

REPORT - GENMO MEETING HELD IN PETERBOROUGH  
Wednesday, March 25, 2009 at 1:00 p.m.

Peterborough Naval Association  
24 Whitlaw Street  
Peterborough, Ontario

The Meeting was attended by approximately 100 people.

Brian Rutherford, President of GENMO, was master of ceremonies. Brian welcomed everyone to the meeting and introduced the Members of the Board of Directors with a brief profile of each member. Brian reassured all present that GENMO supports GM and that we all should be ambassadors for GM and their great products. Brian gave an overview of the format for the meeting. Brian informed the guests that GENMO had over 2000 members.

Brian introduced the guest speaker, Jim Murray, the Canadian Federation of Pensioners, and the three presenters, Joe O'Neill, Director of Communications; John Vanderhorst, Vice President and Lynn McCullough, Director of Legal Services.

Jim Murray, Canadian Federation of Pensioners, and Guest Speaker, gave examples of companies who had been through the CCAA process: Air Canada, Stelco, Slater Steel and Dupont were the companies he referred to. Air Canada is still in business but struggling. Stelco was purchased by an American Firm. Although they were purchased and continued to operate, they are again experiencing difficulty. Their steel manufacturing facilities are experiencing shut downs and layoffs. Slater Steel is out of business. Dupont was purchased and it is evident that the purchaser basically bought it to take the profitable operations and eliminate the rest of the operation. Jim explained that we can learn by the experiences of these companies and their outcomes. He suggested that those with organizations such as GENMO had better outcomes because they had representation at the wind up stage of the bankruptcy proceedings.

Jim stated that retirees should understand that if GM goes bankrupt, salaried retirees will not be represented by GM and they will not be dealing with GM but with a Trustee assigned by the Courts. It is important to come together to be represented by an organization such as GENMO to obtain creditor status through the Court.

Jim also stated that the Federal Government wants GM to be healthy and continue to operate and support the Pension Plans. He also reinforced that benefits are promised by employers but not guaranteed. Pensions, on the other hand, cannot be accessed by the company or the government. The Pension Fund is secure. The Pension Fund is also underfunded. He reinforced Stelco's success in retaining their pension and benefits because they formed an organization just like GENMO.

Joe O'Neill, Director of Communications, gave a brief history of the development of the GENMO Organization. Joe stated that he commenced a letter writing campaign in January 2008, objecting to the adjustments to salaried retirees' pension and benefits. As a result of responses received, he initiated a steering committee. The Steering Committee researched pension information and obtained documents regarding the governments' role in the event that GM went bankrupt. The Steering Committee progressed rapidly and formed GENMO. GENMO is registered as a Not for Profit Organization in accordance with Provincial standards. The

Organization has the appropriate by-laws, Board of Directors, etc. to represent the salaried retirees.

Since registration, GENMO Executive has held meetings in Oshawa, St. Catharines, Windsor and today in Peterborough. Area representatives have been established for St. Catharines, Windsor, the East (New Brunswick), Quebec, and the West (western provinces). GENMO has members from coast to coast in Canada.

The goal of GENMO is to represent the GM Salaried Retirees and Surviving Spouses in the event that GM goes bankrupt. Membership is critical to having sufficient resources to retain legal counsel, if necessary, to become a secured creditor in the event of bankruptcy. The Directors are all volunteers and they have worked very hard to get the organization in place and will continue to work hard for its members. Joe's famous line is "You don't buy fire insurance when the house is on fire", so join GENMO.

John Vanderhorst, Vice President, gave specific details on the Salaried Retirees Pension based on the Actuarial Report of November 2007. The new Actuarial Report should be available in August. John also provided examples of calculations on pension amounts if GM goes bankrupt and the Pension Fund is at the current status. The state of the economy as a result of the stock market decline along with the decline in vehicle sales is making it very difficult for GM to maintain projected revenues. Financial institutions are restricting credit availability which discourages the purchase of vehicles.

The Pension Fund is underfunded and there is no requirement for GM to top up the pension fund. GM has been granted a contribution vacation as a result of the "Too Big to Fail" legislation. However, this is not going to improve the state of the Pension Fund. As well, GM is reducing its work force so fewer employees are contributing to the Fund. There are currently approximately 8,000 salaried retirees and 5,000 salaried workers.

John described the various pieces of Federal and Provincial Legislation and their acronyms. Provincial Legislation regulating GM's contributions to the GM Salaried Retirees Pension Fund "Too Big to Fail" is outdated and the Federal Bankruptcy Legislation is outdated. The Provincial Pension Guarantee Fund is underfunded and more big companies are going bankrupt which further erodes that Fund. Therefore, GM Salaried Retirees and employees are extremely vulnerable if GM goes bankrupt.

Lynn McCullough, Director of Legal Services, spoke about the requirement for legal consultation and representation in the event that GM goes bankrupt. Without strong legal representation and a collective voice like GENMO, salaried retirees will have no status as a secured creditor. GENMO Directors have retained a reputable legal firm; in fact, it is the legal firm that represented Stel Salaried Retirees during bankruptcy proceedings. Stel were successful in retaining both their pension and benefits. Stel were successful because they worked together and formed an organization such as GENMO who represented their salaried retirees during bankruptcy proceedings.

Lynn also explained that GENMO needs to be present during any negotiations with GM and the government. Lynn and John both stated that had GENMO been available to have input into how the Pension Fund was managed, it probably would have been more conservative and not invested 69% in equities.

It is also mandatory that we educate, inform and make direct contact with all levels of Government. Provincial Legislation, "Too Big to Fail" allows GM to underfund the Pension Fund. It is obvious that the Government has a responsibility to ensure that Salaried Retirees are treated fairly. There may be a political will to help to broker a Deal with parties at CCAA. It is, therefore, necessary that everyone pressure their political representatives to provide every opportunity for GM to succeed and to provide equal representation for General Motors Salaried Retirees. Lynn encouraged everyone to join GENMO because there is power in numbers

Brian Rutherford thanked the Guest Speaker and GENMO Speakers and opened the floor to questions. Brian advised that GENMO intends to operate in perpetuity. The funds collected by GENMO, if not required for legal and operating purposes, will be retained until the last retiree is deceased and then the GENMO By-law dictates how the money is to be dispersed.

Note:

Questions and Answers are on the FAQ'S on the web site [www.genmo.ca](http://www.genmo.ca).