given year you requested a $1,000 withdrawal from your account. The mandatory 70½ distribution is processed in December and amounts to $4,000. Only $3,000 would be distributed to you in that year to satisfy the remaining minimum required distribution payment. While MRD rules require that a minimum amount be distributed to you, you may elect to receive a greater amount under the withdrawal options described in the section titled “How are assets paid from the Plan?”
Timing of Your MRD

When you first become eligible to receive your MRD, you have the option of receiving your MRD either in the year you turn 70½, or no later than April 1 of the year following the year in which you attain 70½. You should be aware that if your MRD is not taken until the following year, then you will be required to take an additional MRD distribution to cover the current year MRD. Since multiple MRD payments in one calendar year could increase your tax liability, you should carefully consider the timing of your MRD.

Example: You turn 70½ in 2009. You can elect to receive your distribution by December 31, 2009, or by April 1, 2010. If you elect to receive your first MRD payment by April 1, 2010, you are still required to take an additional MRD by December 31, 2010, to cover the 2010 MRD. As a result, you will receive two MRD payments in 2010 and will be taxed upon distribution of each payment.

Fidelity will notify affected members in advance to allow you to select your payment date. The default payment date is no later than April 1 in the year following the year in which you attain 70½. Failure to notify Fidelity that you would like to receive your first MRD in December in the year you turn 70½ (to avoid the double MRD payment described above), will result in a MRD payment made on or near the default payment date in the year following the year you turn 70½.

Generally, terminated members who will turn 70½ are identified in January of each year. If you terminate employment after January in the same year you turn 70½, notify Fidelity if you would like to receive your first MRD in December of the year you turn 70½.

Dividends on stock in the Ford Stock Fund

You may choose to receive a distribution in cash of dividends attributable to your equivalent shares of Ford common stock based on the units held in the Ford Stock Fund, or to reinvest such dividends in your account.

If you enrolled in the TESPHE before January 1, 2002, your proportionate share of any quarterly cash dividends paid on the Ford Stock Fund will be reinvested in your account in the Ford Stock Fund, unless you elect to have them distributed to you in cash.

The amount of such cash dividend not distributed generally will be used by the Trustee to acquire additional shares of Ford Common Stock. To the extent such dividends remain in the TESPHE, the number of units in your account will be increased to reflect the acquisition by the Trustee of those additional shares.

You may change your dividend election at any time by contacting the Fidelity Service Center for Ford Motor Company or by accessing Fidelity NetBenefits at www.netbenefits.fidelity.com. From the home page, using the quick links menu selection window, select the transaction history link to get to the next panel. Scroll down the left-hand menu and select Dividend Elections.

With respect to the Ford Stock Fund, the amount of any such cash payment made directly to you maybe reduced to comply with legal restrictions on the amount that may be paid out to all members in total. The amount in total that may be paid out of the Ford Stock Fund is limited to cash dividends received by TESPHE on Ford Common Stock shares that have not been in TESPHE continuously since January 1, 1989, without regard to Ford Common Stock shares associated with individual accounts.

Payments of dividends are not subject to the 10% early withdrawal penalty and are generally not subject to income tax withholding. They are considered taxable income subject to ordinary income tax rates and are not eligible for rollover to an IRA or another employer’s qualified plan.

Only shares of Ford stock in the Plan by 4:00 p.m. Eastern Time one day prior to the ex-dividend date are eligible for the dividend payment. Payment will be made as soon as practicable after receipt by Fidelity of the dividend.
If you die

If you die, the assets in your account will be payable to your beneficiary. If your beneficiary is not your surviving spouse, the assets will be distributed as soon as practicable after notification of your death.

If your beneficiary is your surviving spouse, special rules apply:

• If you elected a distribution schedule which commences before your death, your account will continue to be paid to your surviving spouse according to your schedule.
• At any time, your surviving spouse can elect a lump sum distribution.
• If distribution has not commenced at the time of your death, your surviving spouse will be considered a participant for purposes of distribution under the TESPHE. Your surviving spouse will be deemed to attain age 70 1/2 on the date you would have attained 70 1/2 and may elect the ‘life expectancy’ method for distribution.
• While your surviving spouse retains your account in the TESPHE, he or she will be able to exchange among the investment options as any other participant.
• Beneficiaries may not designate another beneficiary (ies). In the event of the death of your surviving spouse, the account will be paid to your surviving spouse’s estate.

It is important that you keep your beneficiary designation up-to-date and your current address on file at your hourly personnel department. For information on beneficiaries, see the “Surviving spouses, alternate payees, and other beneficiaries” section.

Loans unpaid at termination of employment

You are required to repay your outstanding loans in full at the time you retire, or to use a coupon book or ACH (e.g., payments directly from your banking account). If you do not repay your loans according to TESPHE’s provisions, Fidelity will report to you and the IRS that a distribution of assets equal to the outstanding loan balance was made, some or all of which may be taxable.

NOTE: Final regulations governing loans from the TESPHE require that repayments of loans initiated beginning January 1, 2004 (by members who have a history of loan default) must be payroll deducted. As a result, such loans must be paid off once members are separated from the Company. Using a coupon book to continue loan repayments will not be an option. See the “Loan Repayments” section for details.)

How distributions are paid

Distributions are paid in a similar manner as withdrawals, as described in the “How are assets paid from the TESPHE?” section.
What are the tax consequences of my withdrawal or distribution?

You may owe taxes after all or a portion of your account is paid to you.

SPECIAL TAX NOTICE

The tax law contains several complex rules regarding the taxation of withdrawals and distributions. The Internal Revenue Service has prepared a summary of many of these rules in the following “Special Tax Notice”. The Company has inserted references to the TESPHE to assist you. This notice contains important information you will need before you decide how to receive withdrawals or distribution payments from the TESPHE. Regulatory changes affecting this notice may not be updated in the TESPHE immediately. As a result, the notice may not always be current. However, Fidelity is required to send you the most recent notice prior to processing a distribution or withdrawal.

A rollover is a payment by you or Fidelity of all or part of your benefit to another plan or to a traditional IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. (Beginning January 1, 2008, you may roll over your distribution to a Roth IRA; however, there may be tax consequences and minimum income requirements. You should consult with your tax adviser prior to initiating such a rollover.) This notice describes the federal tax rules applicable to “eligible rollover distributions”. Your distribution payment cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account (formerly known as an education IRA). An “eligible employer plan” includes a plan qualified under section 401(a) of the Internal Revenue Code (including a 401(k) plan), profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan).

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse’s consent for any subsequent distribution. A subsequent distribution from another employer plan or an IRA that accepts your rollover may also be subject to different tax treatment than distributions from the TESPHE. Check with the administrator of the other employer plan or the trustee of the IRA that is to receive your rollover prior to making the rollover.

If you have additional questions after reading this Notice, you may contact Fidelity.

SUMMARY

A payment from TESPHE that is eligible for “rollover” can be taken in two ways. You can have all or any portion of your payment either 1) paid in a “direct rollover” or 2) paid to you. A rollover is a payment of your TESPHE distribution that you make to your traditional individual retirement arrangement (IRA), a Roth IRA, or to another eligible employer plan that will accept it. A “direct rollover” is a payment made directly to a traditional and/or Roth IRA, or another qualified plan that accepts your rollover. This choice could affect the tax you owe.

If you choose a Direct Rollover:

• Your payment will not be taxed in the current year and no income tax will be withheld, unless you roll it over to a Roth IRA as a direct rollover conversion. The taxable portion of an eligible rollover distribution rolled over to a Roth IRA does not trigger 20% mandatory withholding; however, such amounts are included in gross income and subject to tax as a result of the conversion.

• Your payment will be made directly to your traditional or Roth IRA or, if you choose, to another eligible employer plan that accepts your rollover. Your TESPHE payment cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account.

• The taxable portion of your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from the TESPHE.
If you choose to have a TESPHE payment that is eligible for rollover paid to you

- You will receive only 80% of the taxable amount of the payment because the TESPHE is required to withhold 20% of the taxable amount of the payment and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59\frac{1}{2}, you also may have to pay an additional 10% tax.
- You can roll over all or part of the payment by paying it to your traditional or Roth IRA, or to an eligible employer plan (that accepts your rollover) within 60 days of receiving the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or eligible employer plan.
- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, you must find other money to replace the 20% that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over. Taxable amounts converted to a Roth IRA using the 60-day rollover rules are included in gross income and subject to tax at the time of the distribution, but the 10% early withdrawal tax under Internal Revenue Code Section 72(t) may not apply. The 10% early withdrawal tax may later apply to those amounts when they are distributed from the Roth IRA if they are not held by the Roth IRA for at least five years. This does not constitute tax advice. You should consult a tax professional for specifics prior to initiating such a rollover to assure you understand all of the tax consequences.

Payments that can and cannot be rolled over

Payments from the TESPHE may be “eligible rollover distributions.” This means that they can be rolled over to a traditional or Roth IRA, or to an eligible employer plan that accepts rollovers. Payments from the TESPHE cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account. Before January 1, 2008, only amounts attributable to a designated Roth account were eligible for rollover to the Roth IRA. Beginning January 1, 2008, you may roll over the portion of your payment that is an eligible rollover distribution to a Roth IRA; however, you should check with a tax professional prior to initiating such a rollover regarding the tax consequences and to determine income requirements.

Fidelity will be able to tell you what portion of your payment is an “eligible rollover distribution”.

After-tax contributions. If you made after-tax contributions to the TESPHE, these contributions may be rolled into either a traditional or Roth IRA or to certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:
- Rollover into a traditional IRA
  You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. Fidelity will be able to tell you how much of your payment is the taxable portion and how much is the after-tax portion.
  If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the IRS on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined.
  You should consult a tax professional regarding the roll over of after-tax contributions to a Roth IRA.
  Once you roll over your after-tax contributions to a traditional or Roth IRA, those amounts CANNOT later be rolled over to an employer plan.
- Rollover into an employer plan
  You can roll over after-tax contributions from an employer plan that is qualified under Internal Revenue Code section 401(a), a section 403(a) annuity plan or section 403(b) plan to another such plan using a direct rollover if the other plan provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions.

Your right to waive the 30-day notice period

Generally, neither a direct rollover nor a payment can be made from the TESPHE until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by Fidelity.
You can also roll over after-tax contributions from a section 403(b) tax-sheltered annuity to another section 403(b) tax-sheltered annuity using a direct rollover if the other tax-sheltered annuity provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions.

You CANNOT roll over after-tax contributions to a governmental 457 plan.

If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct Fidelity to make a direct rollover on your behalf. Also, you cannot first roll over after-tax contributions to a traditional IRA and then roll over that amount into an employer plan.

The following types of payments cannot be rolled over:

- Payments spread over long periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:
  - Your lifetime (or a period measured by your life expectancy), or
  - Your lifetime and your beneficiary’s lifetime (or a period measured by your joint life expectancies), or
  - A period of ten years or more

- **Required minimum payments.** Beginning in the year you reach age 70 1/2 or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a “required minimum payment” that must be paid to you.

- **Hardship Distributions.** A hardship distribution cannot be rolled over.

- **ESOP Dividends.** Cash dividends paid directly to you on company stock held in an employee stock ownership plan cannot be rolled over.

- **Corrective Distributions.** A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.

- **Loans treated as Distributions.** The amount of a TESPHE loan that becomes a taxable deemed distribution because of a default cannot be rolled over. However, a loan offset amount is eligible for rollover. Fidelity will be able to tell you if distribution of your loan qualifies for rollover treatment.

Fidelity will be able to tell you if your payment includes amounts that cannot be rolled over.

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**Direct rollover**

You can choose a direct rollover of all or any portion of your payment that is an “eligible rollover distribution”, as described above. In a direct rollover, the eligible rollover distribution is paid directly from TESPHE to an IRA, or to an eligible employer plan that accepts rollovers. If you choose a direct rollover to a traditional IRA or eligible employer plan, there is no income tax withholding on the taxable portion of your payment for which you choose a direct rollover until you later take it out of the traditional IRA or eligible employer plan. Special tax rules apply to direct rollover to a Roth IRA.

**Direct rollover to a Traditional or Roth IRA.** You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to consider whether the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs). Also, beginning January 1, 2008, you may directly roll over amounts to a Roth IRA with similar tax consequences as converting a traditional IRA to a Roth IRA. (Please consult with a tax professional before initiating such a rollover.)

**Direct rollover to a plan.** If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer’s plan does not accept a rollover, you can choose a direct rollover to a traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any consequent distribution. Check with the plan administrator of that plan before making your decision.
Direct rollover of a series of payments. If you receive a payment that can be rolled over to a traditional or Roth IRA, or to an eligible employer plan that will accept it, and it is paid in a series of installments for less than ten years, your choice to make or not make a direct rollover for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

Change in tax treatment resulting from a direct rollover. The tax treatment of any payment from the eligible employer plan or IRA receiving your direct rollover might be different than if you received your benefit in a taxable distribution directly from the TESPHE. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or an IRA in a direct rollover, your benefit will no longer be eligible for that special treatment. See the sections below entitled “Additional 10% tax if you are under age 59½,” and “Special Tax Treatment if you were born before January 1, 1936.”

Payment paid to you
If your payment can be rolled over and the payment is made to you, it is subject to 20% income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to an IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

Income tax withholding:
Mandatory withholding. If any portion of the payment can be rolled over and you do not elect to make a direct rollover, TESPHE is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as income tax withholding. For example, if your eligible rollover distribution is $10,000, only $8,000 will be paid to you because TESPHE must withhold $2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see “Sixty-day rollover option” below), you must report the full $10,000 as a taxable payment from TESPHE. You must report the $2,000 as tax withheld, and it will be credited against any income tax you may owe for the year.

Sixty-day rollover option. If you have an “eligible rollover distribution” paid to you, you can still decide to roll over all or part of it to a traditional IRA or an eligible employer plan that accepts rollovers. If you decide to roll over, you must contribute the amount of the payment you received to a traditional IRA or, with the exception of a distribution of after-tax amounts, to an eligible employer plan within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan. Special tax rules apply to rollovers to a Roth IRA.

You can roll over up to 100% of the eligible rollover distribution, including an amount equal to the 20% that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan to replace the 20% that was withheld. On the other hand, if you roll over only the 80% that you received, you will be taxed on the 20% that was withheld.

Example. Suppose your payment that can be rolled over is $10,000, and you choose to have it paid to you. You will receive $8,000, and $2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the $8,000, you may roll over the entire $10,000 to a traditional IRA or an eligible employer plan. To do this, you roll over the $8,000 you received from the TESPHE, and you will have to find $2,000 from other sources (your savings, a loan, etc.). In this case, the entire $10,000 is not taxed until you take it out of the traditional IRA or eligible employer plan. If you roll over the entire $10,000, when you file your income tax return you may get a refund of the $2,000 withheld.

If, on the other hand, you roll over only $8,000, the $2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the $2,000 withheld. (However, any refund is likely to be larger if you roll over the entire $10,000.)
Additional 10% tax if you are under age 59½. If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax does not apply to:

1. payments that are paid to you because you separate from service with your employer during or after the year you reach age 55;
2. payments that are paid because you retire due to disability;
3. payments that are paid to you as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary’s lives or life expectancies);
4. dividends paid with respect to stock by an employee stock ownership plan (ESOP) as described in Internal Revenue Code section 404(k);
5. payments that are paid directly to the government to satisfy a federal tax levy;
6. payments that are paid to an alternate payee under a qualified domestic relations order;
7. payments that do not exceed the amount of your deductible medical expenses; or
8. qualified reservist distributions.

See IRS Form 5329 for more information on the additional 10% tax.

Special tax treatment if you were born before January 1, 1936. If you receive a payment from TESPHE and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a “lump-sum distribution”, it may be eligible for special tax treatment. (See also “Employer stock or securities” below.) A lump-sum distribution is a payment, within one year, of your entire balance under TESPHE that is payable to you because you have reached age 59½, or have separated from service with the Company. For a payment to be treated as a lump-sum distribution, you must have been a participant in TESPHE for at least five years before the year in which you received the distribution. The special tax treatment for lump-sum distributions is described below:

- **Ten-year averaging.** If you receive a lump-sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using “10-year averaging” (using 1986 tax rates). “Ten-year averaging” often reduces the tax you owe.

- **Capital gain treatment.** If you receive a lump-sum distribution and you were born before January 1, 1936, you may elect to have the part of your payment that is attributable to your pre-1974 participation in TESPHE (if any) taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump-sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime and the election applies to all lump-sum distributions that you receive in that same year. You may not elect this special treatment if you rolled amounts into the TESPHE from a 403(b) tax-sheltered annuity contract, a governmental 457 plan, or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a payment from TESPHE, you cannot use this special averaging treatment for later payments from TESPHE. If you roll over your payment to a traditional IRA, a governmental 457 plan, or 403(b) tax-sheltered annuity, you will not be able to use this special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. Additional restrictions are described in IRS Form 4972, which has more information on lump-sum distributions and how you elect the special tax treatment.
**Employer stock or securities.** There is a special rule for a payment from TESPHE that includes Ford Common Stock. To use this special rule, (1) the payment must qualify as a lump-sum distribution, as described above, except that you do not need five years of participation in the TESPHE) or (2) the Ford Common Stock included in the payment must be attributable to after-tax contributions, if any. Under this special rule, you may have the option of not paying tax on the “net unrealized appreciation” of the stock until you sell the stock.

Net unrealized appreciation generally is the increase in the value of the Ford Common Stock represented by units of the Ford Stock Fund during the time they were credited to your TESPHE account. For example, if Ford Stock Fund units were contributed to your TESPHE account when Ford Common Stock was worth $1,000 but the stock was worth $1,200 when you received it, you would not have to pay tax on the $200 increase in value until you later sold the stock.

You may instead elect not to have the special rule apply to the net unrealized appreciation. In this case, your net unrealized appreciation will be taxed in the year you receive the stock, unless you roll over the stock. The stock (including any net unrealized appreciation) can be rolled over to a traditional IRA (if the IRA provider permits), or another eligible employer plan, either in a direct rollover or (with the exception of a rollover of after-tax contributions to another employer plan) a rollover that you make yourself. Generally, you will no longer be able to use the special rule for net unrealized appreciation if you roll the stock over to a traditional IRA or another eligible employer plan.

If you receive only Ford common stock in a payment that can be rolled over, no amount will be withheld from the payment. If you receive cash in addition to Ford common stock in a payment that can be rolled over, the 20% withholding amount will be based on the entire taxable amount paid to you (including the value of the Ford common stock determined by excluding net unrealized appreciation). However, the amount withheld will be limited to the cash (excluding Ford common stock) paid to you.

If you receive Ford common stock in a payment that qualifies as a lump-sum distribution, the special tax treatment for lump-sum distributions described above (such as 10-year averaging) also may apply. See IRS Form 4972 for additional information on these rules.

**Repayment of TESPHE Loans.** If you end your employment and have an outstanding loan (and withdraw your account balance), TESPHE may reduce (or “offset”) your balance by the amount of the loan you have not paid. The amount of your loan offset is treated as a distribution to you at the time of the offset and will be taxed unless you roll over an amount equal to the amount of your loan offset to another eligible employer plan or a traditional IRA within 60 days of the date of the offset. If the amount of your loan offset is the only amount you receive or are treated as having received, no amount will be withheld from it. If you receive other payments of cash or property from TESPHE, the 20% withholding amount will be based on the entire amount paid to you, including the amount of the loan payment. The amount withheld will be limited to the amount of other cash or property paid to you (other than Ford Common Stock). The amount of a defaulted plan loan that is a taxable deemed distribution cannot be rolled over.

**Surviving spouses, alternate payees, and other beneficiaries**

In general, the rules summarized above that apply to payment to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are “alternate payees.” You are an alternate payee if your interest in the TESPHE results from a “Qualified Domestic Relations Order”, which is an order issued by a court usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over paid in a direct rollover to a traditional IRA or to an eligible employer plan. If you have the payment paid to you, you can keep it or roll it over to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

If you are a beneficiary other than a surviving spouse or you are a person who is a beneficiary of a trust designated as the deceased member’s beneficiary for the Plan, the Plan has a feature that allows a direct rollover to an IRA to be requested. When the direct rollover to the IRA occurs, the IRA custodian is required to administer the IRA as an “inherited IRA account”. You cannot roll over the payment yourself. You must instruct Fidelity to make a direct rollover to an “inherited IRA” established on your behalf or on behalf of the trust. You will be required to receive annual payments from the IRA in accordance with IRS regulations. See IRS Publication 590, Individual Retirement

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Arrangements, for more information. If you are a designated beneficiary other than a surviving spouse and you do not choose a direct rollover to an IRA, the taxable portion of your payment will be taxed in the current year and federal income tax will be withheld to the extent required.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is not subject to the additional 10% tax described above, even if you are younger than age 59\(\frac{1}{2}\).

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump-sum distributions and the special rule for payments that include Ford common stock, as described above. If you receive a payment because of the employee’s death, you may be able to treat the payment as a lump-sum distribution if the employee met the appropriate age requirements, whether or not the employee had five years of participation in the TESPHE.

**How to obtain additional information from the IRS**

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor before you take a payment of your benefits from the TESPHE. Also, you can find more specific information on the tax treatment of payments from qualified retirement plans in IRS Publication 575, Pension and Annuity Income and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office or the IRS’s web site at [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORMS.

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**When do you contact the Fidelity Service Center for Ford Motor Company?**

**Fidelity Service Center for Ford Motor Company lets you manage your TESPHE account over the phone.**

**Convenient account access**

The Fidelity Service Center for Ford Motor Company generally provides 24-hour access to TESPHE account information and permits a variety of transactions to be initiated, toll free, from any touch-tone telephone. Fidelity representatives are available on business days from 8:30 a.m. to midnight (Eastern Time).

You can manage your TESPHE account almost entirely over the phone with the Fidelity Service Center for Ford Motor Company or through Fidelity’s Internet access NetBenefits at [netbenefits.fidelity.com](http://netbenefits.fidelity.com). Most transactions, including exchanges (transfers), loans, and withdrawals may be initiated online and do not require paper forms.

**Establishing your PIN**

To use the Fidelity Service Center for Ford Motor Company, you will need to establish a PIN (personal identification number). The first time you call Fidelity or access your account via NetBenefits, you will be asked to establish your PIN. This is very important because your PIN allows access to confidential information about your TESPHE account. Without your PIN, you will not be able to access your account. Your PIN is a number you choose, six to twelve digits.
**How to access your account**

To access your TESPHE account, you will need to enter your social security number or Alternate Customer ID and your PIN when you call or use NetBenefits. To avoid unauthorized access to your TESPHE account, it is very important to keep your PIN confidential at all times. Conversations initiated through a Fidelity Service Representative will be recorded.

To use the automated telephone system or speak to a representative, you should call the Fidelity Service Center for Ford Motor Company at 1-800-544-3333. The TDD phone line for the hearing impaired is 1-888-343-0860.

From Overseas, follow these instructions:
Dial your country’s AT&T access number + 800-544-3333 (do not dial the leading “1”). From the U.S., access numbers are available by calling 1-800-331-1140. From anywhere in the world, access numbers are also available online at www.att.com/traveler, or from your local operator. If you are calling from an area not supported by AT&T Direct, please use the following international collect phone number: 508-787-9902. Follow the prompts and you will be connected to the Fidelity Service Center for Ford Motor Company.

To use NetBenefits, use the following URL: netbenefits.fidelity.com.

All conversations initiated through a Fidelity representative will be recorded.

Refer to the chart in the Appendix at the end of this section for information on managing your account.

**Transaction deadlines**

**Exchanges and withdrawals.** Your transaction will be effective as of the close of business on any business day if your request is made and confirmed prior to the close of the New York Stock Exchange (usually 4:00 p.m. Eastern Time) on that day. If your request is made or confirmed after this time or on non-business days such as weekends or holidays, your transaction will be effective as of the close of business on the next business day.

Because of high call volume near the close of the market at times, you may wish to call early to be sure your request is made by the deadline. A business day is any day that the New York Stock Exchange is open.

Written confirmation of your transaction will be mailed to your address-of-record on Fidelity’s recordkeeping system within three to five business days. You may print confirmations for transactions completed via Fidelity NetBenefits.

**If you have questions**

All questions and issues regarding the TESPHE should be directed to the Fidelity Service Center for Ford Motor Company representatives. You should call the NESC at 1-800-248-4444 only if a Fidelity Service Center for Ford Motor Company representative is unable to help you.
What circumstances might affect TESPHE benefits?

You should be aware of circumstances that might affect your benefits and your account.

Naming a beneficiary

If you die before assets in your account are distributed to you, your beneficiary will be entitled to your benefit as follows:

- If you are married at the time of your death, your surviving spouse will be entitled to the assets in your account, unless you designate someone else as your beneficiary. Your spouse must consent to this alternative beneficiary designation in writing, as required by law, and your spouse’s consent must be witnessed by a notary public.

- If you are not married and you are covered under the Company-paid life insurance plan at the time of your death, assets in your TESPHE account will be distributed to the person(s) entitled to receive your benefits under such plan, unless you designate someone else. You may name a different beneficiary for the TESPHE by requesting an alternative beneficiary designation form from the Fidelity Service Center for Ford Motor Company and filing the form with UNICARE.

- If you are not married and you are not covered under the Company-paid life insurance plan at the time of your death, assets in your account will be distributed to your estate, unless you designate a beneficiary. You may name a beneficiary for your TESPHE account by requesting an alternative beneficiary designation form from the Fidelity Service Center for Ford Motor Company and filing the form with UNICARE.

You may change or revoke your beneficiary designation at any time. If you terminate employment and decide to leave your TESPHE assets in the TESPHE, be sure that your beneficiary elections are in order.

Beneficiaries may not make beneficiary designations.

If you or your beneficiary is incapacitated

Payment of your account may be withheld until a legal representative is appointed if you or your beneficiary becomes legally incapacitated or incompetent.

Changes in laws and regulations

TESPHE is subject to approval by the Internal Revenue Service and other governmental bodies. As laws and regulations change, the TESPHE may require amendment as well. If changes affect your benefits, you will be notified.

Transfer of benefits

Payments from the TESPHE are intended to be made to you or your eligible spouse or beneficiary. Payments cannot be transferred, assigned, pledged or garnisheed. The TESPHE must honor qualified domestic relations court orders, however, in assigning benefits for a divorce settlement or child support payment.

Assignment of benefits; liens

Benefits under qualified retirement plans like the TESPHE generally may not be assigned or alienated except in accordance with a judgment, decree, or order that is issued under state domestic relations law that relates to the provision of child support, alimony, or marital property rights to a spouse, former spouse, child, or other dependent of a plan participant. Such an order must meet the requirements of a Qualified Domestic Relations Order (QDRO) as defined in Section 206(d) of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, as determined by the Company. No benefits under the TESPHE are subject to legal process or attachment for the payment of any claim except as described above.

In Case of a Federal Garnishment

A Federal writ of garnishment against your TESPHE account may be obtained by the U.S. Government pursuant to the procedures authorized by the Federal Department Collections Procedures Act of 1990 (FDCPA), 28 U.S.C. 88 3001-3308, and the Mandatory Victims Restitution Act, 18 U.S.C. 83614(c). The Federal Garnishment will attach a lien to your TESPHE account. Recovery of the Federal Garnishment will begin once you are eligible to receive any distributions from your TESPHE account.
In case of divorce or legal separation

If you are involved in a divorce or legal separation and require information concerning your TESPHE benefits, you should review your quarterly statement or review your account through Fidelity NetBenefits at https://netbenefits.fidelity.com. If further information is required, contact the Fidelity Service Center for Ford Motor Company at 1-800-544-3333.

The Fidelity QDRO Center at http://qdro.fidelity.com is an internet website available to attorneys, TESPHE members, and alternate payees to generate a web Domestic Relations Order ("DRO" or "Order") or to obtain a copy of the QDRO Approval Guidelines and Procedures. This free online application does not interface with any member account or benefits information.

You may also obtain a copy of Ford Motor Company’s QDRO Approval Guidelines and Procedures through Fidelity NetBenefits at http://netbenefits.fidelity.com. After accessing your TESPHE account, select "Plan Information and Documents" from the left-hand menu, then select "Plan Literature" and check "Ford QDRO Kit". A kit will be mailed to your address of record. You may also call the Fidelity Service Center for Ford Motor Company to request a QDRO kit.

If you would like to submit your QDRO for review, send it to:

Fidelity Service Center for Ford Motor Company
P.O. Box 770003
Cincinnati, OH 45277-0066
Attention: QDRO Administrative Group

If the QDRO is acceptable, you will be notified and the QDRO will be implemented according to its terms. Other forms of QDROs may be acceptable if they comply with the legal requirements set forth in Section 206(d) of ERISA and Code Section 414(p), and can be administered in accordance with the guidelines of the TESPHE as determined by Fidelity.

Other forms of marital dissolution documents may be acceptable as QDROs if they comply with the legal requirements set forth in Section 206(d) of ERISA and Code Section 414(p) and can be administered in accordance with the guidelines of the TESPHE as determined by Fidelity. If you are in receipt of such a marital dissolution document, refer to the following description and mailing directions below.

Send the following documents specifically intended to satisfy QDRO requirements to Fidelity Service Center for Ford Motor Company, P.O. Box 770003, Cincinnati, OH 45277-0066 Attention: QDRO Administrative Group:

- Domestic Relations Orders (DROs) (original, true or court certified copies of original Orders filed in a court of competent jurisdiction)
- Proposed DROs
- Decrees of Divorce
- Judgments
- Property Settlement Agreements
Can the TESPHE provisions change?

**It is possible the TESPHE could be changed or could end in the future.**

The TESPHE is expected to continue in effect until the end of the 2007 Ford-UAW Collective Bargaining Agreement.

At that time, the TESPHE may be renewed automatically for successive one-year periods, unless Ford or the UAW makes a written request to modify the TESPHE at least 60 days before September 14, 2011, or any subsequent anniversary date. A request to terminate the TESPHE must be made within the same deadlines.

Subject to the 2007 Agreement, the Company Board of Directors may at any time change, suspend or terminate the TESPHE partially or completely. No change may reduce the value of your account, however, from what it was on the day before the change.

Your current account balance also is protected if the TESPHE is merged or consolidated with another plan, or if your account is transferred to another plan. Immediately after the change, your account balance under the new plan would be at least equal to the balance under the TESPHE just before the change.

A change or suspension in the TESPHE may not change your right for the continued investment of your TESPHE account, your right to make approved withdrawals, or your right to a final payout.

The Company may change, suspend or end the TESPHE for employees if the Tax-Efficient Savings Plan Committee finds that the laws of a state or country where they live make the TESPHE disproportionately expensive and inconvenient to administer.

A change, suspension or termination will take effect no sooner than the date the Company notifies the Trustee and participating companies. A retroactive change is allowed, however, if it is required to keep the TESPHE or the trust fund in compliance with legal requirements.

If the TESPHE is terminated, the Company may direct the Trustee to pay out the assets in all accounts as of the termination date. Any Profit Sharing contribution to the Plan for 2011, however, will be administered as described in the TESPHE even if the TESPHE is terminated that year.

Administration

**The following information pertains to the administration of the TESPHE.**

**Administration of the TESPHE**

The TESPHE is sponsored by Ford Motor Company, and the Company is the Plan Administrator.

The Company has been designated “named fiduciary” pursuant to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and has the power to control and manage the operation and administration of the TESPHE.

The Company has established a Tax-Efficient Savings Plan Committee (the Committee), all the members and alternate members of which are employees of the Company. The members of the Committee and the alternate members receive no additional compensation for Committee services as members or as alternate members. Except for non-delegable functions of the Trustee, the Committee administers the TESPHE, interprets its provisions and prescribes regulations and forms in connection therewith. Interpretations of the provisions of the TESPHE by the Committee are final and conclusive.

The Company and Fidelity Management Trust Company (FMTC) have entered into a Trust Agreement pursuant to which FMTC acts as Trustee under the TESPHE. The Company may amend the Trust Agreement and change the Trustee. The Trustee has custody of the funds received from the Company as contributions or received as earnings thereon, and makes all purchases, sales and redemptions of securities in accordance with the provisions of the TESPHE.
The Pension Benefit Guaranty Corporation (PBGC)
TESPHE is a defined contribution pension plan. This means that the TESPHE defines the contribution to be made to your account, but it does not mean that you will receive a specific amount when your account is paid out. Since no benefit is guaranteed, TESPHE accounts are not insured by the PBGC.

Investment Process Oversight Committee (IPOC)
The Company, by action of the Board of Directors, created an IPOC. The IPOC is responsible for:
- Reviewing the performance of investment options (based on approved investment guidelines) and fees; and
- Approving any changes to the investments or investment guidelines recommended by the Investment Process Committee.

The IPOC will take action with respect to the Ford Stock Fund, Common Stock Index Fund, Bond Index Fund and Interest Income Fund only to the extent required by ERISA.

The IPOC is responsible for maintaining the investment options under the TESPHE solely in the interest of the TESPHE's members and their beneficiaries.

Investment Process Committee
The Company, by action of the Chief Financial Officer, the Group Vice President - Human Resources and Corporate Services, and the Senior Vice President and General Counsel, created an Investment Process Committee (IPC). The IPC recommends investment process guidelines to the IPOC for its approval. Such guidelines will include:
- The types of investment options to be offered under the TESPHE, with due regard to the risk and return characteristics of such options and the need to offer a reasonable array of such risk and return alternatives;
- The individual investment options to be offered under the TESPHE consistent with the range of risk and return characteristics deemed appropriate;
- Procedures for reviewing the performance of investment options offered under the TESPHE; and
- Criteria mandating the removal of investment options from availability under the TESPHE.

The IPC will review the guidelines at least annually and recommend any changes for approval by the IPOC.

The IPC will meet at least quarterly to:
- Review the performance and fees of investment options pursuant to the criteria regarding the removal of investment options from availability under the TESPHE; and
- Recommend additional options, the deletion of options, and, if appropriate, the replacement of options to the IPOC for its approval, if changes are required.

The IPC is responsible for maintaining the investment options under the TESPHE solely in the interest of the TESPHE's members and their beneficiaries.

Employee Stock Ownership Plan (ESOP)
A portion of the TESPHE is designated as an Employee Stock Ownership Plan (ESOP). The ESOP was established in the TESPHE effective January 1, 1989, and consists of all the shares of Company Stock in the TESPHE. The Trustee shall hold, invest, transfer and distribute shares of Company Stock and all other assets in the ESOP in accordance with the TESPHE document.
Other information

The following documents filed or to be filed with the Securities and Exchange Commission are incorporated herein by reference:

- Ford's, and the TESPHE's latest annual reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "1934 Act") which contain, either directly or by incorporation by reference, certified financial statements for Ford's latest fiscal year for which such statements have been filed
- All other reports filed pursuant to Section 13(a) or 15(d) of the 1934 Act since the end of the fiscal year covered by the annual reports referred to in the preceding paragraph
- The description of Ford's Common Stock contained in Registration Statement No. 333-38352 filed by Ford under the Securities Act of 1933

All documents subsequently filed by Ford pursuant to Sections 13(a), 13(c), 14 and 15(d) of the 1934 Act, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated herein by reference and to be a part hereof from the date of filing such documents.

Each person to whom a copy of this material is delivered will be provided without charge, upon written or oral request of such person, a copy of any and all of the information that has been incorporated by reference in this material (not including exhibits to the information that is incorporated by reference unless such exhibits are specifically incorporated by reference into the information that this material incorporates) and any other documents required to be delivered to members. Written or telephone requests for such information related to Ford should be directed to: Ford Investor Relations, P.O. Box 1899, Dearborn, Michigan 48121-1899, telephone: (800) 555-5259 (within the U.S. and Canada) or (313) 845-8540 (outside the U.S. and Canada), fax (313) 845-6073.

Written or telephone requests for information about the TESPHE that the Fidelity Service Center for Ford Motor Company is unable to answer or inquiries directed to the Tax-Efficient Savings Plan for Hourly Employees Committee, which administers the TESPHE, should be directed to the National Employee Services Center, Savings Plans Administration, Ford Motor Company, P.O. Box 6214, Dearborn, MI 48121-6214, telephone 1-313-248-4444 or 1-800-248-4444.

The TESPHE was established pursuant to the Collective Bargaining Agreement dated October 14, 1984, between the Company and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW (the Union), and was approved by the Board of Directors of the Company on November 8, 1984. The TESPHE was amended and continued pursuant to the Collective Bargaining Agreement dated November 3, 2007, between the Company and the Union. Contributions to the TESPHE commenced in March 1985.

The TESPHE is subject to certain provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA), including generally, the reporting and disclosure, participation and vesting, fiduciary responsibility, and administration and enforcement provisions in Title I of ERISA. TESPHE is also qualified under Sections 401 (a) and 401(k) of the Internal Revenue Code of 1986, as amended.

The TESPHE is intended to constitute a plan described in section 404(c) of ERISA. The fiduciaries of the TESPHE are relieved of liability for any losses which are the direct and necessary result of investment instructions given by members of the TESPHE.

The detailed provisions of the TESPHE, not the summary, govern the actual rights and benefits to which you may be entitled. If there is a conflict between this summary and the TESPHE plan document, the TESPHE plan document will control.

Address changes

It is your responsibility to keep your address current with Comerica who transmits address information to Fidelity. Notices about the TESPHE will be sent to your most recent address.
**Claim for Benefits**

If you have a **Claim for Benefits** under the TESPHE, or if you think there is an error in the administration of your TESPHE account or an error relating to the amount of your TESPHE deduction from your Profit Share or eligible pay, you should contact the Fidelity Services Center for Ford Motor Company at 1-800-544-3333. The Fidelity Service Center for Ford Motor Company will attempt to resolve your concerns informally. If that does not prove possible, you should submit your claim to the Fidelity Service Center for Ford Motor Company in writing.

**Appeal procedure**

If Fidelity denies a claim for benefits or participation in whole or in part, you will receive written notification within 90 days from the date the claim for benefits or participation is received. The notice will be deemed given upon mailing, full postage prepaid in the United States mail or on date sent electronically to you. The decision will be in writing and it will include:

- The specific reason or reasons for the denial;
- Reference to the specific plan provision(s) on which the denial is based, along with a copy of the TESPHE provision(s) or a statement that one will be furnished at no charge per your request;
- A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary; and
- A description of the TESPHE’s review procedures and the time limits applicable to such procedures, along with a statement of your right to bring civil action under Section 502(a) of the Employee Retirement Income Security Act (ERISA) of 1974, as amended, following a claim denial for benefits on review.

If Fidelity determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 90-day period. In no event will such extension exceed a period of ninety (90) days from the end of the initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the TESPHE expects to render the determination.

**Review of denial of the claim by the Committee**

In the event that Fidelity denies a claim for benefits or participation, you may:

- Request a review by filing a written appeal to the Committee,
- Review pertinent documents, and
- Submit written comments, documents, records and other information relating to the claim for benefits

The Committee must take into account all comments, documents, records, and other information submitted by you relating to the claim, without regard to whether the information was submitted or considered in the initial benefit determination. You may send your written appeal to:

National Employee Services Center (NESC),
Savings Plan Administrator,
P.O. Box 6214,
Dearborn Michigan 48121-6214.

You must request a review upon an appeal of the denial of the claim within sixty (60) days after you receive the written notification of denial of the claim. The appeal will be considered at the Committee’s next regularly scheduled meeting. If it is filed within thirty (30) days of the next meeting, a decision by the Committee shall be made by the date of the second meeting after receipt of your request for review. Under special circumstances, an extension of time for processing may be required, in which case a decision shall be rendered by the date of the third meeting. If an extension is required because information is incomplete, the review period will be tolled from date the notice was sent to the date information is received. In the event such an extension is needed, written notice of the extension will be provided to you prior to the commencement of the extension.
Written notice of a decision will be made not any later than five (5) days after the Committee has made a decision. The decision will be in writing and it will include:

- The specific reason or reasons for the denial;
- Specific reference to pertinent TESPHE provision(s) on which the denial is based, along with a copy of such TESPHE provisions or a statement that one will be furnished at no charge upon your request;
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim; and
- A statement of your right to bring an action under Section 502(a) of the Employee Retirement Income Security Act (ERISA) of 1974, as amended.

The notice will be deemed given upon mailing, full postage paid in the United States mail, or on the date sent electronically to you.

Claim for Breach of Fiduciary Duty

Effective April 20, 2005, the following procedure should be followed if you have a Claim for Breach of Fiduciary Duty under the TESPHE.

A Member alleging breach of fiduciary duty must file a written claim directed to the National Employee Services Center, Savings Plan Administration, Ford Motor Company, P.O. Box 6214, Dearborn, MI 48121-6214.

The claim must:

- Specifically set forth the facts concerning the alleged breach;
- Clearly identify the TESPHE plan fiduciary who you alleges has committed a fiduciary breach;
- Cite the legal basis for the allegation of fiduciary breach; and
- Specifically set forth the remedy that you request on behalf of the TESPHE.

Savings Plan Administration will review the claim and make a determination within ninety (90) days from the date the claim is received. The notice will be deemed given upon mailing, full postage prepaid in the United States mail, or on the date provided electronically to the claimant.

Any actual denial of a claim will be in writing and it will include:

- The specific reason or reasons for the denial;
- Reference to the specific TESPHE provision(s) on which the denial is based along with a copy of the TESPHE provision(s) or a statement that one will be furnished at no charge, per your request;
- A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary; and
- A description of the TESPHE’s review procedures and the time limits applicable to such procedures, along with a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act (ERISA) of 1974, as amended, following a denial for benefits on review.

If Savings Plan Administration determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial ninety (90) day period. In no event will such extension exceed a period of 90 days from the end of the initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which Savings Plan Administration expects to render the determination.

At the discretion of Savings Plans Administration, the claim may be referred to the Committee or to the Senior Vice President - General Counsel for review.

In the event that Savings Plans Administration denies a claim, a claimant may:

- Request a review upon appeal by written application to the Committee;
- Review pertinent TESPHE plan documents; and
- Submit issues and comments in writing.

You must request a review upon appeal of the denial of the claim by Savings Plans Administration under this TESPHE within sixty (60) days after receiving written notification of denial of the claim. The appeal will be considered at the Committee’s next regularly scheduled meeting. If the appeal is filed within thirty (30) days of the next meeting, a decision by the Committee, as appropriate, shall be made by the second meeting after receipt of the claimant’s request for review.
Under special circumstances, an extension of time for processing may be required, in which case, a decision will be made by the date of the third meeting. If an extension is required because information is incomplete, the review period will be tolled from the date the notice was sent to the date the information is received. In the event such an extension is needed, written notice of the extension will be provided to you prior to the commencement of the extension. In reviewing the claim, the Committee may retain experts or other independent advisors. In such event, an extension of time for processing may be required but a decision on the appeal will be made as soon as is reasonably practicable under the circumstances.

Written notice of the decision will be made to you not any later than five (5) days after the decision has been made by the Committee. At the Committee’s discretion, an appeal from a denial of the claim by Savings Plan Administration, or a referral of a claim directly to the Committee by the Savings Plan Administration, may be referred to the Senior Vice President - General Counsel for review.

When a claim for breach of fiduciary duty, or an appeal from a denial of a fiduciary duty claim, is referred to the Senior Vice President General Counsel, he/she will have full authority and sole discretion to determine the manner in which to discharge his/her responsibility with respect to the review of the claim or the appeal. This includes, but is not limited to, retaining the responsibility to review the claim or appeal, appointing an independent fiduciary, seeking a declaratory judgment in federal court or seeking review of the claim or appeal by an existing or specially appointed committee of the Board. The Senior Vice President- General Counsel, or any person who is responsible for making the decision with respect to the claim or appeal as determined by the Senior Vice President-General Counsel as described above (“Appointee”), also may retain experts or other independent advisors in his/her sole discretion with respect to review of the claim or appeal. The claim or appeal will be reviewed on the basis of the written record submitted by you and the record developed by Savings Plans Administration, if any.

A decision will be made as soon as reasonably practicable under the circumstances. Written notice on review of the decision will be made to you not any later than five (5) days after the decision has been made. The notice will be deemed given upon mailing, full postage pre-paid in the United States mail, or on the date sent electronically to you.

The decision on review will include:

- The specific reason or reasons for the denial;
- Specific reference to pertinent TESPHE provisions on which the denial is based, along with a copy of such TESPHE provisions or a statement that one will be furnished at no charge, upon your request;
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to copies of all documents, records and other information relevant to your claim; and
- A statement of your right to bring a civil action under section 502(a) of ERISA following an adverse determination on review.

Savings Plans Administration, the Committee, the Senior Vice President-General Counsel or the Appointees each severally will have full power and discretion under the TESPHE to consider member appeals with respect to fiduciary claims. Decisions of the Committee, the Senior Vice President-General Counsel or the Appointees, as the case may be, are final and conclusive and are only subject to the arbitrary and capricious standard of judicial review and shall bind and may be relied upon by the members, beneficiaries or the estate or legal representative thereof, the Trustee and all other parties in interest.

Decision of the Committee

Decisions of the Committee, the Senior Vice President – General Counsel or the Appointees, as the case may be, are final and conclusive and are only subject to the arbitrary and capricious standard of judicial review and will bind and may be relied upon by you, your beneficiaries, or the estate or legal representative thereof, the Trustee and all other parties in interest.
Exhaustion requirement limitations on claims

No legal actions may be brought by you, your dependent, beneficiary or the estate or legal representative for entitlement to benefits under the TESPHE or for breach of fiduciary duty until after the claims and appeal procedures have been exhausted. Unless a different period of limitation is specifically provided under the Employee Retirement Income Security Act (ERISA) of 1974, as amended, any claim under the TESPHE must be brought no later than two (2) years after the claim arises in order for the review authorities to conduct a timely and effective investigation of the claim. For matters not specifically addressed, no other actions may be brought against the TESPHE more than six (6) months after the claims arise.

Tax Reduction Act Stock Ownership Plan

The Tax Reduction Act Stock Ownership Plan (TRASOP) was terminated on May 31, 1989, and assets in members’ accounts were distributed from the trust to members or beneficiaries, or transferred to members’ accounts in Company savings plans like the TESPHE in accordance with their elections and provisions established to terminate the plan.

Trustee and record keeper

The Plan Trustee is Fidelity Management Trust Company (FMTC). Fidelity Investments Institutional Operations Company, Inc. (FIIOC) will provide the recordkeeping and administrative services. Their address is:

FMTC: 300 Puritan Way
Marlborough, MA 01752

FIIOC: 82 Devonshire Street
Boston, MA 02109

Your rights under the Employee Retirement Income Security Act of 1974 (ERISA), as amended

The TESPHE is designed to meet the requirements established by ERISA. The TESPHE will be amended to conform with any changes in the law or government regulations.

As a participant in the TESPHE, you are entitled to certain rights and protections under ERISA. Included are the right to receive certain plan information and the right to file a lawsuit if you believe your rights have been violated.

Here is a listing of your rights under ERISA:

- You may visit the National Employee Services Center (NESC) and in some cases Ford World Headquarters, and examine all TESPHE plan documents without charge. Contact the NESC on where you must visit. These include the TESPHE itself, the trust agreement for the TESPHE, the annual financial reports, the TESPHE description, and all other official TESPHE plan documents.
- With reasonable written notice, copies of TESPHE plan documents will be made available for review at other locations.
- You may obtain copies of TESPHE plan documents by writing the Plan Administrator at: National Employee Services Center (NESC), Savings Plan Administrator, P.O. Box 6214, Dearborn, Michigan 48121-6214.
- The Company may make a reasonable charge for copies.
- You will receive a written summary of the TESPHE's annual financial report. The Plan Administrator is required by law to furnish you with a copy of this summary annual report.
- You also may obtain a copy of the annual reports and other TESPHE plan documents at the U.S. Department of Labor's Public Disclosure Room at the Pension and Welfare Benefit Administration in Washington, D.C.
- You may not be discharged or discriminated against to prevent you from obtaining a benefit or for exercising your ERISA rights.

If your claim for a benefit is denied in whole or part:

- You will receive a written explanation from the Plan administrator.
- You have the right to have your claim reviewed and reconsidered.

Besides creating rights for TESPHE members, ERISA also spells out certain duties for people who are responsible for operating the TESPHE. These people are called “fiduciaries”. The fiduciaries of a plan have a duty to operate the plan prudently and in the interest of plan members and beneficiaries.
There are steps you can take to enforce your ERISA rights. For example:

- If you request materials from the TESPHE and don’t receive them within thirty (30) days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110 a day until you receive the materials - unless the materials were not sent because of reasons beyond the control of the administrator.
- If your claim for benefits is denied in whole or in part after a final review, you may file suit in a state or federal court.
- If the fiduciaries misuse the TESPHE’s money or if you are discriminated against for asserting your ERISA rights, you may seek help from the U.S. Department of Labor or file suit in a federal court. If you file a suit, the court will decide who should pay costs and legal fees. If you win your suit, the court may order the person you have sued to pay the costs and fees. If you lose your suit, or if the court decides your suit was frivolous, the court may order you to pay the costs and fees.

If you have any questions about the TESPHE, you should contact the National Employee Services Center (NESC). If you have any questions about this statement or your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Securities Administration at 1-866-444-EBSA (3272).

### Basic TESPHE Information

<table>
<thead>
<tr>
<th>Plan Name:</th>
<th>Tax Efficient Savings Plan for Hourly Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Sponsor:</td>
<td>Ford Motor Company</td>
</tr>
<tr>
<td></td>
<td>Henry Ford II World Center</td>
</tr>
<tr>
<td></td>
<td>Room 1037</td>
</tr>
<tr>
<td></td>
<td>One American Road</td>
</tr>
<tr>
<td></td>
<td>Dearborn, MI 48126-2748</td>
</tr>
<tr>
<td>Employer Identification Number:</td>
<td>38-0549190</td>
</tr>
<tr>
<td>Plan Number:</td>
<td>025</td>
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<tr>
<td>Type of Plan:</td>
<td>Defined Contribution Pension Plan (401(k), ESOP)</td>
</tr>
<tr>
<td>Plan Administrator:</td>
<td>Ford Motor Company</td>
</tr>
<tr>
<td></td>
<td>1-313-248-4444</td>
</tr>
<tr>
<td></td>
<td>1-800-248-4444</td>
</tr>
<tr>
<td>Type of Administration:</td>
<td>Administrative services for the Plan are provided by:</td>
</tr>
<tr>
<td></td>
<td>Ford Motor Company</td>
</tr>
<tr>
<td></td>
<td>National Employee Services Center, UNICARE (under contract), and Fidelity Management Trust Company (under a trust agreement and supplemental contracts).</td>
</tr>
<tr>
<td>Trustee:</td>
<td>Fidelity Management Trust Company</td>
</tr>
<tr>
<td></td>
<td>300 Puritan Way</td>
</tr>
<tr>
<td></td>
<td>Marlborough, MA 01752</td>
</tr>
<tr>
<td>Agent for Service of Legal Process:</td>
<td>Ford Motor Company</td>
</tr>
<tr>
<td></td>
<td>One American Road</td>
</tr>
<tr>
<td></td>
<td>Room 1037</td>
</tr>
<tr>
<td></td>
<td>Dearborn, MI 48126-2748</td>
</tr>
</tbody>
</table>

Alternatively, legal process may be served on the Plan trustee

<table>
<thead>
<tr>
<th>Plan Funding:</th>
<th>Company &amp; Employee Funded Assets of the TESPHE are held in trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Year:</td>
<td>January 1 to December 31</td>
</tr>
</tbody>
</table>
Appendix

Plan Designated Default Investment Option

The TESPHE designated default investment option is a target date fund, presently the Barclays Global Investors, N.A. (BGI) LifePath® Index NL Funds. The following is an overview of the BGI LifePath® Index NL Funds.

The BGI LifePath® Index NL Funds are a type of target date fund designed to provide an investment strategy targeted to when you expect to start withdrawing your money, based on an age 65 retirement date. Each LifePath® NL Fund’s investment strategy is based on a particular time horizon and level of risk that investors on average would deem appropriate for that timeframe. The investment strategy evolves as the fund approaches its maturity date. For instance, in the early years, when you have more time to bear short-term fluctuations in the stock market, each fund’s asset allocation favors stocks to try to maximize returns. Then, as the fund gets closer to its “target date,” a team of investment managers at Barclays Global Investors gradually moves more money out of stocks and into more conservative investments, like bonds, to try to preserve the accumulated value of your account. No action is required on your part to rebalance your account; everything is done for you.

When each LifePath® Index NL Fund reaches its target year, assets in that fund will automatically move to the LifePath® Retirement Index NL Fund, intended for people who will be retiring soon, or are already retired. Although the LifePath® Index Retirement NL Fund invests in a greater concentration of lower-risk investments, a portion of its assets will continue to be invested in stock funds so that the portfolio has some protection against inflation during your retirement years. The LifePath® Index Retirement NL Fund holds a blend of investments that is appropriate for retirement years - approximately 1/3 of its assets in stocks; around 2/3 of its assets in fixed-income investments. The Fund seeks current income and moderate long-term growth of capital.

Barclays Global Investors, N.A., a limited purpose national trust bank, manages the LifePath® Index collective investment funds and provides fiduciary and custody services to various institutional investors. Funds custodied with Barclays Global Investors are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, and are not guaranteed by BGI or its affiliates. A collective investment fund is privately offered; prospectuses are not required.

There are risks involved with investing, including possible loss of principal. Risk controls and asset allocation models do not promise any level of performance or guarantee against loss of principal. Each LifePath® Index NL Fund has a different level of risk. An investment in the LifePath® Index NL Funds is subject to stock market risk, which means the price of the stocks in which the underlying funds invest may fluctuate or fall in response to economic events or trends. Risks also include bond investment risks, including interest rate risk; credit risk; and prepayment risk, which is the risk that borrowers may prepay their mortgages or loans faster than expected, thereby affecting the security’s average life and potentially its yield. Investments in foreign securities are subject to certain special risks and considerations, including potentially less liquidity and greater price volatility than securities traded in the U.S. markets. The funds also may be subject to the additional risk associated with investing in high yield and small cap securities.

The allocation of each LifePath® Index NL Fund’s assets is managed using a quantitative model that has been developed based on a number of factors. There is no assurance that the recommended asset allocation will either maximize returns or minimize risk or be the appropriate allocation in all circumstances for every investor with a particular time horizon.
The BGI LifePath® Index NL Fund chosen as the investment option default will be based on your age and the assumption that you will "retire" (or start accessing your TESPHE account) at age 65. Note: You should verify your birth date of record with Fidelity to assure accuracy. You can do this via Fidelity NetBenefits (from the homepage, click on the Your Profile link), or by calling the Fidelity Service Center for Ford Motor Company. If the information is incorrect, contact: (a) your Hourly Personnel Office if you are an active employee; (b) Ford NESC by email (nesc@ford.com) or by phone (1-800-248-4444) if you are separated from the Company.

### BGI LifePath® Index NL Fund Default Schedule

<table>
<thead>
<tr>
<th>If Date of Birth Is...</th>
<th>The Default BGI LifePath Index NL Fund Is...</th>
</tr>
</thead>
<tbody>
<tr>
<td>On or after 1983</td>
<td>BGI LifePath® Index 2050 NL Fund</td>
</tr>
<tr>
<td>On or between 1978 and 1982</td>
<td>BGI LifePath® Index 2045 NL Fund</td>
</tr>
<tr>
<td>On or between 1973 and 1977</td>
<td>BGI LifePath® Index 2040 NL Fund</td>
</tr>
<tr>
<td>On or between 1968 and 1972</td>
<td>BGI LifePath® Index 2035 NL Fund</td>
</tr>
<tr>
<td>On or between 1963 and 1967</td>
<td>BGI LifePath® Index 2030 NL Fund</td>
</tr>
<tr>
<td>On or between 1958 and 1962</td>
<td>BGI LifePath® Index 2025 NL Fund</td>
</tr>
<tr>
<td>On or between 1953 and 1957</td>
<td>BGI LifePath® Index 2020 NL Fund</td>
</tr>
<tr>
<td>On or between 1948 and 1952</td>
<td>BGI LifePath® Index 2015 NL Fund</td>
</tr>
<tr>
<td>On or before 1947</td>
<td>BGI LifePath® Index Retirement NL Fund</td>
</tr>
</tbody>
</table>
**Managing your account**

Accessing and managing your account is easy. Through Fidelity’s online account management service, automated phone service, or phone service representatives, you can easily get the information you need whenever you want it. Note that the automated phone service has a speech recognition feature that lets you request most transactions with a simple word or phrase.

**NOTE:** Fidelity may change the organization of its NetBenefits Website from time to time. As a result, the navigational steps detailed in this document may change. If you have questions regarding how to use Fidelity NetBenefits, contact the Fidelity Service Center for Ford Motor Company at 1-800-544-3333 for assistance.

<table>
<thead>
<tr>
<th>HOW TO:</th>
<th>USE THIS CHANNEL:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online 24-hour access</td>
<td>Voice Response System</td>
</tr>
<tr>
<td>Log on at netbenefits.fidelity.com</td>
<td>1-800-544-3333</td>
</tr>
<tr>
<td></td>
<td>Virtually any time, day or night</td>
</tr>
<tr>
<td>Fidelity Service Representatives</td>
<td>Mon.-Fri. 8:30 a.m. to midnight, ET</td>
</tr>
</tbody>
</table>

**ACCOUNT INFORMATION**

| Obtain plan information from the Home Page; using the “Select Action” menu, scroll down to Plan Information and Documents. | Not Available |

| Review investment information | Not Available |
| (investment option descriptions, mutual fund prospectuses and performance) | X |
| Click on the Savings and Retirement tab from the Home Page; using the “Select Action” menu, scroll down to Performance and Research; select any of the investment options to secure additional detail. | X |

| Obtain quotes for all investment options | View Quotes link. |

| Check your current account balance | Available on the NetBenefits Home Page. For more detail, click on the Portfolio Investments, Portfolio Research or Portfolio Analysis tabs. |
| X |

<p>| Review account history | Not Available |
| Click on the Savings and Retirement tab from the Home Page; using the “Select Action” menu, scroll down to History. | X |</p>
<table>
<thead>
<tr>
<th>HOW TO:</th>
<th>USE THIS CHANNEL:</th>
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<tbody>
<tr>
<td></td>
<td><strong>Online 24-hour access</strong>&lt;br&gt;Log on at netbenefits.fidelity.com</td>
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</tbody>
</table>

**INVESTMENT CHANGES**

| Exchange between investment options | Click on the Savings and Retirement tab from the Home Page; using the “Select Action” menu, scroll down to *Change Investments*. | X | X |

**ADMINISTRATIVE CHANGES**

<table>
<thead>
<tr>
<th>Change address:</th>
<th>Submit the change in writing or complete the change of address portion of your pension check stub and return it to Comerica at:&lt;br&gt;Pension Unit&lt;br&gt;P.O. box 75000&lt;br&gt;Detroit, MI 48275</th>
<th>Not Available</th>
<th>Not Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set up or change a PIN</td>
<td>Go to NetBenefits at netbenefits.fidelity.com. Select the appropriate link and follow the prompts.</td>
<td>Not Available</td>
<td>X</td>
</tr>
<tr>
<td>Order plan literature</td>
<td>Click on the Savings and Retirement tab from the Home Page; using the “Select Action” menu, scroll down to Plan Information and Documents; then select the Forms and Notices link.</td>
<td>Not Available</td>
<td>X</td>
</tr>
</tbody>
</table>
## HOW TO: USE THIS CHANNEL:

<table>
<thead>
<tr>
<th>HOW TO:</th>
<th>USE THIS CHANNEL:</th>
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<tbody>
<tr>
<td>Online</td>
<td>Voice Response System</td>
</tr>
<tr>
<td>24-hour access</td>
<td>1-800-544-3333</td>
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<tr>
<td>Log on at netbenefits.fidelity.com</td>
<td>Virtually any time, day or night</td>
</tr>
<tr>
<td>Fidelity NetBenefits</td>
<td>Fidelity Service Representatives</td>
</tr>
<tr>
<td>Fidelity Service Center: 1-800-544-3333</td>
<td>1-800-544-3333</td>
</tr>
<tr>
<td>TDD for the hearing impaired: (888) 343-0860</td>
<td>Mon.-Fri. 8:30 a.m. to midnight, ET</td>
</tr>
</tbody>
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## LOANS AND WITHDRAWALS

<table>
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<tr>
<th>HOW TO:</th>
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<tbody>
<tr>
<td>Review outstanding loan information</td>
<td>Online</td>
<td><strong>X</strong></td>
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<tr>
<td></td>
<td>Voice Response System</td>
<td><strong>X</strong></td>
</tr>
<tr>
<td>Establish Electronic Loan Payment</td>
<td>Online</td>
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</tr>
<tr>
<td></td>
<td>Voice Response System</td>
<td><strong>X</strong></td>
</tr>
<tr>
<td>Review amount available to withdraw and request a withdrawal</td>
<td>Online</td>
<td><strong>X</strong></td>
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<tr>
<td></td>
<td>Voice Response System</td>
<td><strong>X</strong></td>
</tr>
<tr>
<td>Request a full payout</td>
<td>Online</td>
<td><strong>X</strong></td>
</tr>
<tr>
<td></td>
<td>Voice Response System</td>
<td><strong>X</strong></td>
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<tr>
<td>Request a rollover distribution</td>
<td>Online</td>
<td><strong>X</strong></td>
</tr>
<tr>
<td></td>
<td>Voice Response System</td>
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</tbody>
</table>
After an overview of the UAW-Ford Legal Services Plan, this section of your handbook answers these questions:

<table>
<thead>
<tr>
<th></th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who is eligible and what are some basic coverage details?</td>
<td>80</td>
</tr>
<tr>
<td>For what matters can full legal services be provided?</td>
<td>82</td>
</tr>
<tr>
<td>Can services be provided for an appeal?</td>
<td>82</td>
</tr>
<tr>
<td>For what legal matters is office work provided?</td>
<td>83</td>
</tr>
<tr>
<td>For what legal matters is a referral provided?</td>
<td>83</td>
</tr>
<tr>
<td>What expenses are not covered?</td>
<td>84</td>
</tr>
<tr>
<td>How do I receive Plan services?</td>
<td>84</td>
</tr>
<tr>
<td>What are other Plan details?</td>
<td>85</td>
</tr>
<tr>
<td>Where are Plan offices located?</td>
<td>86</td>
</tr>
</tbody>
</table>
Legal Services Plan

An overview: the UAW-Ford Legal Services Plan

At one time or another, most of us need the help of a competent attorney. The UAW-Ford Legal Services Plan can provide important assistance when these situations arise.

When you encounter a legal problem, the UAW-Ford Legal Services Plan can go to work for you. Depending on the circumstances, the Plan may provide three types of services:

1. **Full legal services** for such things as wills, adoptions, consumer complaints and real estate closings. These services are provided at no cost to you. In some situations, you also may receive full services for an appeal of a decision.
2. **Office work** for matters such as divorce and traffic and criminal offenses. These services are provided at no cost to you.
3. **Referrals** to a Cooperating Attorney for certain other matters. In this case, you pay the fees for services provided, but at specified rates for the type of work being done.

Services are provided directly by the Plan’s legal staff if you live near an office where the Plan’s legal staff is located. If you live outside of an area where the Plan’s legal staff is available, services are provided by a Cooperating Attorney. (A Cooperating Attorney is an independent attorney who has contracted to provide services to Plan members through the Plan.)

Who is eligible and what are some basic coverage details?

You, your spouse and your dependent children may be covered by the Plan. Coverage generally begins after you have been employed 90 days.

**Eligibility**

You are eligible for the UAW-Ford Legal Services Plan if you:

- Are a full-time hourly employee represented by the UAW and
- Have been employed for 90 days

You also are eligible for the UAW-Ford Legal Services Plan if you retire and are eligible for benefits (other than deferred vested benefits) under the Ford-UAW Retirement Plan.

Your dependents also may be eligible for coverage. Your dependents include:

- Your spouse, to whom you are currently married. (A spouse by common law marriage is covered only if common law marriage is recognized by the laws in your jurisdiction)
- Your or your spouse’s unmarried dependent children, until the end of the calendar year in which they reach age 25. Children include natural or legally adopted children and children for whom you are the legal guardian. The child must live with you or be your legal responsibility
- All individuals who may be legally claimed as your dependents under Section 152 of the Internal Revenue Code for Federal Income tax purposes
- Your same sex domestic partner, consistent with the Company’s healthcare benefit eligibility criteria
When coverage begins
Coverage begins when you attain seniority.

When coverage ends
Generally, your coverage ends when you leave the Company.

Coverage for your dependents generally ends on the day your coverage ends or when the dependent relationship ends. This occurs for your spouse if you become divorced or your marriage is annulled. It occurs for your dependents when they no longer may be legally claimed as dependents under Section 152 of the Internal Revenue Code for federal income tax purposes.

Coverage for you and your dependents also will end if you lose your seniority rights. However, Coverage will continue while a Union grievance related to your seniority rights is pending.

If you lose your seniority rights, but are later reinstated or reacquire them, you will become eligible on the date they are reacquired.

When coverage is continued
Under the following circumstances, coverage may continue after the time it normally would end:

- **If you are laid off**, coverage for you and your dependents will continue for 24 months after the last day of the month in which your layoff begins:
  ◊ If you are on an approved leave of absence, coverage for you and your dependents continues during the leave
  ◊ If you retire and are eligible for retirement benefits (other than deferred vested benefits) under the Ford-UAW Retirement Plan, coverage for you and your eligible dependents will continue after you retire

- **If you die**, coverage for your spouse may continue if he or she is eligible for:
  ◊ Surviving spouse benefits under the Retirement Plan, or
  ◊ Transition or Bridge Survivor Income Benefits under the Life and Disability Insurance Program, or
  ◊ Health care benefits

Under these conditions, coverage would continue until those benefits end.

If your spouse is not eligible for any of these benefits, coverage ends twelve months following the month in which your death occurs.

Coverage for your eligible dependents and same-sex domestic partners ends twelve months following the month in which your death or your surviving spouse’s death occurs.

If your unmarried child has a physical or mental disability which prevents the child from doing any substantial gainful activity, coverage can continue after the calendar year in which he or she reaches age 25. To qualify:

- The child must live in your household or your surviving spouse’s household
  and
- The disability must be medically determinable
  and
- The disability must be expected either to continue for a long or indefinite period or result in death

Plan cost
The Company pays all the costs of the Plan. For years, coverage under the Plan was provided tax free to Plan members in accordance with Section 120 of the Internal Revenue Code. That Section and the tax exclusion provided by it for Plan members expired on June 30, 1992. Without Section 120, the Company must “impute” income to all Plan members. Imputed income is income that is not actually received as pay, but it is subject to federal, state and local income and Social Security (FICA) taxes.

Plan administration
Money the Company contributes goes into a trust fund. The trustee of the fund is Comerica Bank. Money in the fund is used for the sole purpose of paying Plan benefits. It cannot be returned to the Company, Union or Administrative Committee. An Administrative Committee is made up of three members appointed by the Union, three members appointed by the Company and one member appointed jointly by the Union and the Company. A Plan Director is chosen by this Administrative Committee.
For what matters can full legal services be provided?

The Plan provides full legal service benefits for matters such as wills, adoptions, consumer complaints, real estate closings and termination of Social Security benefits.

If you or your dependents require legal services for any of the items listed below, the Plan will provide all necessary and appropriate legal services. This includes an attorney’s services, court work, court costs, filing fees and deposition and discovery charges for:

- Suspension or termination of Social Security disability benefits
- Probate proceedings
- Wills, codicils and trusts
- Guardianships
- The adoption or legitimization of a child
- Name changes
- Consumer complaints and warranties (including litigation on plaintiff claims exceeding $700)
- Contracts for goods and services (including litigation on plaintiff claims exceeding $700)
- Defending a collection action on personal or family debts
- Defending a garnishment
- Repossession and replevin (recovery) of goods
- Personal bankruptcy
- Denial of insurance claims or loss of insurance coverage (except against the Company or Company-sponsored insurance plans)
- IRS audits and administrative proceedings (administrative appearances only)
- Tenant representation
- Leases on personal or family residences
- Property damage (real and personal)
- Real estate matters for a personal or family residence, including closings, purchases, mortgages, sales, foreclosures, boundary disputes, title disputes, zoning matters and eminent domain
- Property tax assessment disputes
- Uncontested divorces, uncontested custody, uncontested non-support, and uncontested alimony in jurisdictions in which an attorney is required to appear in court to finalize the proceedings
- Post-divorce modification of child support order and alimony order, provided that the cause is a material change in the participant’s earnings from the Company (only)
- Termination of parental rights (excluding cases where criminal charges are involved)

Can services be provided for an appeal?

For certain matters, you can receive full legal services to appeal a decision. In some cases, however, approval by the Administrative Committee is required.

The Plan will provide full legal services for appeals on these matters:

- Defending a collection action on personal or family debts
- Defending a garnishment
- Repossession or replevin (recovery) of goods
- Personal bankruptcy
- Consumer complaints and warranties
- Contracts for goods and services
- Denial of insurance claims or loss of coverage
- Medicare claims, but only if, in the opinion of the Director or his/her designee, there is a substantial likelihood of prevailing on such appeal

Appeals for the following matters also will be covered when approved by the Plan’s Administrative Committee:

- Suspension or termination of Social Security disability benefits
- Probate proceedings
- Wills, codicils and trusts
- Guardianships
- Adoption or legitimization of children
- Name changes
- Tenant representation
- Leases on personal or family residences
- Property damage (real and personal)
- Real estate matters for a personal or family residence, including closings, purchases, mortgages, sales, foreclosures, boundary disputes, title disputes, zoning matters and eminent domain
- Property tax assessment disputes
For what legal matters is office work provided?

Office work is provided for such things as traffic offenses, divorce, public assistance claims and veterans benefit claims.

The Plan covers office work by an attorney, in his or her office, for the matters listed below. Office work includes such things as document preparation, advice, correspondence and telephone calls for:

- Social Security claims other than disability suspensions or terminations
- Veterans' benefits claims
- Food stamp or other public assistance claims
- Moving violations and other traffic offenses (but not parking violations)
- Misdemeanors
- Juvenile offenses
- Divorce, separation, annulment, dissolution, maintenance and child custody
- Nonsupport and alimony
- Naturalization, immigration and deportation
- Federal, state and local claim to taxes (excluding tax return preparation)

If you need legal services beyond office work for these matters, you may be referred to a Cooperating Attorney. At that time, benefits for office work will end. You will be responsible for paying the Cooperating Attorney's charges, as explained in the next section.

Family Planning Matters

The Plan provides office work services to prepare for or respond to the death or incapacity of an employee's, retiree's or spouse's parent. Office work services may be provided in the areas of guardianship, probate, wills, trusts, and real estate matters. The Plan can only provide these services if all necessary family members consent to the Plan's representation and waive conflicts of interest.

For what legal matters is a referral provided?

For legal services beyond those covered by other parts of the Plan, you may be referred to a Cooperating Attorney. It is your responsibility to pay the attorney's fees at specified rates.

You can receive a referral to a Cooperating Attorney:

- When you require full legal services for a matter not covered by the Plan's full legal service benefits
- When you need legal services beyond office work for matters covered by office work only

In these cases, you may be referred to a Cooperating Attorney. Cooperating Attorneys have an agreement through the Plan to provide legal services to Plan members. It is your responsibility to pay the cost of the services according to a scheduled fee determined by the Plan.

If you have questions or concerns about the services you receive from a Cooperating Attorney, you may call the Plan's legal staff for advice on how to handle the situation.
What expenses are not covered?

While many legal services are provided, some expenses are not covered.

The Plan does not cover legal expenses for the following matters:

- Any action pending before April 1, 1985 (the effective date of the Plan)
- Legal services which are not considered personal legal services by law (example, for matters involving a family business)
- Workers' Compensation or Unemployment Compensation matters involving the Company
- Any bankruptcy proceeding that would result in discharge of a debt owed to the Company, the Union or any benefit Plan or trust established or maintained by the Company
- Proceedings against any benefit Plan or arising out of any benefit Plan established or maintained by the Company, including proceedings against any trust or insurance carrier through which such benefits are provided to the Company, employees or retirees
- Any dispute between you and the Company, its subsidiaries, its dealers or any of its officers or agents
- Fines and penalties, whether civil or criminal
- Any judgment for civil damages
- Proceedings involving disputes between you and another Plan member, unless you and the other Plan member are represented separately
- Any non-legal costs associated with the purchase or sale of real estate
- Matters involving election laws, or warrant to any civil office
- Any dispute involving this Plan
- Any proceeding against the Union, any of its subordinate or affiliated bodies, or the officers or agents of such or against any labor organization representing employees of the Company
- Any proceeding in which the Union would be prohibited from defraying the cost of legal services under law or any proceeding arising under the National Labor Relations Act or Labor Management Relations Act
- Tax return preparation

How do I receive Plan services?

Services are provided by the Plan’s legal staff or by a Cooperating Attorney.

If you live near a Plan office

If you live near a Plan office, legal services are provided directly by the Plan’s legal staff. Plan offices are listed in the next section. You may call the Plan office in your area, collect, for an appointment. If you wish, you may talk to an attorney over the phone before making an appointment.

If you do not live near a Plan office

If you do not live near a Plan office, you may call the national office for a referral to a Cooperating Attorney in your area. In this case, the Plan pays the Cooperating Attorney for all services provided they are covered by the Plan. To reach the national office, call toll-free:

- In Michigan: 1-800-482-5007
- Outside Michigan: 1-800-645-5203

Some things to keep in mind

In many cases, sound advice or steps taken early can keep a minor legal problem from turning into a major one. You will receive the most benefit from the Plan if you contact an attorney as soon as you are aware of a situation in which legal counsel is needed.

The attorney providing Plan services represents you on an individual basis. You are entitled to the attorney’s sole protection of your interests.

Information exchanged between you and an attorney is treated confidentially. That information is not released to the Company, Union or other persons.
If you are dissatisfied with work performed

If you or a dependent are dissatisfied with the work performed under the Plan or by a Cooperating Attorney, you may turn in a written complaint to the Plan’s Assistant Director. Within 50 days following the date you submit your complaint, the Plan’s Director will send you a written decision on your complaint.

If you are dissatisfied with the decision, you may make a written appeal to the Administrative Committee within 30 days. The appeal should state your reasons for a change in the Director’s decision.

As soon as possible, you will receive a written notice from the Director stating the final decision on your complaint.

Coordination of benefits

The Plan does not provide legal services in matters for which you or a dependent are entitled to services or benefits through another plan or insurance. In the event of duplicate coverage, the other plan or insurance contract would provide benefits before this Plan.

Services may be limited or denied if you and another Plan member — or two or more covered family members — have a legal dispute, since representing two covered persons could result in a conflict of interest. If the dispute is between you and another family member, you would be entitled to services covered by the Plan. Your dependent would need to obtain an outside attorney and pay resulting costs and fees. If the conflict is between you and another Plan member, services provided by the Plan generally are provided through separate Cooperating Attorneys.

What are other Plan details?

Following is additional information about the UAW-Ford Legal Services Plan.

Legal matters arising from U.S. and Canadian laws are covered

The Plan covers legal problems arising under the laws of the United States and Canada — or any state, commonwealth, district, territory, province, or political subdivision of the United States or Canada. Legal matters arising from other laws are not covered.

No assignment of benefits

Benefits under this Plan cannot be assigned, pledged, attached, or made subject to debts.

If the Plan is terminated

Although termination of the Plan is unlikely, the Company and Union reserve the right to terminate or amend the Plan. If funds are available at Plan termination, legal representation of matters pending would continue until the matter is concluded, or for one year, whichever is earlier. If funds are not available to continue representation, benefits would be prorated based on available assets.
Where are Plan offices located?

Legal Plan offices are located in many states throughout the country.

**ALABAMA**

Decatur
401 Lee Street N.E.
Amsouth Bank Bldg., Suite 600
Decatur, Alabama 35601
(256) 353-1555

Madison
Meadow Green Centre
9238 Highway Blvd., Suite 750
Madison, Alabama 35758
(256) 461-7526

**DELAWARE**

Newark
200 Continental Drive, Suite 212
Newark, Delaware 19713
(302) 366-0513

**FLORIDA**

Clearwater
2454 McMullen Booth Road
Building B, Suites 424 & 425
Clearwater, Florida 33759
(877) 309-1787
(727) 669-5319

**GEORGIA**

Atlanta
2200 Century Drive Parkway, Suite 950
Atlanta, Georgia 30345
(404) 248-0808

777 Cleveland Avenue SW, Suite 607
Atlanta, Georgia 30315
(404) 761-3116

**ILLINOIS**

Belvidere
Landmark Financial Center
600 South State Street, Suite 200
Belvidere, Illinois 61008
(815) 544-2525

Burr Ridge
Harris Bank Hinsdale Building
101 Burr Ridge Parkway, Suite 200
Burr Ridge, Illinois 60527
(630) 850-9700

Calumet City
1579 Huntington Drive
Calumet City, Illinois 60409
(708) 868-7520

**INDIANA**

Anderson
1106 Meridian Plaza, Suite 300
Anderson, Indiana 46016
(765) 646-6076

Fort Wayne
3110 Mallard Cove Lane
Covington Creek Professional Village
Fort Wayne, Indiana 46804
(260) 432-7403

Indianapolis
5155 N. Shadeland Avenue, Suite 300
Indianapolis, Indiana 46226
(317) 543-5001

Kokomo
217 Southway Boulevard East, Suite 201
Kokomo, Indiana 46902
(765) 864-6400

Marion
220 South Norton Avenue
Marion, Indiana 46952
(765) 662-8411

Muncie
1200 S. Tillotson Overpass, Suite 1
Muncie, Indiana 47304
(765) 288-8980
KANSAS
Kansas City
Gateway No. II Building
4th and State Avenues, Suite 1002
Kansas City, Kansas  66101
(913) 321-1619

KENTUCKY
Louisville
Austin Building
1939 Goldsmith Lane, Suite 117
Louisville, Kentucky  40218
(502) 456-4222

LOUISIANA
Shreveport
6007 Financial Plaza, Suite 704
Shreveport, Louisiana  71129
(318) 688-3960

MARYLAND
Baltimore
Maritime Center
6610 Tributary St., Suite 210
Baltimore, Maryland 21224
(410) 633-5600

MICHIGAN
Bay City
4139 East Wilder Road
Bay City, Michigan  48706
(989) 684-3300

Dearborn
5220 Oakman
Dearborn, Michigan  48126
(313) 943-5300

Detroit
7430 Second Avenue, Suite 1000
Detroit, Michigan  48202
(313) 875-6033
(313) 872-4600

Flint
5125 Exchange Drive
Flint, Michigan  48507
(810) 257-0430

G-2370 South Linden Road
Flint, Michigan  48532
(810) 720-0044

MICHIGAN (Con't)
Flint (continued)
432 N. Saginaw, Suite 504
Flint, Michigan  48502
(810) 257- 0400

Lansing
6500 Mercantile Way, Suite 3
Lansing, Michigan  48911
(517) 887-2838

Livonia
33067 Schoolcraft
Livonia, Michigan  48150
(734) 427-4505

Monroe
898 S. Telegraph
Monroe, Michigan  48161
(734) 242-9700

Pontiac
91 N. Saginaw, Suite 204
Pontiac, Michigan  48342
(248) 858-5850

Portage
590 West Centre Avenue
Portage, Michigan  49024
(269) 324-3106

Saginaw
Morley Building
One Tuscola Street
Saginaw, Michigan  48607
(989) 776-6650

Saline
601 Woodland
Saline, Michigan  48176
(734) 429-4272

Sterling Heights
42140 Van Dyke Avenue, Suite 110
Sterling Heights, Michigan  48314
(586) 254-0320

38177 Mound Road,
Sterling Heights, Michigan  48310,
(586) 446-4605

Taylor
20600 Eureka Road, Suite 620
Taylor, Michigan  48180
(734) 282-8118
MICHIGAN (Con’t)

Wayne
36129 East Michigan
Wayne, Michigan  48184
(734) 721-5483

Wixom
29600 Wixom Road
Wixom, Michigan  48393
(248) 669-3860

Wyoming
4433 Byron Center Rd. S.W.
Wyoming, Michigan  49519
(616) 531-7722

Ypsilanti
1011 Emerick
Ypsilanti, Michigan  48197
(734) 482-4500

MINNESOTA

St. Paul
2233 University Avenue
Wright Building, Suite 235
St. Paul, Minnesota  55114
(651) 641-0647

MISSOURI

Lake St. Louis
1000 Lake St. Louis Blvd., Suite 120
Lake St. Louis, Missouri  63367
(636) 561-2057

Liberty
One Victory Drive, Suite 201
Liberty, Missouri  64068
(816) 781-7791

St. Ann
500 Northwest Plaza, Suite 710
St. Ann, Missouri  63074
(314) 291-6868

Sunset Hills
10820 Sunset Office Drive, Suite 141
Sunset Hills, Missouri  63127
(314) 822-9330

NEW JERSEY

Woodbridge
Woodbridge Center
10 Woodbridge Center Dr., Suite 730
Woodbridge, New Jersey  07095
(732) 602-1166

NEW YORK

Cheektowaga
Airport Commerce Park
307 Cayuga Road, Suite 150
Cheektowaga, New York  14225
(716) 632-1644

Hamburg
4819 South Park Avenue
Hamburg, New York  14075
(716) 646-5530

Lockport
90 Professional Parkway
P.O. Box 877
Lockport, New York  14095-0877
(716) 433-1991

Rochester
1200-C Scottsville Road, Suite 361
Rochester, New York  14624
(585) 436-7720

Syracuse
6712 Brooklawn Parkway, Suite 200
Syracuse, New York  13211
(315) 437-6655

OHIO

Austintown
Cider Mill Crossing Complex
1570 S. Canfield-Niles Road
Building B, Suite 101
Austintown, Ohio  44515
(330) 799-7711

Brooklyn Heights
707 Brookpark Road
Brooklyn Heights, Ohio  44109
(216) 741-2365

Canton
4801 Dressler Road, N.W., Suite 176
Canton, Ohio  44718
(330) 493-8955

Cincinnati
4010 Executive Park Drive, Suite 225
Cincinnati, Ohio  45241
(513) 984-2640
### OHIO (Con't)

**Columbus**  
5212 W. Broad Street  
Columbus, Ohio 43228  
(614) 878-9262

**Dayton**  
111 W. First St., Suite 1045  
Dayton, Ohio 45402  
(937) 222-6090

**Defiance**  
1450 South Clinton Street  
Defiance, Ohio 43512  
(419) 782-2253

**Euclid**  
Omni Park  
27801 Euclid Avenue, Suite 210  
Euclid, Ohio 44132  
(216) 261-8904

**Lima**  
209 N. Main Street, Suite 2A  
Lima, Ohio 45801  
(419) 227-1405

**Lorain**  
5300 Baumhart Road, Suite 3  
Lorain, Ohio 44053  
(440) 282-1392

**Macedonia**  
8536 Crow Drive, Suite 110  
Macedonia, Ohio 44056  
(330) 467-5030

**Mansfield**  
1075 National Parkway  
P.O. Box 2668  
Mansfield, Ohio 44906  
(419) 529-4560

**Sandusky**  
3116 Bardshar Rd.  
Sandusky, Ohio 44870  
(419) 625-0536

**Toledo**  
3360 W. Laskey  
Toledo, Ohio 43623  
(419) 471-1489

### OKLAHOMA

**Oklahoma City**  
3901 Southeast 29th Street  
Del City, Oklahoma 73115  
(405) 677-2670

### TENNESSEE

**Nashville**  
95 White Bridge Pike, Suite 411  
Nashville, Tennessee 37205  
(877) 501-4579  
(615) 356-6280

**Spring Hill**  
100 Stephen P. Yokich  
P.O. Box 1797  
Spring Hill, Tennessee 37174  
(877) 501-4579  
(931) 487-9818

### TEXAS

**Arlington**  
2225 E. Randol Mill Road, Suite 427  
Arlington, Texas 76011  
(817) 633-2283

### WISCONSIN

**Janesville**  
20 East Milwaukee Street, Suite 400  
Janesville, Wisconsin 53545  
(608) 755-1566

**Milwaukee**  
4915 South Howell Avenue, Suite 100  
Milwaukee, Wisconsin 53207  
(414) 482-7160
UAW-FORD Legal Services Plan
200 Albert Kahn Building
7430 Second Avenue
Detroit, Michigan 48202

Administrative Committee

Rebecca Eisenberg, Chair
625 State Street
University of Michigan Law School
Ann Arbor, Michigan 48109

MEMBERS:

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UAW National Ford Department
UAW-Ford National Programs
151 West Jefferson Avenue
Detroit, Michigan 48232

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Director, Employee Benefits Office
Ford Motor Company, Employee Benefits Office
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Dearborn, Michigan 48121-6214

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UAW Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

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Ford Motor Company, Employee Benefits Office
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Dearborn, Michigan 48121-6214

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UAW Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

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Finance
Ford Motor Company, Employee Benefits Office
P.O. Box 6214
Dearborn, Michigan 48121-6214

Robert W. Esler, Director
Susan Suarez, UAW Coordinator
For information about Ford Interest Advantage,
call 1-800-580-4778 or go to
www.fordcredit.com/interestadvantage
As a UAW-Ford retiree or surviving spouse of a UAW-Ford retiree, you should be aware of some important administrative details of the Plans. This section of your handbook contains explanations of these Programs and has answers to these questions:

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Administrative and ERISA Information

What are the administrative details of the Plans?

Information regarding your employee benefit Plans is filed with the federal government and must meet certain administrative requirements under government regulations. This section contains administrative details regarding the Plans.

Covered retirees

This handbook contains descriptions of benefits available to eligible hourly UAW-represented retirees (and their eligible dependents) of Ford Motor Company, AAI Employee Services Company, L.L.C. under the Collective Bargaining Agreement effective November 19, 2007. You can obtain a copy of the Collective Bargaining Agreement by writing to the Plan Administrator. You also can review a copy of the Collective Bargaining Agreement at your former work location.

Plan Administrator

The Plan Administrator (and point of contact) for all of your benefit Plans except those shown below is:

- Plan Administrator
- Ford Motor Company
- National Employee Services Center
- P.O. Box 6214
- Dearborn, Michigan 48121-6214
- 1-800-248-4444

The Tax-Efficient Savings Plan for Hourly Employees (TESPHE) is administered through:

- Fidelity Institutional Retirement Services Company, Inc.
  (A division of Fidelity Investments)
- Institutional Services Company, Inc.)
- 82 Devonshire
- Boston, MA 02109
- 1-800-544-3333

The Plan Administrator for the UAW-Ford Legal Services Plan is:

- Administrative Committee
- c/o Robert Esler Director,
- UAW-Ford Legal Services Plan
- 7430 2nd Avenue
- Detroit, Michigan 48202
- 1-313-872-5200

Plan Sponsor

Ford Motor Company is the Plan Sponsor for all the Plans listed in this handbook.

Employer number

The federal government has assigned Ford Motor Company an employer identification number for tax purposes. It is EIN 38-0549190. The assigned employer identification number for AAI Employee Services Company, L.L.C. is EIN 38-2606038.

Agent for Service of Legal Process

Legal process may be served upon the Plan Administrator or the Agent for Service of Legal Process:

- Secretary
- Ford Motor Company
- One American Road
- Dearborn, Michigan 48126
- 1-313-322-3000

For the Retirement Plan, legal process also can be served upon the Trustee of the Plan:

- The Northern Trust Company
- 50 S. LaSalle Street
- Chicago, Illinois 60675
- 1-312-630-6000

For TESPHE, legal process also can be served upon the Trustee of the Plan:

- Fidelity Management Trust Company
- 82 Devonshire
- Boston, MA 02109
- 1-800-544-3333

Plan Year

The Plan Year for all plans is January 1 through December 31.
Plan termination
Ford Motor Company intends for your Plans to continue indefinitely. No changes may be made until the expiration of the 2007 Collective Bargaining Agreement, except as required by law or as mutually agreed upon between Ford Motor Company and the UAW. The 2007 Collective Bargaining Agreement expires on September 14, 2011.

If the Retirement Plan should terminate, the Pension Benefit Guaranty Corporation (PBGC), a government-owned corporation guaranteeing certain pension benefits, would protect all or a portion of your benefit. See the Retirement Plan section of your handbook for more details.

Further, each section of your handbook has details describing what would happen if a Plan should end.

What are my ERISA rights?

The Employee Retirement Income Security Act of 1974 (ERISA), as amended, entitles you to know certain details about your benefits. ERISA also gives you certain legal protection. It allows you and all other Plan participants to:

Receive information about your plan and benefits, including:

- Examining, without charge, and during regular working hours, all Plan documents, including Plan contracts and copies of all Plan documents filed with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions. Documents are kept in the office of the Plan Administrator, but may be sent to you within 10 days after your written request is received.
- Obtaining a copy of all Plan documents and other Plan information by writing to your Personnel Benefits Representative or the Plan Administrator. The Administrator may make a reasonable charge for copies.
- Receiving a summary of the Plan’s annual financial reports. The Plan Administrator is required by law to furnish each participant with a copy of the summary annual report.
- Obtaining, upon written request, a statement telling you whether you have a right to receive a benefit from the Retirement Plan at normal retirement age (age 65) and, if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to have a right to such a benefit. You also have a right to a statement of your benefits under TESPHE. You must request this statement in writing. The Company must provide the statement free of charge, but is not required to give you more than one statement per calendar year.
Continue group health plan coverage, including:

- Continuing health care coverage for yourself, spouse or dependents if there is a loss of coverage under the plan as a result of a qualifying event. You or your dependents may have to pay for such coverage.
- Reducing or elimination of exclusionary periods of coverage for pre-existing conditions under your group health plan, if you have creditable coverage from another plan. You should be provided a certificate of creditable coverage, free of charge, from your group health plan or health insurance issuer when you lose coverage under the plan, when you become entitled to elect COBRA continuation coverage, when your COBRA continuation coverage ceases, if you request it before losing coverage, or if you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to a pre-existing condition exclusion for 12 months (18 months for late enrollees) after your enrollment date in coverage. For additional information, see “May I obtain a Certificate of Creditable Coverage for Credit Against Another (non-Ford) Plan’s Pre-existing Condition Clause?” in the Other Health Care Plan Information section of this handbook.

Prudent actions by plan fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plans. These people are called “fiduciaries” of the Plans. They have a duty to act prudently in your interest and the interests of other Plan participants and beneficiaries.

No one may fire you or discriminate against you to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce your rights

If your claim for any benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan Administrator review and reconsider your claim.

Under ERISA, there are steps you may take to enforce all these rights. For instance:

- If you request materials in writing from the Plan Administrator and you do not receive them within 30 days, you may file suit in a federal court; in such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the delay is because of reasons beyond the Administrator’s control.
- If your claim for benefits is improperly denied, in whole or in part, you may file suit in a state or federal court.
- If you disagree with the Plan’s decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court.
- If the Plan fiduciaries misuse a Plan’s money or if you are discriminated against for asserting your rights, you may get help from the U.S. Department of Labor or you may file suit in a federal court.

The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with your questions

If you have questions about this statement of your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at 1-866-444-EBSA(3272).

If you have any questions about the Plans, you should contact the NESC by mail at:

National Employee Services Center
P.O. Box 6214
Dearborn, Michigan 48121-6214

Or you may call the NESC at 1-800-248-4444
Plan filing and funding information

The Employee Retirement Income Security Act of 1974, as amended (ERISA), requires that additional administrative information about your benefits be provided. A table with more information follows.

### Summary of Administrative Information

<table>
<thead>
<tr>
<th>Plan Name: Life Insurance, Accidental Death and Dismemberment Insurance, Safety Belt and Survivor Income Benefits</th>
<th>Type of Plan: Welfare plan providing life insurance</th>
<th>Cost Paid By: The Company pays premiums to the carrier in amounts reflecting the number and amount of claims paid</th>
<th>Trustee: None</th>
<th>Benefits Administered or Insured Through: Life Insurance, Accidental Death and Dismemberment Insurance and Survivor Income Benefits are provided by: Group Policy 17-GCC UNICARE Life and Health Insurance Company P.O. Box 2090 Dearborn, MI 48123-2090 1-313-336-5550 1-800-843-8184</th>
</tr>
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<tbody>
<tr>
<td>Dependent Group Life Insurance Plan</td>
<td>Welfare plan offering life insurance for your dependents</td>
<td>Participating employees</td>
<td>None</td>
<td>Ford Hourly Optional Insurance Plan Suite 116 2720 South River Road Des Plaines, Illinois 60018 1-847-299-9393 1-800-742-8215</td>
</tr>
<tr>
<td>Optional Accident Insurance Plan</td>
<td>Welfare plan offering accident insurance for you and your dependents</td>
<td>Participating employees</td>
<td>None</td>
<td>Ford Hourly Optional Insurance Plan Suite 116 2720 South River Road Des Plaines, Illinois 60018 1-847-299-9393 1-800-742-8215</td>
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<th>Trustee</th>
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<td>Ford Motor Company-UAW Retirement Plan</td>
<td>001</td>
<td>Pension plan providing defined benefits (a defined benefit plan)</td>
<td>Ford Motor Company makes contributions to the Pension Fund to fund the normal and amortized past-service cost, as determined by an independent actuary – based on ERISA and the Retirement Agreement</td>
<td>The Northern Trust Company 50 S. LaSalle Street Chicago, Illinois 60675 1-312-630-6000</td>
<td>Plan Administrator Ford Motor Company National Employee Services Center P.O. Box 6214 Dearborn, Michigan 48121-6214 1-800-248-4444</td>
</tr>
<tr>
<td>Ford Motor Company Tax-Efficient Savings Plan for Hourly Employees (TESPHE)</td>
<td>025</td>
<td>Defined contribution Plan</td>
<td>Generally, Ford Motor Company pays Plan administrative expenses. For eligible employees who elect a wage reduction or contribution from 1% to 50% of pay and /or those who elect to deposit their annual Profit Share, the Company will contribute those funds to a trust fund.</td>
<td>Fidelity Management Trust Company 300 Puritan Way Boston, MA 01752 1-800-544-3333</td>
<td>Fidelity Investments Institutional Operations Company, Inc. 82 Devonshire Boston, MA 02109 1-800-544-3333</td>
</tr>
<tr>
<td>UAW-Ford Legal Services Plan for UAW-Represented Hourly Employees of Ford Motor Company in the United States</td>
<td>540</td>
<td>Welfare plan providing legal services</td>
<td>Ford Motor Company</td>
<td>Comerica Bank 100 Renaissance Center Detroit, Michigan 48243 1-313-222-4000 1-800-521-1190 (outside Michigan)</td>
<td>Administrative Committee c/o Robert Esler Director, UAW-Ford Legal Services Plan 7430 2nd Avenue Detroit, Michigan 48202 1-313-872-5200</td>
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