

Your **FUTURE,**
Our **COMMITMENT**
VOLKSWAGEN'S FINAL CONTRACT OFFER



UAW labor negotiations

Fall 2025

A message to you, our Volkswagen Chattanooga employees

Visit the Labor Hub
for more information
and resources



We are happy to share that we have presented a comprehensive, final offer to the UAW—an offer that will improve your work life and make our great Chattanooga jobs even better.

The bargaining teams have worked tirelessly over the last year. It is not an easy or fast process to secure a first union contract. It requires developing every piece of contract language from scratch, tailored to you, our plant and our Chattanooga community.

We took the time that was needed to get this right—for you and our future together. We also don't want you to have to wait any longer than you have already to begin taking advantage of the increased benefits—which is why we are putting our final offer on the table. We are proud of where we landed and hope you'll feel the same confidence and optimism.

Volkswagen has listened to your feedback and incorporated as many of your priorities as possible into our final offer, including significant wage increases, a cost-of-living allowance, reduced health care costs, industry-leading PTO and two new floating holidays, job security provisions, a guaranteed vehicle leasing program and so much more.

While much of what you'll see here will be familiar, what's new is that you can now see the full, final and comprehensive offer.

We encourage you to review every aspect and see how it all comes together to support you and our future. This contract will provide the strong foundation we need to succeed here in Chattanooga and provides benefits that you and your family will receive immediately.

As your bargaining representative, only the UAW can call for a vote. If you want to vote on this offer, reach out to your union representatives. We are eager to move ahead as one team.

We are proud of our role in creating good-paying jobs and supporting local growth here in Chattanooga, and we want to ensure that our plant and its people thrive – now and in the future. Where we've landed is a strong first union contract, ensuring that we can continue to grow together, creating a brighter future for you, your family and our community.

With thanks,

Henning Habicht
Head of Chattanooga Operations,
Volkswagen Group of America

Anne Cockwell
Head of HR Operations
Chattanooga, Volkswagen
Group of America

Christena Wilson
Senior Director, Labor Relations,
Volkswagen Group of America

Contract highlights

This offer delivers huge improvements for you.

Significant pay & financial security

- ✓ 20% wage increase over 4 years
- ✓ \$4,000 ratification bonus
- ✓ First-ever cost-of-living allowance (COLA)
- ✓ Lower health care premiums, deductibles and out-of-pocket maximums for you and your family
- ✓ Attendance bonus plus profit sharing tied to our company's success
- ✓ Guaranteed strong 401k contributions towards a secure retirement
- ✓ Guaranteed leasing program

Enhanced work-life balance

- ✓ Industry-leading PTO
- ✓ 2 new floating holidays—use them when you want
- ✓ New advanced notice policies for schedule changes
- ✓ No forced PTO for company downtime

Stronger job security

- ✓ Provisions to support employees in the event of temporary or indefinite layoffs
- ✓ A commitment not to close the plant except in limited circumstances

Fairness & transparency

- ✓ Joint health and safety processes and a new peer representative
- ✓ New documented process for shop-to-shop transfers
- ✓ Fair and equitable processes for promotion, team leader posting agreement and seniority rules
- ✓ Fair and equitable overtime approval process
- ✓ New process to handle grievances
- ✓ More consistent and transparent disciplinary process

Family support

- ✓ Enhanced employee tuition reimbursement
- ✓ New scholarships offers for dependent children

Significant economic improvements

Our offer includes a cost-of-living allowance (COLA) for the first time ever, paired with a major wage increase and an up-front ratification bonus—delivering real, immediate value to you.

More money in your pocket

- **\$4,000** paid immediately once contract is ratified
- Guaranteed **3% to 6%** wage increase every year
- Plus, an additional increase to your hourly wage via the new cost-of-living allowance to further protect you from inflation

20% General wage increase yearly breakdown

YEAR	GENERAL WAGE INCREASE
2025	5%*
2026	3%
2027	3%
2028	3%
2029	6%

*Upon Ratification

How your wages will grow

YEAR	NEW TOP BASE WAGE
2025	\$34.02*
2026	\$35.04
2027	\$36.09
2028	\$37.17
2029	\$39.40

*Upon Ratification

First-ever COLA

On top of hourly wage increases, now you'll receive COLA—added automatically to your hourly wage each quarter based on inflation, **up to an additional \$0.45 per hour.**

How it works:

- Added to your hourly wage and may change quarterly based on inflation or cost-of-living changes
- Calculated based on inflation in Tennessee (less medical care, not seasonally adjusted) using the CPI-W South Urban index
- Capped at \$0.45 to ensure the company can budget predictably

What it means for you

If you're at the top wage rate and the contract is ratified in Q4, with COLA your new base wage in 2026 could be as high as \$35.49.

Working regular hours and with the full attendance bonus, that's nearly

\$80,000

per year, before any overtime, profit sharing or benefits.

Attendance bonus & profit sharing

This contract offer enhances the bonuses you can get on top of your wages each year.

8%

attendance bonus for everyone who meets attendance bonus requirements, paid quarterly

+

Profit Sharing

if VW Passenger Cars exceeds 4% return on sales

Key facts on bonuses

- The average annual attendance bonus was **\$4,269 in 2024**
- **95%** of Chattanooga employees qualified for and received an attendance bonus
- The terms and conditions of the bonus remain the same as they are today
- The attendance bonus is in your control and ensures you can earn extra money regardless of how the company performs—especially important given current industry challenges
- If the company performs well, you will also share in that success on top of your attendance bonus

For context, a 6.5% return on sales is the target necessary for Volkswagen to cover our own capital costs.

VW RETURN ON SALES	YOUR PROFIT SHARING PAYOUT
4-6.99%	\$1,000
7-7.99%	\$1,250
8%+	\$1,500

Retirement benefits

- Volkswagen **contributes up to 9% towards your retirement each year** between defined contribution and 401(k) plans.
- All Volkswagen Group of America employees have the same retirement benefit—salaried and hourly—in Chattanooga and Reston.

How it works

- We contribute 5% of your pay to your Defined Contribution plan—you pay \$0.
- You save 5% of your pay in your 401k, and we pay an additional 4% into your 401k.

One-time retirement bonus

\$50,000 one-time bonus if you are age 55+ with 10 or more years of service at the time of ratification and you choose to retire.



Health care

Offering you a strong health care plan is very important to us. Even before negotiations, we covered 84% of your premium costs and 76% of all health care costs—well above what the average employer covers for both individuals and families.

We heard you: these costs are still a financial burden. Our offer reduces your premium and out-of-pocket costs even further without changing your level of coverage.

Premiums

Families enrolled in the PPO plan will save nearly \$1,000 in 2026 in premium costs alone. Importantly, while economists project health care costs will rise by approximately 9% each year, your premium rates are locked in and will remain steady—the company will take on those added costs each year.

What does this look like in terms of savings back in your pocket? It's thousands of dollars over the life of the contract. Volkswagen will take on those costs and your premium rate will stay the same for four years.

MONEY BACK IN YOUR POCKET: HOW MUCH YOU'LL SAVE IN PREMIUM COSTS

Choice Fund Premier Plan	Total Savings (over 4-year contract)
Employee Only	\$1,423.88
Employee + Spouse	\$3,939.50
Employee + Child(ren)	\$2,743.72
Family	\$3,951.17

Choice Fund Preserve Plan	
Employee Only	\$361.01
Employee + Spouse	\$758.12
Employee + Child(ren)	\$685.91
Family	\$1,083.02

OAP – PPO Plan	
Employee Only	\$2,216.45
Employee + Spouse	\$4,660.04
Employee + Child(ren)	\$4,425.35
Family	\$6,814.06

Savings numbers assume projected 9% inflation and cost increases being passed on to the employee without this contract locking in premium rates.

YOUR NEW BI-WEEKLY PREMIUM RATES - LOCKED IN FOR FOUR YEARS

Choice Fund Premier Plan	
Employee only	\$26.94
Employee + Spouse	\$56.57
Employee + Child(ren)	\$51.19
Family	\$80.82

Choice Fund Preserve Plan	
Employee only	\$7.08
Employee + Spouse	\$14.87
Employee + Child(ren)	\$13.46
Family	\$21.25

OAP – PPO Plan	
Employee only	\$52.03
Employee + Spouse	\$109.27
Employee + Child(ren)	\$98.86
Family	\$156.10



Health care (continued)

Out-of-Pocket Costs

For the PPO plan, which the majority of you are enrolled in, we've also lowered the deductible and out-of-pocket maximum to cover more of your costs.

	CURRENT	
	Individual	Family
In-Network Deductible	\$650	\$1,300
Annual Savings	-	-
Out-Of-Pocket Maximum	\$3,200	\$6,400
Annual Savings	-	-

	NEW	
	Individual	Family
In-Network Deductible	\$450	\$900
Annual Savings	\$200	\$400
Out-Of-Pocket Maximum	\$2,400	\$4,800
Annual Savings	\$800	\$1,600

*preventative care remains free



Increased HRA will put \$ back in your pocket

Our offer will expand the existing Health Reimbursement Arrangement (HRA) through Garner Health. We've significantly increased the money available for you to get reimbursed for eligible out-of-pocket costs to cover you before you hit your out-of-pocket maximum.

\$1,800

for individuals
(previously \$1,000)

\$3,600

for families
(previously \$2,000)

Frequently asked questions on Garner HRA

What expenses are eligible for reimbursement?

- Any service at an approved, in-network provider with Garner and covered by your insurance plan.
- Garner reimburses qualifying medical costs, including office visits, lab work and imaging or procedures ordered or administered by your approved providers.

How do I access my HRA funds?

- Download the free Garner Health app and create an account
- Search for and visit approved doctors
- After your visit, submit your eligible expenses to get reimbursed
- Receive reimbursement via check or direct deposit

What providers are approved?

- Garner's Top Providers are in-network with Cigna and recognized for excellent care and positive patient reviews
- With more than 1,200 approved Top Providers in the Chattanooga area, you have options and flexibility to get the care you need that's also eligible for reimbursement

Time off

PTO

- 5-7 weeks of paid time off (PTO), including paid company holidays and personal vacation, depending on your seniority
- Increased PTO of 200 hours for those with 20+ years of seniority
- At every seniority level, PTO hours are on par or better than the Detroit Three
- You also get 5 instances of Unplanned Time Off (UPTO) when you have the choice to take the time off with pay and use PTO or choose to take unpaid time off without penalty

For the first year of employment, you receive 8 hours of PTO per month up to 96 hours.

NEW HIRE PAID TIME OFF (PTO) HOURS

VV month hired	Less than 1 year	1 year anniversary eligibility date	Paid Time Off (PTO) hours
January	8	1-Jan	96
February	8	1-Feb	88
March	8	1-Mar	80
April	8	1-Apr	72
May	8	1-May	64
June	8	1-Jun	56
July	8	1-Jul	48
August	8	1-Aug	40
September	8	1-Sept	32
October	8	1-Oct	24
November	8	1-Nov	16
December	8	1-Dec	8

At the beginning of your second year or higher anniversary, you'll be credited with your total PTO per the chart below:

PAID TIME OFF (PTO) HOURS – YEAR 2 THROUGH 20+

Year	2	3	4	5-6	7-8	9-11	12-14	15-20	20+
Hours	104	112	120	128	136	144	152	160	200

Holidays

2

New floating holidays to spend more time with your family when you want to

This is in addition to our full holiday schedule, totaling 16 paid holidays. Here's what 2026 will look like:

New Years Day – January 1

Martin Luther King Jr. Day – January 19

Memorial Day – May 25

Juneteenth – June 19

Independence Day – July 3 (Observed)

Labor Day – September 7

Thanksgiving – November 26

Day after Thanksgiving – November 27

Winter Shutdown – December 24-31



Job Security

Volkswagen's offer contains the following job security provisions:

- **Before any layoffs**, we will meet with the UAW to discuss available options to find ways to minimize the impact on you as much as possible.
- **In the event we have to make temporary layoffs**, like when we temporarily stopped ID.4 production last year, if you are affected you are guaranteed 80% of your base pay. Benefits will continue without interruption—including health care and car leases.
- **In the event indefinite layoffs are required**, there would first be a voluntary attrition program like we ran earlier this year. In the highly unlikely event there are not enough volunteers, if you are affected you will get 50% of your base pay for up to a year, and health care for up to 12 weeks.

Plant closure. We don't want to close this plant and have no intention to. We have committed in our offer not to close the plant, except in limited circumstances beyond our control that make this commitment impossible.

Policies to improve your experience

This offer includes many policy changes that we have agreed on with the UAW.

They are based on your feedback and they guarantee stability and consistency for the next four years.

- Reward seniority and create a more equitable workplace
- Encourage peer-led feedback through union representatives, amplifying your voice
- Expand opportunities for shop transfers and provide more advance notice for scheduling
- Give you more ways to actively participate in shaping your workplace environment

Below are a few examples of meaningful changes awaiting you with a ratified contract.

Joint health and safety processes and a new peer-led committee

- New committee made up of your peers will work together with our current safety committee
- New process for raising a safety complaint or concern
- Peer leaders will help ensure better communication back to team members around safety concerns once investigated and resolved

Fair and equitable processes for promotion, team leader posting agreement and seniority rules

- Supervisor recommendation is no longer a requirement for promotion
- All open team leader positions will be posted, and any team member can apply; for candidates that meet all the same job requirements, seniority will be the deciding factor

Fair and equitable overtime approval process

- Overtime offered based on employees with the lowest accumulated overtime hours, rather than seniority
- Better tracking system for overtime requests to ensure overtime offered is fair and equitable

Enhanced employee tuition reimbursement

- Expanded opportunities for employee tuition reimbursement, eligible after just 6 months of employment, up to \$5,000 for undergraduate and \$8,000 for graduate programs
- New opportunity for scholarships of \$2,500 for 20 eligible dependents of employees that can be used for educational expenses

A more consistent and transparent disciplinary process

- Expanded disciplinary track to 6 steps (previously 4 steps), with a new option for unpaid disciplinary suspension at step 5 and termination now at step 6
- Additional steps, combined with proper implementation and training, will make our disciplinary process more consistent and transparent for all employees

New advanced notice policies for schedule changes, advanced overtime notice so employees can plan effectively, and no forced PTO for company downtime

- January calendar will be released 13 months prior so you can schedule holiday PTO ahead of time
- Company won't force PTO usage during company downtime during the contract

New documented process for shop-to-shop transfers

- New transfer process will give you a formal pathway to move to different shops upon request and when there are openings

Company commitment to provide an expanded Employee Assistance Program

- Enhanced and memorialized our Employee Assistance Program
- A dedicated union representative will help you navigate the system and better access benefits and resources



Negotiations Process

What does this offer mean?

This final offer from Volkswagen means negotiations on economics are complete. The bargaining team worked extremely hard to meet as many of your priorities as possible. Here's how we did:

- **95+%** of 800+ initial demands resolved
- **Enhanced** health and safety
- **Double-digit** wage increases
- **Lower** health care costs

Have questions?

Email: FinalOffer@VW.com

Visit: VW.com/Chattanooga/Labor

What happens next?

If you want to vote on this offer, reach out to the bargaining committee or send an email to Chattanooga.Solidarity.42@gmail.com and tell them you'd like to vote on it.

As your bargaining representative, only the UAW can call for a vote—so make your voice heard.

NEW: Rapid Resolution Bonus

We want you to get these contract benefits as soon as possible.

To support this commitment and further urge the UAW to resolve this faster, we are offering a Rapid Resolution Bonus of

\$1,500

for each of you if we ratify a contract by October 31.

This bonus would be on top of your ratification bonus and paid immediately, totaling \$5,500 you'll receive as soon as a deal is signed.



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