# AGREEMENT TO THE EFFECTS BARGAINING BETWEEN DAIMLER TRUCK NORTH AMERICA, LLC AND INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, DISTRICT LODGE NO. W24, AND MOUNT HOOD LODGE, LOCAL NO. 1005

Daimler Truck North America, LLC ("DTNA" or the "Company") and IAM Local 1005 ("Union") enter into this following Agreement.

## RECITALS

- **A.** Whereas, DTNA and the Union are parties to a Collective Bargaining Agreement ("CBA") dated October 30, 2021, governing the wages, hours and other terms and conditions of employment at DTNA's Portland Truck Manufacturing Plant (PTMP), which expires at 11:59 p.m. on October 30, 2026 and
- **B.** Whereas, DTNA has notified the Union of DTNA's plans to close the PTMP by October 30, 2026; and
- **C.** Whereas, DTNA and the Union engaged in good faith negotiations concerning the effects of the closure of the PTMP, as well as how to handle the period of time between the expiration of the CBA and the date of the closure.
- **D.** Whereas, this Agreement does not extend the Collective Bargaining Agreement beyond the current expiration date of 11:59 p.m. on October 30, 2026.

Therefore, the parties to the CBA agree as follows:

1. DTNA will cease operations at the PTMP on October 30, 2026 and all truck manufacturing, maintenance and related work. After October 30, 2026, additional work will continue to disassemble the plant ("disassembly period"). There is an anticipated need for a small number of employees with the proper skillset and experience to complete this work.

    a. Nine (9) IAM, Maintenance employees, based on seniority of current maintenance employees, anticipated until mid-year 2027 or no longer needed
    b. Up to five (5) Offline Machinists, based on seniority of current offline machinists, if needed, until November 6, 2026
    c. Up to five (5) IAM CTS employees, based on seniority of current CTS employees, if needed, until November 30, 2026

    During the disassembly period, either the Company or employee may choose to end employment in which case the employee will still get their severance as described in Section 4.

2. During the disassembly period, the workforce could include bargaining unit employees, management, and contractors. The Union understands and agrees that management and contractors may do the same work as bargaining unit employees. Therefore, DTNA will require flexibility to determine and assess how best to complete disassembly and reserves its right to exercise its discretion and make decisions regarding how work is performed and who will perform the work. The intent is not to deny any employees from hours for work including overtime.

3. **See Addendum to Closure Agreement Retiree Medical**

4. Severance is calculated at two (2) weeks per year of service, using the base rate of pay (contractual rate including all premiums associated with the employee's position) multiplied by years of service calculated to the day. Years of service will be based on original hire date,

excluding breaks of more than 12 months in continuous service, regardless of any change in Union.

> Example: *John Doe started work on January 1, 2000, and laid off on December 31, 2000. Recall on January 1, 2004, and worked without a break in service until October 30, 2026. Doe's total credited service will be 23.85 years.*

**Payment will be made within thirty (30) days after the last day worked. Severance eligibility requires employees to be actively employed on October 30, 2026, unless the employee ends employment early per Section 8.**

5. Vacation/Sick/Holiday shall be paid out as current practice. Summary below:
   - Unused (Banked) Vacation – Paid at the 1/52 rate (or base rate if 1/52 rate is lower than base rate)
   - Unused (Banked) Sick Time – Paid at Base Rate
   - Accrued Vacation - Paid at Base Rate. If the employee has 1200 hours or more, they receive their full allotment they would normally receive on their next anniversary, paid at their base rate. If the employee is under 1200 hours, the amount is prorated.
   - Deferred Holiday – Any unused holiday pay that was deferred during the last Christmas Shutdown
   - Discretionary Days paid out if unused.

6. The Company shall continue health care continuation benefits by offering six (6) months of health care continuation.

   Employees remain responsible for their cost share during six (6) months of health care continuation.

   Employees currently not enrolled in active health care will not be eligible for health care continuation *(examples: already enrolled in other coverage through spouse or other, disability, lay-off, etc..).*

7. All employees eligible for retirement benefits as of October 30, 2026 will have contributions trued up to 2080 hours for the 2026 plan-year for employer dollars per hour-based contributions. 401(k) contributions will continue through the last hour worked. There will be no pension contributions for any participants beyond November 30, 2026.

8. Over the course of winding down production of the plant, some departments will no longer have work. As such, the Company may allow employees to end employment prior to October 30, 2026 and still get their severance. The Company will offer work and pay employees through October 30, 2026.

9. Company agrees not to contest Oregon Unemployment claims.

10. Company agrees to reach out to Rapid Response to attempt to coordinate availability to be on site to assist employees during nonwork time.

11. The Company will support the joint TAA application.

**Addendum to Closure Agreement**
**Retiree Medical**

The Company's intent is that for those employees who are currently retiree medical eligible they have the option of taking retiree medical coverage or receiving a one-time cash payout ("one-time cash payment"), but not both. To address those employees who would have become eligible to receive retiree medical coverage in the future, but are not due to the closure of PTMP, the Company is offering a one-time cash payment subject to the qualification criteria described below.

Effective December 31, 2026, the Kaiser HMO retiree medical plan will close. Beginning January 1, 2027, all retiree medical participants will be enrolled in the existing Blue Cross Blue Shield PPO retiree medical plan.

Employees eligible to begin receiving retiree medical benefits as of October 30, 2026 ("retiree medical eligible employees"), or earlier or later per Section 1 or 8 of this agreement, may enter the program according to the cost share matrix and parameters of the program or, as is laid out below, may opt out of retiree medical coverage and instead receive a one-time cash payment, which will be subject to all applicable taxes and is not eligible for 401(k) contributions. Retiree medical eligible employees must choose to receive retiree medical or receive the one-time cash payment payable at the rate identified below; they cannot receive both.

For those employees starting retiree medical and entitled to six (6) months health care continuation, the retiree medical coverage will commence following the end of that 6-month health care continuation. PPO coverage will be the only retiree medical benefit provided following the health care continuation.

Employees not eligible to begin receiving retiree medical benefits as of October 30, 2026, or earlier or later per Section 1 or 8 of this agreement, may still be eligible for a one-time cash payment, which will be subject to all applicable taxes and is not eligible for 401(k) contributions, if they are ages 45-54 and meet the hiring and years of service criteria of their particular craft (described below). The payment amounts are set forth in tables below.

**All one-time cash payments will be made within thirty (30) days of the last day worked.**

Eligibility for retiree medical benefits and payout information is as follows:

**<u>IAM</u>**

Retiree medical eligible employees are all employees hired prior to July 1, 2004 and who have achieved age 55 and 10 years of service <u>or</u> 85 age plus service points.

As stated above, retiree medical eligible employees may opt out of receiving retiree medical benefits and instead receive a one-time cash payment (they cannot receive both), the one-time payment schedule for retiree medical eligible employees is as follows:

| Age | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 |
|---|---|---|---|---|---|---|---|---|---|---|
| Payout | $104,200 | $98,100 | $91,100 | $83,300 | $74,600 | $64,900 | $53,200 | $40,800 | $27,900 | $15,000 |

For example: John Doe, hired January 1, 2003, is 55 years old with 23 years of service. He can receive retiree medical benefits <u>or</u> opt to take a one-time cash payment of $104,200, subject to all applicable taxes.

**NOTE: Employees age 65 and older are not eligible for a one-time cash payment.**

The one-time payment schedule for employees hired on or before July 1, 2004 but who are ages 45-54 as of October 30, 2026 (or earlier or later per Section 1 or 8 of this agreement) and therefore not eligible for retiree medical benefits are as follows:

<u>Employees with twenty or more (20+) years of service</u>

| Age | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 |
|---|---|---|---|---|---|---|---|---|---|---|
| Payout | $12,000 | $14,000 | $16,000 | $18,000 | $20,000 | $23,200 | $40,400 | $57,600 | $74,800 | $92,000 |

For example: Jane Doe, hired September 1, 2000, is 46 years old with 26 years of service. She does not qualify for retiree medical, but would receive a one-time cash payment of $14,000, subject to all applicable taxes.

For example: John Doe, hired October 1, 2005, is 52 years old with 21 years of service. He does not qualify for retiree medical nor one-time cash payment because he was hired after July 1, 2004.

Accepted and Approved:

| <u>For the Union (IAM Local 1005)</u> | <u>For the Company (DTNA)</u> |
|---|---|
| Randy Lill Date | Jon Nancarrow Date |
| Brandon Bryant Date | Christy Mezzanatto Date |
| | Jeremy Rogers Date |