

Agreement

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~~CHRYSLER CANADA INC.~~

and the

CAW  TCA

CANADA

DECEMBER 10, 2008

MISSISSAUGA PARTS
DISTRIBUTION CENTRE

04226 (10)

MEMORANDUM OF AGREEMENT

Memorandum of Agreement entered into as of the
10th day of December, 2008.

By and Between:

Chrysler Canada Inc.

hereinafter called the "Company"

and

**National Automobile, Aerospace, Transportation, and
General Workers Union of Canada (CAW-Canada) and
C.A.W. Local No. 1285,**

hereinafter called the "Union".

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PURPOSE AND INTENT

The general purpose of this Agreement is to set forth terms and conditions of employment and to promote orderly and peaceful labour relations for the mutual interest of the Company, the employees and the Union.

The parties recognize that the success of the Company and the job security of the employees depend upon the Company's success in building a quality product and its ability to sell such product.

To these ends the Company and the Union encourage to the fullest degree friendly and cooperative relations between their respective representatives at all levels and among all employees.

RECOGNITION — EXCLUSIONS

Section 1 – Employees Covered

The Company recognizes the Union for the duration of this Agreement as the sole bargaining agent for the purpose of collective bargaining in respect to wages and other conditions of employment on behalf of the Company's employees in its Parts Plant at 6500 Mississauga Road, Mississauga, Ontario, save and except supervisors, persons above the rank of supervisors, confidential clerk, office employees and security guards.

RESERVATIONSTO MANAGEMENT

Section 2 –Managementto Hire, Promote, etc.

The Union recognizes the right of the Company to hire, promote and demote, transfer, suspend or otherwise discipline and discharge any employee, subject to the right of

the employee concerned to lodge a grievance in the manner and to the extent herein provided.

Section 3 – Management to Operate Business

The Union further recognizes the exclusive right of the Company to operate and manage its business in all respects in accordance with its obligations and to make and alter from time to time rules and regulations to be observed by employees, which rules and regulations shall not be inconsistent with the provisions of this Agreement.

NO DISCRIMINATION

Section 4

The Company and the Union, in their respective fields, have been leaders in adopting and effectuating policies against discrimination because of race, national or ethnic origin, colour, religion, age, sex, marital status, disability, sexual orientation, same sex partnership status and conviction for which a pardon has been granted. The terms and conditions of agreements between the Company and the Union always have applied equally to all employees, regardless of such considerations.

In order to assure full knowledge and understanding of the foregoing principle on the part of employees and all agents and representatives of the Company and the Union, the parties hereby incorporate the same in this Agreement. Any employee who claims that, in violation of said principle, said employee has been denied rights guaranteed by this Agreement or the Ontario Human Rights Code, may complain as provided in the grievance procedure. Any such claim, when presented in writing, pursuant to Step 1 (d) of the grievance procedure, must contain a full statement of the facts giving rise to the claim and the reasons why the

employee believes the employee has been discriminated against.

The grievance and arbitration procedure shall be the exclusive contractual procedure for remedying such claims. The Union agrees that it will encourage members to use the grievance and arbitration procedure with respect to any claim or complaint against the Company which may be made the subject of a grievance under the contract.

WORKPLACE HARASSMENT POLICY AND PROCEDURE

Every employee has the right to work in an environment free of discrimination and harassment. This right includes the responsibility to eliminate harassment in our workplace, either as a participant or as an observer.

This policy and procedure outlines the commitment of Chrysler Canada Inc. to ensure a harassment-free workplace as required under the Ontario Human Rights Code and will act as a guide to employees in adhering to legal and social guidelines regarding the recognition and prevention of harassment.

This policy exists to underline the seriousness of workplace harassment and to establish that there is no acceptable level of harassment at Chrysler Canada Inc. Employees who feel that they are being harassed are encouraged to seek protection under this policy. Harassment, discrimination or solicitation, whether verbal, physical or environmental is not acceptable and will not be tolerated.

WORKPLACE HARASSMENT DEFINED

Harassment is defined as a "course of vexatious comment or conduct that is known or ought reasonably be known to be unwelcome", that denies individual dignity and respect on the basis of the grounds such as: race, national or ethnic origin,

colour, religion, age, sex (eg. gender identity), marital status, family status, disability, sexual orientation, same sex partnership and conviction for which a pardon has been granted. At Chrysler Canada Inc. all employees are expected to treat others with courtesy and consideration and to discourage harassment.

The **workplace** is defined as any Company facility and includes areas such as offices, shop floors, restrooms, cafeterias, lockers, conference rooms, parking lots, and company related functions.

Workplace harassment includes, but is not limited to, the following examples:

- Unwelcome remarks, jokes, innuendoes or taunting about another's body, attire, sex, disability, racial or ethnic background, sexual orientation, etc., which cause awkwardness or embarrassment.
- Displaying visuals of a sexual, racial or otherwise offensive nature such as pornographic pictures, posters, cartoons or simulation of body parts.
- Leering (suggestive staring) or other gestures.
- Unnecessary physical contact such as touching, patting or pinching.
- Sexual solicitation or advance made with implied reprisals if rejected.
- Refusing to work or share facilities with another employee because of the other's sex, disability, sexual orientation, racial, religious, ethnic background or other prohibited grounds.
- Backlash or retaliation for the lodging of a complaint or participation in an investigation.
- Mocking prayers, defacing religious articles or icons, insulting comments about religious wear.

WHAT HARASSMENT IS NOT

Properly discharged supervisory responsibilities including disciplinary action, or conduct that does not interfere with a climate of understanding and respect for the dignity and worth of Chrysler Canada Inc. employees are not considered harassment. Neither is this policy meant to inhibit free speech or interfere with the normal social relations that are a part of life in this organization.

There are occasions when unwanted, offensive behaviour occurs in the workplace that is not covered by any of the prohibitive grounds for harassment or discrimination as defined by the appropriate provincial legislation. Although this behaviour may be unwelcome, it is not prohibited in the workplace by Human Rights case law. Behaviour of this nature is not a human rights or discrimination issue.

Complaints concerning behaviour that may be inconsiderate, unwanted and may have a negative effect on the workplace, but exclude elements defined as prohibitive grounds for harassment or discrimination ought to be raised with your immediate supervisor. Where this is inappropriate a complaint may be made to the plant Labour Relations office. It is reasonable to expect these complaints will be handled similarly to other Labour Relation related issues.

FILING A COMPLAINT

If an employee believes that the employee has been harassed, that employee should:

- tell the alleged harasser(s) to stop;
- document the event(s), complete with the time, date, location. names of witnesses and details for each event.

If the harassment does not stop at this point, or if the harassed employee does not feel able to approach the alleged harasser directly, that employee should:

- immediately report the harassment to the employee's Union Representative and/or Supervisor, or if this is not appropriate, to the local Equity Representative, and/or Women's Advocate, Human Resources Manager, or designate of the Director of Labour Relations and Labour Economics.

THE INVESTIGATION

In minor cases, the Union may try to resolve a harassment complaint informally without a full investigation when so requested by the complainant. However, the following procedure will apply to all complaints requiring investigation:

The person receiving the complaint will advise the local Human Resources Manager, or such higher authority as may be appropriate, who will arrange an interview with the complainant as soon as possible. This interview and the subsequent investigation will be carried out jointly by the Union and the Company. The investigation team should be comprised of at least one woman, whenever the complaint is sexual in nature.

The investigation will include interviews of the complainant, the alleged harasser(s) and any witnesses. The Chairperson of the employee being interviewed may be present with Union members during the interview. Interview timing and location will recognize the need to maintain confidentiality.
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The investigation team will inform the complainant promptly as to the results of the investigation and the appropriate actions that have been or will be taken. The complainant will also be encouraged to report any further incidents.

The identity of the complainant, the alleged harasser(s), and the nature of the complaint will be kept confidential and only other persons with a need to know will be informed.

Confidential records of the investigation including interviews, evidence and the outcome of the complaint will be maintained in the office of the Director of Labour Relations and Labour Economics.

RESOLUTION OF THE COMPLAINT

If a harassment complaint is proven valid, appropriate corrective action, will be taken against the offending employee.

If, after completion of a thorough investigation, a harassment complaint can neither be proved nor disproved in the view of the investigators, the local Human Resources Manager, in consultation with the local Plant Chairperson, will attempt to resolve the conflict in a manner that is agreeable to all parties.

Complaint resolutions deemed unsatisfactory may be appealed to the National Employment Equity Co-ordinator or the Company Equity Manager. New evidence provided may result in further investigation by the National Employment Equity Co-ordinator and the Company equity Manager. Unsatisfactory resolutions after further investigation can be appealed to the Master Employment Equity Committee. No grievance may be filed or pursued on resolutions agreed to by the Master Employment Equity Committee without written concurrence of the CAW National Office and written confirmation of such concurrence to the Director of Labour Relations and Labour Economics.

If it is determined that the complaint has no validity, and was, in fact, lodged with malicious intent, the initiator of the

complaint may be subject to action under the misconduct rules outlined in the Employee Guide.

RIGHT TO REFUSE

A bargaining unit employee alleging harassment in the workplace is encouraged to use the above procedure to resolve a complaint. However, it is agreed, in principle, that in serious cases or when the safety of an employee is being threatened, it may be necessary for that employee to leave the job.

Furthermore, the parties agree that details with respect to the procedure regarding the ability of employees to leave their jobs as outlined above will be developed by the Master Employment Equity Committee and will be implemented as a part of this procedure following the Union leadership and Management representative training, to be completed no later than June 30, 1994.

The Union and Chrysler Canada Inc. will endeavour to resolve all harassment complaints at the local level. However, if the complaint cannot be satisfactorily resolved locally or is of an extremely serious nature, then other steps may be required including the intervention of the National Union and/or Chrysler Canada Inc. Staff.

This policy and procedure in no way precludes the complainant's right to seek action under the Ontario Human Rights Code. However, both the Union and Chrysler Canada Inc. urge employees to use the internal mechanisms as outlined above before seeking alternative recourse.

The Union shall hold harmless Chrysler Canada Inc. against any liability which may arise by reason of the implementation of a mutually acceptable resolution of a complaint. Where there is a mutually acceptable resolution, the Union agrees

that grievances which may be filed as a result of discipline assumed against an individual alleged to have engaged in harassment will not be filed or pursued without concurrence of the National Union Office and written confirmation of such concurrence to the Director of Labour Relations and Labour Economics.

REPRESENTATION

Section 5 – Number of Committeepersons

The Union may appoint and the Company shall recognize three (3) committeepersons (one **(1)** of whom shall be chairperson of the committee consisting of two **(2)** members) who, at all times when on Company property, shall be subject to the rules and regulations to be observed by the employees. Each committeeperson at the time of appointment shall have at least twelve **(12)** months' seniority with the Company at its National Parts Distribution Centre and be on the payroll of the Company at the time of appointment or election.

Section 6 – Time Allowances

It is understood and agreed that Committeepersons as well as other employees have regular Company duties to perform. The Committeeperson, with the approval of the Supervisor concerned (which approval shall not be unreasonably withheld), shall be permitted during working hours, without **loss** of time or pay, to leave regular duties for a reasonable length of time, but not to exceed twenty (20) hours per week in the case of the Chairperson and five (5) hours per week in the case of the Committeepersons, to investigate and settle grievances, and review overtime verification, **P.A.A., T.P.T.** administration, and safety/BEST initiatives.

Section 7 – Negotiating Committee

The Company shall recognize a negotiation committee consisting of three (3) members and which in addition may include no more one representative of the National Union. Employee members of the negotiating committee when acting as such will not receive pay from the Company, save and except for the Chairperson and any other employee provided said other employee would otherwise have worked in the plant during the time spent in such conferences.

Such members shall receive pay at their regular hourly rate for the time spent in special conferences.

Section 8 – Conferences

Conferences between the Company representatives and the in-plant committee shall be called monthly unless otherwise mutually agreed. Matters proposed to be discussed at any such conference shall be listed on an agenda to be supplied by the party requesting the conference to the other party not less than twenty-four (24) hours before the time for when the conference is arranged. Notwithstanding any other provision of this Agreement, the Company shall not be liable for premium or overtime pay for Union representatives in attendance at such conferences.

In the event an annual meeting is requested pursuant to Section (15) Consultation Procedure of the Production and Maintenance Agreement, appropriate representatives from this Unit will be invited to attend.

Section 9 – Committee Change Notification

The Union shall notify the Company in writing from time to time of the names of the plant committee members, the effective dates of their appointments and the names, if any, of the committee members whom they are replacing or discontinuing.

Section 10 – Health & Safety Rep and Benefits Rep

- (a) The National Union, CAW, may appoint, and the Company shall recognize one (1) employee who will function for a maximum of twenty (20) hours a week, **as** the Union Health and Safety Representative and Benefit Plans Representative. In addition, said employee will handle matters pertaining to Equity and Training tracking activities. The Union Representative shall serve an indefinite term and shall be replaced only when the Company and National Union so agree. The requirements of Section 5 pertaining to appointment and functioning apply.
- (b) The Representative shall be assigned to the day shift.
- (c) Functions as Health and Safety Representatives.
 - (i) The Representative may be permitted to participate in training programs that are considered to be relevant to operations at the National Parts Distribution Centre and are approved by the PDC Manager.
 - (ii) The Representative will accompany Governmental Health and Safety inspectors and National Union Health and Safety professionals on plant inspection tours and will accompany Corporate Health and Safety professionals on surveys at the plant and surveys requested by the Union. Advance arrangements should be made to permit participation in such surveys.
 - (iii) In the event the Representative is absent for one (1) day or more said Representative may be replaced by an employee who has been designated as the regular replacement by the National Union with the concurrence of Staff Labour Relations Department.
 - (iv) The Representative will be informed of all accidents or work related illness cases that require medical attention as prescribed by legislation.

- (v) Company representatives (PDC Manager and Safety Supervisor) and Union representatives (Plant Chairperson and said Representative) shall meet quarterly at a mutually agreeable time and place to review health and safety conditions within the plant.
- (d) The Company agrees to provide the necessary or required personal protective equipment, devices and clothing at no cost to employees.
- (e) Functions as Benefit Plans Representative.
 - (i) Said employee represents all employees at the Parts Distribution Centre represented by the Local Union from which said Representative is designated with respect to the Pension Plan, the Insurance Program and the Supplemental Unemployment Benefit Plan.
 - (ii) Carries out the duties of Union representatives specified in the Pension Plan, the Insurance Program and the Supplemental Unemployment Benefit Plan. Other Union representatives in the Parts Distribution Centre shall not participate in benefit plan matters except insofar as any one of them has been designated to act as the second member of a local committee pursuant to the Supplemental Unemployment Benefit Plan.
 - (iii) Functions in place of the Chairperson of the Plant Shop Committee for the purposes of Article (X) Section (3) of the Pension Plan for the Parts Distribution Centre for which the Chairperson functions.
 - (iv) Functions as a member of the Local committee provided in Article (V) Section (2)(b)7 of the SUB plan.
 - (v) Discusses with designated representatives of Management those questions regarding a benefit Plan or Program.

- (vi) The Representative shall not participate in the grievance procedure and those matters with which such Representative deals shall not be subject to the grievance procedure but shall be subject to the review procedure specified in the appropriate Plan or Program.
- (vii) The Representative shall be subject to the following:
 - 1. If it is necessary for the Representative to speak to an employee about a benefit plan matter, the Representative will make prior arrangements with the employee's Supervisor to do so.
 - 2. The privilege of the Representative to leave work during regular working hours without loss of pay is subject to the conditions (i) that the time be devoted to the prompt handling of matters, which are proper pursuant to the terms of this letter: and (ii) that the privilege not be abused.
 - 3. Except as provided in letter (68) – Overtime Work Opportunity, the Representative will not be scheduled for Saturday, Sunday, holiday or daily overtime work except as a regular employee in the department and when so scheduled shall not function as a Representative.

GRIEVANCE PROCEDURE

Section 11 – Presenting a Grievance

- (a) It shall be optional to the Company to decline to consider any grievance the alleged circumstances of which originated more than five (5) regular working days prior to its presentation.

(b) Time of Answers

The management will answer in writing any grievance presented to it in writing by the Union:

- (1) by the Supervisor or other designated representative of management within three (3) regular working days,
- (2) by the PDC Manager or his designated representative within five (5) regular working days.

These time limits may be extended at any time by agreement between the Company and the Union.

(c) Presenting a Grievance

A grievance of any employee or a joint grievance of any group of employees shall be presented to the management in the following manner:

(d) Step 1

- (1) The employee or one member of a group having a grievance may take the grievance up with the Supervisor, or may ask the Supervisor to send for the Committeeperson. The Supervisor will promptly send for the Committeeperson.
- (2) If necessary, after discussing the grievance with the employee, the Committeeperson then takes the grievance up with the Supervisor or other representative of management.

(e) Step 2

If the Committeeperson and the Supervisor or other designated representative of Management are unable to dispose of the grievance the Committeeperson then takes the grievance up with the Operations Manager or other designated Management representative. If the Committeeperson and Operations Manager or other designated Management representative are unable to dispose of the grievance the Committeeperson then shall reduce the grievance to writing and deliver copies of the written grievance to the Supervisor.

- (f) If the Committeeperson and the Supervisor or other designated management representative are unable to dispose of the grievance the Plant Committee may then appeal the grievance to the Parts Distribution Centre Manager or said designated representative.
- (g) A written grievance presented by a group of employees shall require the signature of each member of the group.
- (h) Time of Appeals
 - (1) Hereafter, a grievance not appealed from an answer at one step of the grievance procedure to the next step of the grievance procedure within five (5) working days after such answer, except that on appeal to arbitration the time limit shall be thirty (30) days, shall be considered settled on the basis of the last answer and not subject to further review but shall not prejudice the position of either party with respect to a grievance involving the same issue at another plant.
 - (2) A grievance may be withdrawn without prejudice and if so withdrawn all financial liabilities shall be cancelled. If the grievance is reinstated, the financial liability shall date only from the date of the reinstatement. If the grievance is not reinstated within three (3) months from the date of withdrawal, the grievance shall not be reinstated. Where one or more grievances involve a similar issue, those grievances may be withdrawn without prejudice pending the disposition of the appeal of a representative case. In such event the withdrawal without prejudice will not affect financial liability.

Section 12 – Discharge Grievance

The following special procedure shall be applicable to a grievance alleging improper discharge of an employee.

- (a) Should a discharged employee or the Committeeperson consider a discharge to be improper, a grievance shall

be presented in writing by the Committeeperson to the PDC Manager or the designated representative within two (2) regular working days of the discharge. The Management of the Parts Distribution Centre will review the discharge and give ~~its~~ answer within three (3) regular working days after receiving the grievance.

- (b) Notwithstanding the other sections of the Agreement, no grievance shall be lodged or prosecuted against the termination of employment by the Company of a probationary employee unless the alleged said discharge is not for just cause or unless the employee alleges that said employee has been discriminated against in such termination of employment by reason of Union activity, and the Umpire shall not reverse said employee's termination of employment on any other ground. This shall not prevent a probationary employee from lodging a grievance on any other working condition.

Section 13 – Notice of Suspension or Discharge

Prior to the suspension or discharge of an employee, Plant Management will, if such employee is in the plant, provide a reasonable opportunity for the employee to interview the Committeeperson and in appropriate circumstances Management will meet with the employee and/or Committeeperson before the employee leaves the plant.

The Plant Management agrees promptly upon such suspension or discharge, to notify in writing, the Committeeperson on the shift of the suspension or discharge and reason therefore.

Section 14 – Use of Past Record

In imposing any discipline on a current charge, management will not take into account any prior infractions which occurred more than one (1) year previously nor impose discipline on an employee for falsification of said employee's employment

application after a period of twelve (12) months from the employee's date of hire.

Section 15 – Grievance Conference

A conference shall be arranged as necessary between the plant committee and the Parts Distribution Centre Manager or the Parts Distribution Centre Manager's designated representative for the consideration of appealed grievances prior to the Parts Distribution Centre Manager or said designated representative submitting a written decision. The Company will pay for time spent on such conferences by employee members of the plant committee. The National representative of the Union and/or the President of the Local provided such President is an employee of the Company or additional members of the Company Management may attend such conference.

ARBITRATION

Section 16 – Referral to Arbitration

Where a grievance alleges improper suspension or discharge of an employee or alleges that an employee has been wrongfully classified, or where the Union on behalf of an employee concerned alleges that there has been a misinterpretation or a violation of this Agreement, the difference between the parties and any grievance involving such suspension, discharge, classification, misinterpretation or violation shall within thirty (30) days from the date of the decision in the preceding step be referred to arbitration in a manner and under conditions hereinafter set forth.

Section 17 – Umpire Selection

Upon the written request of the Union on behalf of the employee concerned made to the Company, or upon the written request of the Company made to the Union, any such grievance which has not been settled to the satisfaction of

the parties concerned after being carried through the relevant steps of the grievance procedure of this Agreement shall be referred to an Umpire. Such Umpire shall be chosen either by mutual agreement of the parties involved or, failing such agreement within five (5) regular work days (excluding Sundays and holidays or days observed therefor) from the date of the written request for arbitration by the Minister of Labour for the Province of Ontario. If the Union requests the arbitration and fails within sixty (60) days from the date of the written request therefor to request the appointment of an Umpire by the Minister of Labour, such failure shall constitute dismissal of the grievance.

Section 18 – Joint Stipulation

The Company, and the Union on behalf of the employee concerned, shall within three (3) regular work days (excluding Sundays and holidays or days observed therefor) prior to the date of hearings as fixed by the Umpire sign a joint stipulation of the dispute or question which is to be arbitrated. Such stipulation shall contain a statement of the position of the Company as well as a brief statement of the position of the Union on the question at issue although such statements are in conflict with respect to the positions of the parties.

Section 19 – Arbitration Location

The arbitration hearings shall be held at a place mutually agreed upon by the parties, or failing agreement as fixed by the Umpire.

Section 20 – Umpire Jurisdiction

The jurisdiction of the Umpire shall be limited to a decision on the dispute or question set forth in the stipulation. In arriving at a decision the Umpire shall not change or disregard any provisions of the Agreement nor establish or change any wage or rate of pay. All decisions of the Umpire arrived at in accordance with the provisions of this Agreement shall be

final and binding on the Company and all persons concerned. The Umpire, however, shall have power to modify or set aside any penalty imposed by the Company relating to the grievance then before the Umpire.

Section 21 – Arbitration Expenses

The expense, if any, of the Umpire shall be divided equally between the Company and the Union and shall be paid by them.

SENIORITY

Section 22 - Records

As far as accumulation of seniority is concerned prior to the date of this Agreement, seniority shall be as presently recorded by the Company.

Section 23 – Probationary Employees

(a) New employees of the plant shall be considered as probationary employees for the first ninety (90) calendar days of their employment, except as provided in subsection (b) below. The ninety (90) calendar day probationary period shall be accumulative over twelve (12) consecutive months. After employees have finished the probationary period, they shall be entered on the respective seniority lists of their respective classifications and shall rank for seniority from the date ninety (90) calendar days prior to the date upon which seniority is attained, and seniority shall be by classification accordingly. There shall be no seniority among probationary employees.

Where a probationary employee's performance is unsatisfactory, the Supervisor will review the employee's performance with the Committee person.

(b) New employees of the plant hired as vacation replacements shall be considered as probationary

employees for the first one hundred twenty (120) days of their employment, They shall not accumulate time toward the fulfillment of the probationary period unless and until their employment status is changed from that of a vacation replacement to that of a new employee under subsection (a). If a new employee's status is changed to permanent, the employee's time worked will not be used to establish the employee's seniority as a regular employee.

- (c) Probationary employees that are temporarily separated during their probationary period and are subsequently reinstated, shall be required to complete their 90 day probationary period, and upon doing so shall have a seniority date reflecting their date of hire with the corporation. It is understood that seniority will not accumulate during the time separated

Section 24 – Loss of Seniority

An employee's seniority rights and employment relationship shall terminate if:

- (a) If the employee quits;
- (b) If the employee is discharged and such discharge is not reversed through the grievance procedure;
- (c) If the employee is absent for five (5) regular working days (scheduled Saturdays included) without advising the supervisor concerned giving satisfactory reasons;
- (d) If the employee fails to return to work within five (5) regular working days (scheduled Saturdays included) after notification to do so to the employee's address on record with the Company unless the employee furnishes satisfactory reasons for such failure;
- (e) If the employee is not called upon to perform work for the Company for a period of sixty (60) consecutive months, or a time equal to the employee's seniority, if greater;
- (f) If the employee retires under the pension plan;

- (g) If the employee accepts a separation payment under the Supplemental Unemployment Benefit Plan effective the date the payment is issued by the Company;
- (h) If the employee received permanent and total disability benefit under a group life insurance policy held by the Company.

Section 25 – Motor Vehicle Conviction

The Company will accept as a satisfactory reason under Section 24(c) and 24(d) for absence up to one year an employee's conviction for an offence arising out of the operation of a motor vehicle, or for imprisonment up to 18 months in connection with operating a motor vehicle while impaired.

Section 26 – Seniority lists

A seniority list shall be maintained at all times by the Company and shall be made available to the Plant Chairperson for inspection to the extent reasonably necessary.

Section 27 – Posting of Seniority Lists

The Company shall **post** revised seniority lists monthly and a copy of same shall be supplied to the Plant Chairperson.

Section 28 – Seniority of Employees Promoted to Salary

An employee who transferred out of the bargaining unit or from a position subsequently included in the bargaining unit at any time prior to December 15, 1976 and who is thereafter transferred again to a position included in the bargaining unit shall return to the bargaining unit with a seniority date that represents the seniority the employee had accumulated as of December 15, 1976. An employee transferred out of the bargaining unit after December 15, 1976 and prior to January 1, 2003, and who is thereafter transferred again to a position included in the bargaining unit shall return to the bargaining

unit with a seniority date that represents the seniority the employee had accumulated immediately prior to the employee's transfer out of the bargaining unit.

An employee who is transferred out of the bargaining unit subsequent to January 1, 2003, shall retain the seniority held at the time of such transfer but not accumulate seniority during period of such transfer if the employee is transferred back within one (1) year. If the employee is transferred back to the bargaining unit after one (1) year, the employee will assume date of entry seniority.

An employee transferred to a position included in the bargaining unit as provided above shall be transferred to the shift on which the employee worked immediately prior to transfer from the unit and shall displace the junior employee on that shift. If the employee's seniority does not entitle the employee to displace the junior employee on that shift the employee shall, seniority permitting, displace the junior employee in the plant and shall enjoy seniority rights in all respects according to the provisions of this Agreement.

Section 29 –Seniority of Union Representatives

Notwithstanding their seniority status Plant Committeepersons and the Health & Safety/Benefits Representative shall in the event of a layoff be retained or returned to work when work is available in the plant, provided they are able and willing to satisfactorily perform the work being done at the time.

LAYOFF AND RECALL

Section 30 –Temporary Adjustment

In the case of temporary layoff due to material shortages, machinery breakdown, power failure, fire, flood or similar causes, employees may be laid off without regard to

seniority. If after two (2) days the laid off employees are not returned to work, the layoff shall be changed to a plant-wide basis as provided under Section (32).

Section 31 – Temporary Layoff

When there is a temporary layoff, that is a reduction in force for a definite period of time for any reason not set forth in Sections (30) and (32), employees on each shift in each classification and in each department or such groupings of departments performing substantially similar work as may be agreed upon locally will be laid off as follows:

- (a) Probationary employees will be laid off.
- (b) Employees with less than one year of seniority will be laid off according to seniority.
- (c) Employees with one year or more of seniority will be laid off in the inverse or descending order of their seniority with the most senior employee being laid off first. They will be advised of the expected duration of the layoff and their scheduled return date. However, such employees may elect to remain at work and if able to perform the available work will be permitted to do so in the same seniority order up to the number of employees required. The arrangement described above must result in maintaining an experienced, qualified workforce capable of assuring the uninterrupted and efficient operation of the plant.
- (d) If the expected duration of the temporary layoff is subsequently extended to a later but definite date, employees laid off pursuant to Subsection (c) above will be afforded the option of returning to work on the date originally scheduled or remaining on layoff for the duration of the extended period. An employee who elects to return on the originally scheduled date will displace the junior employee on the shift in the classification in the department.
- (e) If it becomes necessary to recall employees laid off

under Subsection (c) above prior to the date originally planned, they will be recalled in the ascending order of their seniority with the most junior such employee on each shift in each classification in each department or group of departments being called first.

If, after employees are temporarily laid off under Subsection (c), it is determined in a department or group of departments that the temporary layoff will be extended for an indefinite period of time, the work force in the department or group of departments including those employees on temporary layoff will be adjusted within ten (10) working days in accordance with Section (32).

Section 32 – Indefinite Layoff

In the event of an indefinite reduction of work to be performed, probationary employees shall be laid off first and thereafter employees having the least seniority in the plant shall be laid off, provided those employees remaining are able and willing to satisfactorily perform the work to be done. However, the Company shall not be required to promote an employee at time of layoff to a higher paid classification.

If there is an increase in force after a layoff, employees shall be recalled to work according to seniority provided they are able and willing to satisfactorily perform the available work. However, the Company shall not be required to promote an employee at time of recall.

Section 33 – Notice of Layoff

When reasonably practicable the Company will give twenty-four (24) hours' notice of layoff to employees.

The term "layoff" when used in this Agreement means a reduction in the working forces that begins upon the

completion of the last scheduled day of work for the employee.

PROMOTIONS AND TRANSFERS

Section 34 – Posting Procedure

Whenever a permanent vacancy occurs the vacancy shall be posted and filled in the following manner:

- (a) Every posting shall be for seven (7) days and in order to qualify for the posted job an applicant must be able and willing to satisfactorily perform the work to be done.
- (b) Notice of the vacancy shall be posted and the qualified employee with the greatest seniority who applies, in writing, for the job shall be given the job; however, if after a reasonable time such employee is found not to be satisfactorily performing the work, he/she shall be sent to the applicable support function.
- (c) The job left vacant by the successful applicant for the posting in (b) above shall be filled in accordance with the principle of (h) below with no more than one (1) move being required.
- (d) During the time that a vacancy is posted the Company may fill the job temporarily.
- (e) An employee shall be entitled to be considered as a successful applicant for a maximum of two (2) postings in any twelve (12) month period unless the job an employee successfully bid for is eliminated or he/she is disputed from the job.
- (f) This section shall not apply to:
 - (i) Temporary layoff or recall following such layoff until the status prior to the layoff has been reached.
 - (ii) A vacancy created by a temporary condition or created by an employee who is absent on account of sickness, injury, absenteeism or a temporary leave of absence authorized by the Company until the Company is satisfied that such employee will not

return to the job, or until the temporary condition has become permanent.

- (iii) A government security or Company security job.
- (iv) Probationary employees.
- (g) At the request of the relevant Committee person the Supervisor shall discuss with said Committee person the filling of a vacancy posted under this Section.
- (h) Management, in filling permanent vacancies will give preference to employees with the greatest seniority who are able to satisfactorily perform the work to be done. A permanent job is one which is
 - (i) expected to last more than thirty (30) days unless extended by mutual agreement, or
 - (ii) not covered under (f) above.
- (i) The successful applicant will be moved to the posted position within fourteen (14) calendar days between A & B or B & C. The fourteen (14) days shall commence with the date when the employee is declared the successful applicant.

Section 35 – Transfer of Operations

- (a) If the Company removes from its National Parts Distribution Centre any operation, which is presently carried on therein to another Canadian Plant of the Company, employees who are laid off as a direct consequence of the transfer of operations will be granted preferential work opportunity on the job in the new location up to the number required at the new plant to perform the transferred work.
 - (i) employees laid off as a direct result of such transfer must make application for work opportunity within fourteen (14) calendar days of their layoff.
 - (ii) employees accepting work opportunity under these provisions shall have date of entry seniority at the new plant, if such plant is represented by the Union.

- (iii) employees accepting work under the provisions of this section shall retain rights accrued for purposes of holiday pay, payment in lieu of vacation, pensions, insurance and the Supplemental Unemployment Benefit Plan.
- (b) Employees placed at the National Parts Distribution Centre shall be subject to recall at the Parts Distribution Centre from which they were laid off for permanent openings. They will be bypassed on temporary openings.
- (c) When recalled to the Parts Distribution Centre from which they were laid off, an employee who accepts the recall shall have seniority terminated at the National Parts Distribution Centre. If the employee declines the recall to the Distribution Centre from which the employee was laid off, the employee's seniority at that Distribution Centre shall terminate and the employee shall retain only the date of entry seniority at the National Parts Distribution Centre.
- (d) The termination of seniority of an employee from the National Parts Distribution Centre will result in the termination of seniority at all plants.

VACATION PLAN

Section 37 – Eligibility Working

- (a) On June 30 of each year the Company will establish basic payment in lieu of vacation with pay and provide a paid absence allowance to eligible hourly employees who have worked for at least 26 pay periods in the vacation eligibility year (the year including the pay period in which May 31 occurs and the preceding 51 pay periods) as follows:

Seniority on June 30 of the Vacation Eligibility Year	Basic Payment in Lieu of Vacation With Pay	Paid Absence Allowance
1 but less than 2 years*	80 hours	0 hours
2 but less than 3 years*	88 hours	0 hours
3 but less than 5 years	20 hours	80 hours
5 but less than 10 years	40 hours	80 hours
10 but less than 15 years	60 hours	80 hours
15 but less than 20 years	80 hours	80 hours
20 years or more	120 hours	80 hours

*Applicable to employees hired after May 19, 2008.

The number of hours of the basic payment in lieu of vacation with pay and paid absence allowance to which an eligible employee shall be entitled shall be based on the employee's seniority on June 30 of the vacation eligibility year and the number of pay periods during which the employee worked during the eligibility year.

- (b) An eligible employee shall be entitled to a percentage of the above basic payment in lieu of vacation with pay and of the above paid absence allowance as follows:

Pay Periods Worked in the Vacation Eligibility Year	Paid in Lieu of Vacation With Pay
26 or more	100%
25	96%
24	92%
23	88%
22	84%
21	80%
20	76%
19	73%
18	69%
17	65%
16	61%
15	57%
14	53%
13	50%

- (c) A seniority employee with less than one (1) year of seniority on June 30 of the vacation eligibility year who has worked for at least 26 pay periods in the vacation eligibility year will be eligible for a forty (40) hour basic payment in lieu of vacation with pay.

A seniority employee who has worked at least 13 but less than 26 pay periods shall be entitled to a basic payment in lieu of vacation with pay according to the following table:

Pay Periods Worked in the Vacation Eligibility Year	Paid in Lieu of Vacation With Pay
26 or more	100%
25	96%
24	92%
23	88%
22	84%
21	80%
20	76%
19	73%
18	69%
17	65%
16	61%
15	57%
14	53%
13	50%

- (d) 1. The above basic payments in lieu of vacation with pay shall be computed at the employee's straight time hourly rate effective the beginning of the first pay period beginning on or after June 1 (or if off the active hourly payroll, at the rate for the last day worked) of each year during the term of this Agreement exclusive of overtime premium, but

including shift and seven-day operations premiums plus the then current Cost-of-Living Allowance.

2. Employees who are otherwise eligible will receive shift premium for payment in lieu of vacation hours based on the proportion of the total time worked to that which is worked on the second and third shift during the vacation eligibility year.
 3. Basic payment in lieu of vacation with pay entitlement shall be paid to eligible employees in 40 hour increments and any unused vacation entitlement shall be paid in June of each year, provided, however, that an eligible employee may elect to be paid all or part of the employee's basic payment in lieu of vacation with pay at the time the employee takes vacation leave of absence, computed as set forth above, by indicating this election on the employee's vacation request form.
 4. Payments from an employee's Paid Absence Allowance because of absence or because of termination of the employee's employment by death, retirement or otherwise, shall be computed at the employee's straight time hourly rate on the employee's last day worked exclusive of overtime premium, but including shift and seven-day operations premiums and the amount of any cost-of-living allowance then in effect.
 5. Payment of the unused portion of the Paid Absence Allowance shall be computed in the same manner and at the same time as the employee's basic payment in lieu of vacation with pay for the next vacation year.
- (e) 1. An employee may use the hours credited to the employee's Paid Absence Allowance in units of no less than one-half (1/2) day periods for: excused absence because of illness when not receiving Sickness and Accident Insurance; or absence that

the employee's supervisor has excused because of personal business; or as payment for a vacation leave of absence. A request for Paid Absence Allowance by an eligible employee made subsequent to such absence will be approved for payment, but such payment shall not make such absence an excused absence or preclude the Management from considering such absence as the basis, in whole or in part, for disciplinary action.

2. Any portion of an employee's Paid Absence Allowance that the employee does not use in the form of paid absences during the vacation payment year (the pay period following the pay period in which May 31 occurs and the next 51 pay periods) will be paid to the employee (computed pursuant to Subsection (d)), at the time the Company makes its payment in lieu of vacation with pay in the following payment year. An employee permanently separated or promoted to a salaried classification shall receive any remaining unused Paid Absence Allowance within thirty (30) days after the Company receives notification of the employee's separation or promotion.
 - (f) An employee disabled from work by compensable injury or legal occupational disease shall accrue credit toward pay periods worked for pay periods the employee would otherwise have been scheduled to work during the period of compensable disability provided such employee works at least one pay period in the eligibility year.
 - (g) An employee who receives pay for one or more of the designated holidays which fall in work weeks commencing December 22, 2008, or December 21, 2009 or December 20, 2010, shall receive credit for a pay period worked for purpose of computation of entitlement under Section (37), Payment Schedules.

- (h) Employees who submit a written request for payment of deferred Paid Absence Allowance at least one week in advance of the requested payment date will receive payment of the full amount of the employee's remaining Paid Absence Allowance. (c09 Addendum)

Section 39 - Payment

- (a) An employee will be considered eligible for payments under Section (37) if the employee has worked for the Company for at least 13 pay periods in the vacation eligibility year and:
 - 1. is on the active hourly payroll on June 30 of the vacation eligibility year. If the employee has been promoted to a salaried classification subsequent to June 30 of the vacation eligibility year but prior to the established date for distribution of basic payment in lieu of vacation cheques, the employee may be granted a vacation under the appropriate salaried vacation plan rather than the hourly basic payment in lieu of vacation with pay;
or
 - 2. is not on the active hourly payroll on June 30 of the vacation eligibility year because of sickness or injury, layoff, or leave of absence.
- (b) A salaried employee transferred to an hourly job or laid off from a salaried position and reinstated to an hourly job, who is otherwise eligible, shall receive payments under Section (37) based on the employee's Corporate service and the total number of pay periods worked in the vacation eligibility year, less any payment previously received for a salaried vacation earned in the current and/or preceding calendar year.
- (c) 1. Employees who prior to June 30 of the vacation eligibility year have died or have retired under the Pension Plan or were automatically retired at age

sixty-five (65), or their estates, or estates of deceased retired employees shall receive basic payments under Section (37) that the employees were otherwise eligible to receive, computed as set forth in Subsection (c) 2. below; provided, however, that an employee who retires or is retired under the provisions of the Pension Plan and who, but for retirement, would have at least one year's seniority as of June 30 of the vacation eligibility year but who has not worked in at least thirteen (13) pay periods in the vacation eligibility year shall receive for each of the pay periods the employee worked during such year one twenty-sixth (1/26) of the maximum basic payments to which the employee's seniority as of June 30 of the vacation eligibility year would otherwise have entitled the employee under Section (37), computed as set forth below.

2. The basic payments set forth in Subsection (c) 1. above shall be computed at the employee's straight time hourly rate exclusive of overtime premium but including shift and seven-day operations premium and the amount of cost-of-living allowance in effect on the last day worked.

Section 40 – Scheduled Paid Absence (SPA)

- (a) SPA week will be scheduled in six SPA periods as follows:

<u>SPA Eligibility Date</u>	<u>SPA Period</u>
October 6, 2008	January 5, 2009 - June 28, 2009
March 30, 2009	June 29, 2009 - December 20, 2009
October 5, 2009	January 4, 2010 - June 27, 2010
March 29, 2010	June 28, 2010 - December 19, 2010
October 4, 2010	January 3, 2011 - June 26, 2011
March 28, 2011	June 27, 2011 - December 18, 2011

- (b) Employees hired prior to May 19, 2008 having at least one (1) year of seniority on the SPA eligibility date and having worked in the SPA eligibility period (i.e. the pay period in which the SPA eligibility date falls and the preceding 25 weeks) will become eligible for forty (40) hours of SPA to be scheduled in the corresponding SPA period. Payment will include applicable shift premium.
- (c) Employees hired after May 19, 2008 having at least three (3) years of seniority on the SPA eligibility date and having worked in the SPA eligibility period (i.e. the apt period in which the SPA eligibility date falls and the preceding 25 weeks) will become eligible for forty (4) hours of SPA to be scheduled in the corresponding SPA period. Payment will include applicable shift premium.
- (d) SPA weeks will be scheduled by random computer program, excluding any pay period with three or more Christmas holidays.
- (e) In the event a designated holiday falls within an employee's SPA week the employee will receive the applicable holiday pay in addition to the forty (40) hours SPA pay.
- (f) Employees will not be eligible for overtime during the workweek in which their SPA is scheduled.
- (g) If an employee is laid off either temporary or indefinite when their SPA week occurs, the employee's hours will revert to PAA. Scheduling and payment will be in accordance with the provisions of Section 39 and 41 of the Agreement.
- (h) An employee receiving Workers' Compensation and/or S&A benefits during a SPA week shall have entitlement added to their Paid Absence Allowance hours to be used in accordance with Sections 39 and 41 of the Agreement.
- (i) The trading of one SPA week per period will be permitted by employees subject to the employee's written request

to be submitted 2 weeks prior to the beginning of the earliest requested SPA period and approved by their supervisor. The company and the union are mindful of and do not desire to impact the efficiency of the operations which must be protected at all times. Accordingly, notwithstanding the provisions of this paragraph, in the event that there are employee trades which, subsequent to approval, would adversely impact the operations, the PDC Manager and the Union Chairperson will modify the designated weeks off in order to protect plant operations.

- (j) Employees who retire will not be required to register their attendance during the SPA period to be eligible for their SPA payment, providing all other eligibility requirements are met. (c09 Addendum)

PAID HOLIDAYS

Section 43 – Eligibility

Each employee will be paid eight (8) hours' pay at the employee's regular straight-time hourly rate (exclusive of overtime premium but including shift premium) for any of the following holidays, namely,

December 24, 2008)	
December 25, 2008)	
December 26, 2008)	Christmas
December 29, 2008)	Holiday
December 30, 2008)	Period
December 31, 2008)	
January 1, 2009)	
January 2, 2009)	
April 10, 2009		Good Friday
April 13, 2009		Monday after Easter
May 15, 2009		Friday before Victoria Day
May 18, 2009		Victoria Day

July 01, 2009	Canada Day
August 3, 2009	Civic Holiday
September 4, 2009	Friday before Labour Day
September 7, 2009	Labour Day
October 12, 2009	Thanksgiving Day
December 24, 2009	
December 25, 2009	
December 28, 2009) Christmas
December 29, 2009) Holiday
December 30, 2009) Period
December 31, 2009)
January 1, 2010	
April 2, 2010	Good Friday
April 5, 2010	Monday after Easter
May 21, 2010	Friday before Victoria Day
May 24, 2010	Victoria Day
July 1, 2010	Canada Day
August 2, 2010	Civic Holiday
September 3, 2010	Friday before Labour Day
September 6, 2010	Labour Day
October 11, 2010	Thanksgiving Day
December 24, 2010)
December 27, 2010) Christmas
December 28, 2010) Holiday
December 29, 2010) Period
December 30, 2010	
December 31, 2010)
April 22, 2011	Good Friday
April 25, 2011	Monday after Easter
May 20, 2011	Friday before Victoria Day
May 23, 2011	Victoria Day
July 1, 2011	Canada Day
August 1, 2011	Civic Holiday
September 2, 2011	Friday before Labour Day
September 5, 2011	Labour Day
October 10, 2011	Thanksgiving Day

provided the employee has seniority as of the date of such holiday and qualifies under the following rules:

- (a) The employee has worked the employee's last scheduled working day and within one (1) week immediately before, and the employee's next scheduled working day after, such holiday, or
- (b) The employee has worked within one (1) week immediately before the day on which such holiday falls but is absent from work on the employee's last scheduled working day before, or on the employee's next scheduled working day after, such holiday and furnishes satisfactory reasons to the employee's Supervisor for such absence, or
- (c) The employee is absent on vacation under the established vacation plan or is on one (1) week leave of absence granted immediately preceding or following the employee's vacation period, or
- (d) The employee is on leave of absence, granted in writing, and returns to work following the holiday but during the calendar week in which the holiday fell, or
- (e) The employee is absent on sick leave, or layoff due to reduction in force, and such absence or layoff has commenced within thirty (30) calendar days prior to the holiday (except that an employee on sick leave and in receipt of Workers' Compensation benefits for such holiday shall not qualify for the holiday), or
- (f) An employee who is on indefinite layoff and otherwise eligible for holiday pay will be paid holiday pay without being required to work the employee's next scheduled working day after such holiday, or
- (g) In the case of holidays which fall in the holiday period starting December 23 through the following January 1, refer to Section 47
- (h) When a holiday (s) defined in Section 43 occurs in a week of a plant's scheduled vacation shut-down, holiday

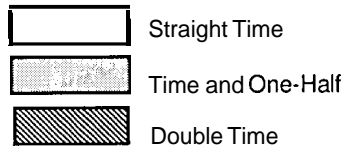
pay for eligible employees will not be paid. Each employee will be canvassed and a mutually satisfactory alternative date will be determined for each employee to take the time off with pay. Arrangements will be made to pay eligible employees the holiday pay to which they are entitled at that time.

(c09 Addendum)

PAYMENT FOR TIME WORKED ON HOLIDAYS, SATURDAYS, OR SUNDAYS
 EXAMPLE: NORMAL HOLIDAY

6w

	Sun.	Mon.	Tues.	Holiday Wed.	Thurs.	Fri.	Sat.	Sun.
(Sunday Nite Start) Third Shift								
First Shift								
Second Shift								
(Overlapping) Second Shift								
(Monday Nite Start) Third Shift								



Section 44 – Failure to Report for Holiday Work

Any employee who agrees to work on any such holiday and fails to do so shall not be eligible for any pay therefor, unless the employee furnishes to the employee's Supervisor satisfactory reasons for said absence.

Section 45 – Holidays Falling on Saturdays and Sundays

When any of the above enumerated holidays falls on a Sunday and the following day is observed as a holiday by the Government of Canada, the day so observed shall, for all purposes in connection with the foregoing holiday procedure, be treated as the relevant holiday in lieu of the day upon which such holiday actually falls. It is understood that if any of the above holidays within the specified period falls on a Saturday or Sunday this shall not preclude payment for same.

Section 46 – Holiday Substitution

If the Government of Ontario declares a holiday to be observed other than those specifically enumerated in Section 43, it is agreed that the total holidays shall not be increased and the parties shall agree to substitute the holiday so declared for one of the specifically enumerated holidays set out in Section 43.

Section 47 - Holiday Pay - Christmas Holiday Period

- (a) A seniority employee who requests and is granted a vacation leave of absence which includes the last scheduled working day prior to a Christmas Holiday Period and who also requests and is granted a vacation leave of absence which includes the first scheduled working day after such Christmas Holiday Period, shall, if otherwise eligible, receive pay for the holidays which fall in such Christmas Holiday Period.
- (b) A seniority employee excused by said employee's Supervisor from work on the last scheduled working day

- prior to or on the next scheduled working day after a Christmas Holiday Period, or both, shall, if otherwise eligible, receive pay for the holidays which fall in that Christmas Holiday Period.
- (c) A seniority employee on sick leave of absence who is released by said employee's doctor to return to work during a Christmas Holiday Period, shall, if otherwise eligible, receive pay for the holidays in the Christmas Holiday Period falling on and after the date the employee notifies the plant of the employee's availability for work and, provided further, that the employee presents satisfactory medical evidence of the employee's availability to work on such day upon the employee's return to work.
 - (d) A seniority employee on a personal leave of absence which expires during a Christmas Holiday Period, shall, if otherwise eligible, receive pay for the holidays in the Christmas Holiday Period which fall (1) on or after the expiration date of such leave or (2) on and after the date the employee notifies the employee's plant of the employee's availability for work, whichever is later.
 - (e) A seniority employee absent without excuse on either the last scheduled working day prior to or the next scheduled working day after a Christmas Holiday Period shall be ineligible for pay for two (2) of the holidays in the Christmas Holiday Period, but shall, if otherwise eligible, receive pay for the remaining holidays in the Christmas Holiday Period.
 - (f) A seniority employee who is temporarily laid off during the fourth work week prior to a week in which one or more of the holidays in the Christmas holiday period falls, and who worked the employee's last scheduled working day prior to such layoff, shall, if otherwise eligible, receive pay for the holidays falling during such Christmas holiday period. A seniority employee who is laid off during the fifth, sixth or seventh work week prior

to a week in which one or more of the holidays in the Christmas holiday period falls and who worked the employee's last scheduled working day prior to such layoff shall, if otherwise eligible, receive pay for one-half of the holidays falling during such Christmas holiday period. An employee temporarily laid off shall receive pay for such holidays following the employee's return to work from such layoff. An employee indefinitely laid off shall receive pay for such holidays on the second payday following the Christmas holiday period.

S.U.B., INSURANCE, RELOCATION, INCOME MAINTENANCE / VOLUNTARY TERMINATION AND HEALTH CARE

Section 48

The following Agreements are incorporated and made a part of this Agreement:

- Exhibit A - Supplemental Unemployment Benefit Plan
- Exhibit B - Income Maintenance Benefit Plan and Voluntary Termination of Employment Plan
- Exhibit C - The Life and Disability Insurance Program
- Exhibit D - Relocation Allowance Plan
- Exhibit F - Legal Services Plan
- Exhibit G - The Health Care Program

WORKING HOURS

Section 49 – Work Week

The Company's regular workweek consists of five (5) eight (8) hour shifts Monday through Friday.

Section 50 – Shift Hours and Premiums

- (a) The first shift is any shift that regularly starts on or after 4:00 a.m., but before 11:00 a.m. The second shift is any shift that regularly starts on or after 11:00 a.m., but before 7:00 p.m. The third shift is any shift that regularly starts on or after 7:00 p.m., but before 4:00 a.m.
- (b) Employees employed on the second or third shift shall receive in addition to their regular pay for hours worked on those shifts, five per cent (5%) and ten per cent (10%) respectively, additional compensation.

Section 51 – Time and One-Half

Time and one-half will be paid as follows:

- (a) For authorized time worked in excess of eight (8) hours in any continuous twenty-four (24) hour period, beginning with the starting time of the employee's shift, or forty (40) hours per week Monday through Friday.
- (b) For authorized time worked on any Saturday, except when a shift starts on Friday and continues into Saturday (excluding days observed as holidays designated in Section 43.

Section 52 – Double Time

Double time will be paid as follows:

- (a) For authorized time worked on a Sunday (excluding days observed as holidays designated in Section 43.
- (b) For authorized time worked on any of those holidays designated in Section 43.

Section 53 – Call-In Pay

An employee reporting for work on instructions of the Company, but for whom no work or less than four (4) hours' work at the employee's regular job is available, will be offered at least four (4) hours' employment or at the Company's option, will be paid four (4) hours' time at the rate the

employee would have received had the employee actually worked. This provision shall not apply when such lack of work is due to a labour dispute, fire, flood, or other cause beyond the control of the Company.

Section 54 – Overtime Pyramiding Prohibited

The allowance of overtime pay or premium pay (other than shift premium) for any hour or part of an hour excludes that hour from consideration for overtime or premium pay on any other basis, thus eliminating any pyramiding of overtime or premium payments.

Section 55 – Payment for Day of Injury

An employee who receives Workers' Compensation will be paid by the Company for the balance of the shift on which the injury occurred.

An employee who is injured at work and who, during the employee's shift is sent to a hospital for emergency treatment by a medical officer of the Company or other member of management authorized to do so will be paid at the appropriate rate for such time as is approved by the Company medical officer. **Any** time paid for will not exceed two (2) hours beyond the end of the employee's regular work shift.

WAGES

Section 56 – Cost-of-Living Allowance

Each employee who has three (3) or more years of seniority shall be subject to the following cost-of-living allowance (COLA) formula determining the COLA as set forth below:

- (a) Effective with the adjustment scheduled for December 15, 2008, the cost-of-living allowance will be determined in accordance with changes in the Consumer Price Index published by Statistics Canada (2002 = 100) in

accordance with the Letter of Understanding signed by the parties.

- (b) Adjustments in the cost-of-living allowance shall be made on the following days, and in each case, shall be based on the following Consumer Price Indexes:

Effective at Beginning of First Pay Period Commencing on or After:	Based on Three-Month Average of the Consumer Price Indexes for:
Dec. 7, 2009	Aug., Sept., Oct., 2009
Mar. 1, 2010	Nov., Dec., 2009, and Jan., 2010
June 1, 2010	Feb., Mar., Apr., 2010
Sept. 1, 2010	May, June, July, 2010
Dec. 1, 2010	Aug., Sept., Oct., 2010
Mar. 1, 2011	Nov., Dec., 2010 and Jan., 2011
June 1, 2011	Feb., Mar., Apr., 2011
Sept. 1, 2011	May, June, July, 2011

In determining the three-month average of the Indexes for a specific period, the computed average shall be rounded to the nearest 0.1 Index Point.

- (c) 1. Effective the beginning of the first pay period commencing on or after receipt of notice of ratification but after the application of the wage increases provided in Section 57, one dollar and thirty-one cents (\$1.31) shall be deducted from the two dollars and twenty-three (\$2.23) cost-of-living allowance in effect immediately prior to that date and shall be added to the full base rate for each classification.
2. The amount of the cost-of-living allowance effective the beginning of the first pay period commencing on or after receipt of notice of ratification and ending

December 6, 2009 shall be five cents (\$0.05) per hour.

3. Commencing December 7, 2009 and for each period thereafter as provided in Subsection (b), the allowance shall be determined:
 - i) so as to provide one cent (1¢) adjustment for each full .038 change in the Average Index from the COLA base.
 - ii) The COLA base is the average of the May, June and July 2009 Canadian Consumer Price Index (2002 = 100),
- (d) The amount of any cost-of-living allowance in effect at the time shall be included in computing overtime pay, shift premium, holiday pay, call-in pay, jury duty pay, bereavement pay, paid absence allowance payments, and vacation pay.
- (e) In the event that Statistics Canada does not issue the appropriate Consumer Price Indexes on or before the beginning of one of the pay periods referred to in Subsection (b), any adjustment in the allowance required by such appropriate Index shall be effective at the beginning of the first pay period after the Index has been officially published.
- (f) No adjustments, retroactive or otherwise, shall be made due to any revision that may later be made in the published figures used in the calculation of the Consumer Price Index for any month on the basis of which the allowance has been determined.
- (g) The continuance of the cost-of-living allowance shall be contingent upon the availability of the Consumer Price Index referred to in Subsection (a) published by Statistics Canada and calculated on the same basis as the Index for October, 2005, unless otherwise agreed upon by the parties.

- (h) The cost-of-living allowance payable under the provisions of this Section shall be included in an employee's weekly pay deposit.
- (i) Pay adjustments made in a cost-of-living allowance period applicable to any previous cost-of-living allowance period will include the allowance applicable during the period to which the adjustments relate.
- (j) In applying the provisions of this Section the Company shall prepare a notification letter to the Union setting forth the Consumer Price Index for each of the three months that form the basis for an adjustment, and the average of those three months, rounded to the nearest 0.1 index point using the Engineering Method of Rounding described in Subsection (k). This letter will be prepared and sent to the Union after publication of the appropriate Consumer Price Indexes for the third month used for each adjustment period in accordance with Subsection (b). If the Union claims that the Company's calculations in any particular instance were not made in accordance with the terms of this Section, it may refer the matter to the Appeal Board.
- (k) The Engineering method of rounding shall apply to the determination of the three-month average of this Consumer Price Index:
 - (i) if the leftmost of the digits discarded is less than 5, the preceding digit is not affected. For example, when rounding to four digits, 130.646 becomes 130.6.
 - (ii) if the leftmost of the digits discarded is greater than 5, or is 5 followed by digits, not all of which are zero, the preceding digit is increased by one. For example, when rounding to four digits 130.557 becomes 130.6.
 - (iii) if the leftmost of the digits discarded is 5, followed by zero, the preceding digit is increased by one if it is odd and remains unchanged if it is even. The

number is thus rounded in such a manner that the last digit retained is even. For example, when rounding to four digits, 130.5500 becomes 130.6 and 130.6500 becomes 130.6. (c09 Addendum)

Section 57 – Wage Increases

The regular hourly base wage rate for each classification covered by this agreement shall remain the same as at the expiration of the agreement between the company and the union dated December 12, 2005, except as otherwise provided in this agreement or any supplementary agreement which provides for wage rate adjustments. (c09 Addendum)

Section 58 – Wage Progression

- (a) (i) A new employee hired on or after the effective date of this Agreement shall be hired at a rate equal to seventy percent (70%) of the full base rate of the job classification.
 - (ii) At the expiration of one (1) year of employment, such employee shall receive an increase to eighty percent (80%) of the full base rate of the job classification.
 - (iii) At the expiration of two (2) years of employment, such employee shall receive an increase to ninety percent (90%) of the full base rate of the job classification.
 - (iv) At the expiration of three (3) years of employment, such employee shall be paid the full base rate of the job classification.
- (b) An employee will receive credit for seven days for each pay period during which the employee works except that credit will not be given for any days the employee is on layoff. Credit will not be given for any pay period during which for any reason, the employee does not work except that an employee disabled from work by sickness, compensable injury or legal occupational

disease shall accrue credit toward pay periods worked and in the case of the pay period in which the full week of the Christmas Holidays fall, provided the employee would otherwise have been scheduled to work. Further, an employee will be given progression credit of either one or two weeks of the vacation shutdown period provided the employee earns at least 40 or 80 hours of vacation and paid absence allowance entitlement respectively. Each increase shall be effective at the beginning of the first pay period following the completion of the required number of days of employment.

- (c) **A** laid-off seniority employee hired in a job classification other than skilled trades, shall receive a base rate, upon re-employment, which has the same relative position to the maximum base rate of the job classification as had been attained by the employee prior to layoff. Such employee shall continue to be covered by the rate progression provisions in effect during the employee's previous employment. Upon such re-employment, the credited rate progression period of the employee's prior period of employment shall be applied toward the employee's rate progression to the maximum rate of the job classification.
- (d) **A** probationary employee in a non-skilled trades classification separated due to a reduction in force and who is reinstated at a time which will permit accumulation of ninety (90) days of employment within one (1) year of the date of layoff as a probationary employee or a seniority employee in a non-skilled trades classification whose seniority was broken pursuant to Section (24)(e) and is rehired shall continue progression to the full base rate of the job classification from the same relative position in the rate change the employee has attained prior to layoff.
- (e) The foregoing Sections 58(a), 58(b), 58(c) and 58(d) shall not apply to skilled trades classifications.

LEAVE OF ABSENCE

Section 59 – Leave of Absence

- (a) The management upon being shown good and sufficient reason may grant an employee a temporary leave of absence without loss of seniority. Before an employee may be granted a leave of absence for the purpose of attending to Union business, a written request for such leave must be submitted to the Parts Distribution Centre Manager or designated representative by the President or the Financial Secretary-Treasurer of Local 1285.
- (b) A leave of absence may be granted for a period not to exceed one hundred and twenty (120) days if required for the purpose of traveling to a foreign country or 150 days for the purpose of family distress.
- (c) A leave of absence for a period not to exceed one (1) year without loss of seniority may be granted an employee with at least one (1) year's seniority, in order to attend a recognized college, university, or trade or technical school full time, provided the course of instruction is related to the employee's employment opportunities with the Company. A request for a leave of absence to attend a primary or secondary school will be regarded as being within the intent of this Subsection (b) and the schooling will be regarded as being related to the employee's employment opportunities with the Company. Before receiving the leave, or an extension thereof, the employee shall submit to the Company satisfactory evidence that the college, university or school has accepted the employee as a student, and on the expiration of each semester or other school term, shall submit proof of attendance during such term. Such leaves may be extended for additional periods not to exceed one (1) year each.

- (d) A leave of absence for a period not to exceed one (1) year without loss of seniority will be granted an employee who is elected or appointed to a full-time position at a credit union chartered by the Province of Ontario to service primarily Chrysler employees. Such leave of absence may be extended for additional periods not to exceed one (1) year each.
- (e) Any seniority employee who is elected to public office (municipal, provincial or federal) shall, upon written application to the Depot Manager or designated representative, be granted a leave of absence for the period of time necessary to fulfill the duties of such office during the employee's first term. Additional leave(s) of absence for service in elected public office may be granted upon written application by the employee. While on such leave(s) of absence an employee shall accumulate seniority.
- (f) An employee appointed to any full-time position within Local 1285 of the Union or as National representative of the Union, shall be granted leave of absence by the Company for a period of three (3) years, subject to renewal on applications to the Company for further successive periods of three (3) years each, and while on such leave of absence shall accumulate seniority.
- (g) Applications for leaves of absence by skilled trades employees to participate in international or Canadian relief programs/agencies will be considered.

Section 60 – Bereavement Pay

- (a) When death occurs in the employee's family, a seniority employee, on request, will be excused, and after making written application therefore, receive payment for the number of normally scheduled eight (8) hour days of work as indicated below including scheduled Saturdays (exclusive of overtime premium) but excluding non scheduled Saturdays, Sundays and holidays, or, in the

case of seven-day operations, excluding regular off days and holidays) within the ten (10) calendar day period immediately following the date of death, provided appropriate documentation regarding the death is submitted to the company.

- (b) **3 Days** • stepparent or grandparent, parent, step-parent or grandparent of current spouse, stepchild, grandchild, stepbrother, stepsister, half-brother, half-sister, son-in-law or daughter-in-law. **4 Days** • spouse, parent, child, sister or brother (defined as immediate family).
- (c) The employee shall receive Bereavement Pay for the first three (3), or four (4) if applicable, consecutive full working days on which the employee is absent during the period established in Subsection (a).
- (d) Payment shall be made at the employee's straight time hourly rate on the last day worked exclusive of overtime premiums but inclusive of shift and seven-day operations premium and the amount of any cost-of-living allowance then in effect. Time thus paid will not be counted as hours worked for purposes of overtime
- (e) In the event an employee is granted a leave of absence because of the illness of a member of the employee's immediate family and such family member dies within **the first fourteen (14)** calendar days of the leave, the requirement that the employee otherwise would have been scheduled to work will be waived.

Section 61 – Jury Duty

Any employee with seniority who is called to and reports for jury duty (including Coroner's Juries) shall be paid an amount equal to the employee's straight-time hourly rate, exclusive of shift, overtime, and any other premiums, on the last day worked multiplied by eight (8) or the number of hours less than eight (8) that the employee otherwise would have been scheduled to work for the Company on the day for which the payment is to be made less the daily jury duty fee (not

including travel allowances or reimbursement of expenses) paid the employee by the court in which the employee serves.

In order to receive payment under this Section, an employee must give the Company prior notice that the employee has been summoned for jury duty and must furnish satisfactory evidence that jury duty was performed on the days for which the employee claims such payment. Any employee who is called to and reports for an interview or an examination to qualify for selection to a jury shall be considered to have performed jury duty and shall qualify for jury duty pay if otherwise eligible as provided herein.

An otherwise eligible hourly employee who reports for jury duty service in accordance with the direction of the court and who is released by the court early in the day, is not required to return to work on that day to be eligible for jury duty pay for the day.

This Section is not applicable to an employee who, without being summoned, volunteers for jury duty.

Section 62 – Overtime Distribution

- (a) Overtime will be evenly distributed when reasonably possible among those seniority employees in the plant on the same shift who normally perform the work to be done; provided also in the event an employee voluntarily misses a turn at such overtime the employee shall be considered as having worked the turn insofar as distribution of such overtime is concerned.
- (b) Employees will be given twenty-four (24) hours' notice of overtime to be worked, whenever reasonably possible. When an employee declines to work overtime when the Company does not give twenty-four (**24**) hours' notice of overtime, on a Saturday, Sunday or holiday, the

employee's overtime record will not be charged with such hours.

Any employee who is given notice of overtime work while at work and who refused the overtime shall, for the purposes of the record, be charged as having worked.

- (c) When work is performed on a Saturday, Sunday or holidays on only one shift, overtime will be evenly distributed amongst all seniority employees in the plant who normally perform the work to be done, whenever reasonably possible.
- (d) The overtime records shall be kept on the basis of overtime hours paid rather than for overtime hours worked.
- (e) Probationary employees will not be scheduled for overtime work until all seniority employees on the shift normally performing the work are given the opportunity to work. When an employee completes the probationary period, said employee will be assigned the greater of (1) the number of overtime hours worked or (2) the average number of overtime hours of the shift.
- (f) Employees absent from work when a canvass for overtime is made will not be charged with overtime hours that would have been available to them.
- (g) When the employee's entire shift or the whole plant is scheduled or canvassed to work and the employee returns from absence on a shift prior to the date overtime is to be worked effort will be made to provide overtime opportunity to the employee.
- (h) Where reasonably possible low overtime hour employees on the same shift who normally perform the work to be done will be provided with overtime work opportunities. When overtime hours are equal, the employee with the greatest seniority who normally performs the work should be provided the opportunity to work.
- (i) Hours charged but not worked will be identified.

- (j) The overtime records shall be made available to the employee, the Committeeperson concerned and the Plant Chairperson for inspection to the extent reasonably necessary for such employee, Committeeperson or Plant Chairperson, to ascertain the overtime status of such employee.
- (k) The overtime records shall be posted and will be updated weekly.
- (l) Where notice can be reasonably given in advance, the Supervisor will notify the relevant Committeeperson or the Plant Chairperson of the overtime work to be done and the employees involved.
- (m) An employee absent for thirty (30) days or more shall be charged the greater of average overtime hours on that shift or employees actual overtime.
- (n) If technological changes impact job functions, making canvassing or implementation under these guidelines obsolete or unfeasible the company agrees to discuss the impact with the union and arrive at a new mutually agreeable procedure.
- (o) Should management schedule a two shift operation resulting in a blended shift and creating a situation whereby two or more normal performers are scheduled, the senior employee will be given the opportunity to function on his/her normal job. This shall not apply to employees who voluntarily waive their right to work their own shift.

Section 63 – Supervisors Working

It is the express policy of the Company that supervisory personnel are for the purpose of carrying out supervisory functions and are not expected to displace employees covered by this Agreement.

However, a supervisory employee may perform operations where an emergency arises out of unforeseencircumstances

which calls for immediate action to avoid interruption of operations and the Supervisor may also perform operations for purposes of instruction or training as may be necessary in the discharge of supervisory duties, provided that the act of performing the aforementioned operations in itself does not reduce or affect the hours of work or pay of any employee covered by this Agreement.

Section 64 – Disabled Employees

In the event of an employee suffering a disability which would prevent an employee from carrying out normal duties the Company, if unable to place the employee on a job on an employee's regular shift consistent with a physical disability, may make exceptions to the seniority provisions of this Agreement in favour of such employee. However, if in the event of a layoff the employee's seniority does not entitle the employee to remain at work the employee shall be laid off accordingly and the employee shall be called back according to seniority provided the employee has the ability to satisfactorily perform the work to be done.

Section 65 – Reinstatement after Disability

When an employee's absence from work is due solely to disability resulting from sickness or injury and due proof of the disability is given to the plant, the employee will be returned to work in accordance with the employee's seniority and these rules as nearly as may be possible, as if the employee had not suffered disability, provided, the employee passes the required medical examination. If the disposition made as the result of any such medical examination is not satisfactory, the employee may ask to discuss the matter at the plant with the Committeeperson concerned, and Management will arrange for the employee to do so. If a grievance on the matter is submitted, it may be referred to Step 2 of the grievance procedure. The Plant Committee may then take the grievance up with the Parts Distribution Centre

Manager, or designated representative. In proper cases, the parties may select an independent physician to resolve the conflicting medical findings of the employee's personal physician and the plant physician with respect to determining the employee's ability to perform the duties of the available work to which the employee would be entitled by seniority. The selection of an independent physician by the Plant Management and the Local Union will be made within seven (7) working days from the date the matter was referred to the Depot Manager or designated representative. Costs will be paid half by the Company and half by the Union. Retroactive pay if any shall be limited to the period beginning with the day of the final examination by the physician or specialist selected.

The decision of the independent physician shall be final and binding on the Company, the employee involved and the Union.

Section 66 – Returning to Work Notification

When reasonably practicable, an employee shall give the supervisor concerned at least twenty-four (24) hours' notice of the employee's intention to return to work following an illness in excess of five (5) days or prior to the expiry date of a written leave of absence.

Section 67 – New Jobs

- (a) When a new job is placed in the depot and cannot be properly placed in an existing classification, the Company will set up a new classification and rate of pay for that job. A written notice of classification rate of pay, and effective date of classification and rate of pay will be given to the National Union.
- (b) If the Union disagrees with the new classification or rate of pay, the Union may file a written grievance directly with Management's representative as provided in

Section 11 of the Agreement within thirty (30) days of the date of the notice provided in (a) above.

- (c) If the parties fail to agree on a classification and/or rate of pay, the Union may submit the matter to the umpire as provided in Section 17 of the Agreement. The umpire shall be empowered to determine whether the classification and/or rate of pay assigned to the classification is proper.
- (d) In determining whether the rate of pay assigned to the classification is proper, the umpire shall do so by comparing such classification with other comparable classifications in the bargaining unit the rates of pay of which are consistent with the established wage structure. The umpire's decision shall be limited to the matter in dispute and to determining the propriety of the classification and the rate of pay of the classification in dispute.
- (e) When the Company establishes a new classification and assigns that classification a rate of pay within the established wage structure and gives notice of same to the Union, and the Union within thirty (30) days of receipt of such notice does not file a written grievance as provided in Section (c) above, such classification and rate of pay shall be deemed satisfactory to the Union and not subject to the grievance procedure.
- (f) The Company has a responsibility and a duty to properly classify. Accordingly, from time to time during the term of this Agreement, the Company may review the propriety and, where warranted, adjust the classification of employees.
- (g) The provisions of this Agreement, shall not relieve or otherwise limit the Company in carrying out its obligations in this respect, notwithstanding the fact that employees may have been assigned to another classification.

Section 68 – Maintenance Contracting

- (a) It is the policy of Chrysler Canada Inc. to perform maintenance work with its own employees, provided it has the employees available, skills, equipment and facilities to do so and can do the work competitively in quality, cost and performance and within the projected time limits. At times the Company does not deem advisable doing the work itself, and it must, as in the past, reserve to itself the right to decide whether it will do any particular work or let the work to outside contractor. This section is not to be regarded as impairing that right in any way.
- (b) In applying the provisions of this section it is our intention that, except where time and circumstances prevent it, advance discussions will take place with the Chair-person of the Union before any final decision has been made as to whether the work should be contracted out.

Section 69 – Bulletin Boards

- (a) The Company extends to the Union the privilege of using two (2) bulletin boards in its National Parts Distribution Centre, to be prepared by the Company and to be located as agreed upon.
- (b) Provided and it is agreed that such bulletin boards shall be **used** by the Union for the posting thereon by the Chairperson of the plant committee such notices only as have received the prior approval of management's representative, and shall not contain any Union propaganda or political matter of any kind, and which notices shall be mechanically produced, and shall be restricted to matters directly affecting the employees of the Company in their relations with Local 1285 of the Union, and which notices shall further be restricted to the following types:
Notices of Union recreational and social affairs;

Notices of Union elections, appointments and results of elections;
Notices of Union meetings.

Section 70 – No Strike or Lockout

- (a) The Union will not cause or permit its members to cause, nor will any member of the Union take part in any sit-down, stay-in or slow-down in any plant of the Company or any curtailment of work or restriction of or interference with production of the Company. The Union will not cause or permit its members to cause nor will any member of the Union take part in any strike or stoppage of any of the Company's operations or picket any of the Company's plants or premises until all of the grievance procedure outlined herein has been exhausted and not even then unless authorized by the National Executive Board of the CAW and a copy of such authorization has been delivered to the Company. In case a strike shall occur this Agreement at the option of the Company shall terminate immediately. The Company reserves the right to discharge any employee who violates any provisions of this Section. Such discharged employee shall have recourse to the grievance procedure. The Company will not cause or sanction a lock-out until all of the grievance procedure outlined herein has been exhausted.
- (b) In the event of the occurrence of a dispute between the Company and employees, the Union agrees that it will at all times during the currency of this Agreement take such steps as may be necessary to ensure that employees employed in the power house or any substation of the Company shall be permitted free and unobstructed entrance into and exit from the premises and plants of the Company in order that such employees may at all times be enabled to perform the regular duties therein to which they are assigned.

- (c) In the event of the occurrence of a dispute between the Company and employees, the Union agrees that it will cooperate with the Company to ensure that persons required for emergency maintenance repairs to the Company's plants will be permitted free and unobstructed entrance into and exit from such plants and that the Company's plant protection staff, plant supervision, office staff and personnel and members of the public shall be allowed free and unobstructed entrance into and exit from the Company's premises and offices. Provided that if at any time during such dispute the Company attempts to put any new employees to work in the Company's plants on operations therein performed by employees in the bargaining unit or attempts to employ in such work any members of the plant protection staff or attempts to employ the employees required for such repairs in work other than such repairs, there-upon the Union no longer shall be bound by the provisions of this paragraph.

UNION SECURITY

Section 71 – Requirement of Union Membership

- (a) Employees covered by this Agreement at the time it becomes effective who are members of the Union at that time shall be required as a condition of continued employment to continue membership in the Union for the duration of this Agreement.
- (b) Employees covered by this Agreement who are not members of the Union at the time it becomes effective, shall be required as a condition of continued employment to become members of the Union for the duration of this Agreement on or before the fortieth (40th) day following such effective date.
- (c) Employees hired, rehired, reinstated or transferred into the bargaining unit after the 17th day of May, 1962, and

covered by this Agreement shall be required as a condition of continued employment to become members of the Union for the duration of this Agreement, on or before the fortieth (40th) day following the beginning of their employment in the unit.

- (d) An employee who shall tender an initiation fee (if not already a member) and the periodic dues uniformly required as a condition of acquiring or retaining membership shall be deemed to meet the conditions of this Section.
- (e) Employees shall be deemed to be members of the Union within the meaning of this Section if they are members and are not more than sixty (60) days in arrears in payment of membership dues.

**Section 72 – Payment of Initiation Fee by
Check-off or Direct to Union**

- (a) The Company will deduct a Union initiation fee from the pay of an employee hired, rehired, reinstated or transferred into the bargaining unit after the effective date of this Agreement. The initiation fee shall not exceed the maximum prescribed by the Constitution of the National Union at the time of the employee's hire, rehire, reinstatement or transfer. The initiation fee will be deducted from the pay of an employee, including Temporary Part-Time Employees, at any time within thirty (30) days after the employee becomes a member of the Union as provided in Section 71 (c).
- (b) Any dispute arising as to an employee's membership in the Union shall be reviewed by Staff Labour Relations and the Plant Chairperson, and if not resolved may be submitted directly to the Arbitrator through the arbitration provisions.

Section 73 – Check-off of Union Dues

- (a) The parties agree that there shall be a check-off of Union dues compulsory upon all employees who come within the unit to which the Agreement applies. It shall continue during the period of the Agreement. The amount to be deducted shall be such sum as may from time to time be assessed by the Union on its members according to its Constitution.
- (b) The deduction shall be made only in the conditions and circumstances relating to the payment of dues laid down by the Constitution and By-laws of the Union. At the end of each calendar month and prior to the tenth (10th) of the following month the Company shall remit by cheque the total of the deductions to the Local.
- (c) The deduction on the records of the Company shall constitute the sums so deducted as money held by the Company in trust for the Local.
- (d) In a case where a deduction is made that duplicates a payment that an employee already has made to the Union, or where a deduction is not in conformity with the provisions of the Union Constitution and By-laws, a refund to the employee will be made by the Local Union.
- (e) The Company shall not be liable to the National Union or its Local by reason of the requirements of this Agreement for the remittance or payment of any sum other than that constituting actual deductions made from wages earned by employees.
- (f) The Union shall indemnify and hold harmless the Company against any and all liability which may arise by reason of the check-off by the Company of Union initiation fees and membership dues from employee's wages in accordance with this Agreement.
- (g) Except as otherwise specifically provided or dealt with, any dispute as to a violation or interpretation of any provision of this check-off section shall be matter for the

grievance procedure and shall be submitted directly to the Umpire.

Section 74 – NOTICE PURSUANT TO THE AGREEMENT

Notices required to be given under the provisions of this Agreement shall be in writing and shall be sufficient if sent by registered mail addressed to the appropriate recipient personally. The addresses of the recipients are as follows:

The National Union

National Representative
National Automobile Aerospace,
Transportation, and General Workers
Union of Canada (CAW-Canada)
205 Placer Court, North York,
Willowdale, Ontario
M2H 3H9

Local 1285

The Chairperson, Chrysler Unit
Local 1285
National Automobile Aerospace,
Transportation, and General Workers
Union of Canada (CAW-Canada)
6500 Mississauga Road
Mississauga, Ontario
L5N 1A8

The Company

Director - Human Resources
Chrysler Canada Inc.
P.O. Box 1621
Windsor, Ontario
N9A 4H6

Section 75 – TERMINATION

Subject to any provision of law or any regulation having the force of law, this Agreement shall be in effect until 11:59 p.m. the 8th day of December, 2011, and shall thereafter continue for a further period of one year unless sixty (60) **days** before the expiration date either party shall give written notice to the other party that it desires revision, modification or termination of this Agreement at its expiration date.

DATED at Toronto, Ontario, this 10th day of December 2008.

Chrysler Canada Inc.

Robert Mailloux
Syed Huda
Kevin Pollinger
Helen Malian-Garant

National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada)

Whitey MacDonald
Neil Smyth

CAW Local 1285

Dave Ireland
Terrence Penny
Chris Terpselas
Jeff Forester
Paul Lewis

SUPPLEMENTAL AGREEMENT TEMPORARY PART-TIME EMPLOYEES

The parties agree that the Company may hire temporary part-time employees to supplement the work force for straight-time, overtime or weekend work in the Depot.

Therefore, it is agreed this Supplemental Agreement shall govern the employment of such temporary part-time employees.

- I. Temporary part-time employees are employees hired by the Company who shall normally be scheduled to work on Mondays, Fridays, and the Tuesday and Thursday before and after a holiday, in addition to premium days (Saturday, Sunday, and Holidays), subject to the following:
 - A. On days they are scheduled to work, temporary part-time employees may be scheduled any part or all of the hours scheduled for the department in which they are assigned and may cover the following planned absences: PAA, Vacation, S&A, WSIB, Bereavement, and Union Business as well as unplanned absences.
 - B. Temporary part-time employees may be scheduled to work daily overtime and on days for which regular full-time employees receive premium pay as such for time worked provided they do not displace regular full-time employees.
 - C. The employment by the Company of temporary part-time employees shall not be considered as an infringement of the rights of regular employees under the current Chrysler Canada Inc.-CAW Agreement, provided, however, at the time of a reduction in force, a seniority employee who is to be indefinitely laid off from the Depot pursuant to such a reduction may request to displace a temporary part-time employee. Seniority employees who displace temporary part-time employees shall, during the period they would otherwise be on indefinite layoff, be required to comply with the work schedule for temporary part-time employees.

- D. A seniority employee who upon being indefinitely laid off elects to displace a temporary part-time employee or who, while on such layoff, is hired to work as a temporary part-time employee shall be paid a rate determined in accordance with the applicable provisions of Section 58 of the Agreement. Such employee shall also be provided the level of life, accidental death and dismemberment insurance, and the Hospital, Surgical, Medical, Drug, Dental, Vision and Hearing Aid Expense Benefits coverage but not Supplemental Unemployment Benefits (SUB), to which the employee would have been entitled if the employee had continued as a laid-off seniority employee, but only for the length of time the employee would have been entitled to such benefits if the employee had remained on indefinite layoff.
- II. Temporary part-time employees shall be hired at a rate equal to seventy percent (70%) of the full base rate of the classification of the job to which they are assigned.
- III. A temporary part-time employee shall not accumulate time toward the fulfillment of the ninety-day probationary period while employed as a temporary part-time employee. In the event a temporary part-time employee becomes a regular full-time employee the employee shall be considered a new employee and shall receive no credit for any purpose for time during which the employee was employed as a temporary part-time employee.
- IV. The Company may discharge or terminate the employment of a temporary part-time employee at any time, provided, however, the Union may protest in the grievance procedure the discharge or termination of a

temporary part-time employee in cases of claimed discrimination on account of race, colour, national origin, age, handicap, sex or religion.

- V. A temporary part-time employee shall be entitled to Union representation including the grievance procedure in cases of alleged violation of this Supplemental Agreement.
- VI. A temporary part-time employee shall be subject to the provisions of Sections 71 through 73 of the current Chrysler Canada Inc.-CAW Agreement. The initiation fee and monthly dues regularly required of temporary part-time employees shall be as determined by the National Union, CAW. Notice of the amounts of such fee and dues shall be given to the Company in writing by the National Union, CAW.
- VII. A temporary part-time employee will not be assigned to an operation expressly for the purpose of establishing a production standard on that operation; nor will the temporary part-time employee's performance be considered either in establishing a production standard or in a dispute over the production standard.
- VIII. A temporary part-time employee shall not be covered by the SUB Plan (Exhibit A), Pension Agreement, the Life and Disability Insurance Program, the Health Care Program, the Lump Sum Payment Plan, the Legal Services Plan or the Income Maintenance Benefit Plan and Voluntary Termination of Employment Plan, except as provided in Sections I.D. and XI. of this Supplemental Agreement. A temporary part-time employee shall have only such rights, privileges, compensation or benefits as are expressly set forth by this Supplemental Agreement

and the following sections of the current Chrysler Canada Inc.-CAW Agreement;

Sections 49, 50,
53 and 54 - Working Hours

- IX. A temporary part-time employee shall be paid time and one-half for time worked in excess of eight (8) hours in any continuous twenty-four hour period beginning with the starting time of the temporary part-time employee's shift and for time worked in excess of forty (40) hours per week. A temporary part-time employee shall be paid for hours worked on Saturday and Sunday in accordance with the provisions of Section 51 and 52 of the Chrysler Canada Inc.-CAW Agreement.
- X. A temporary part-time employee shall receive eight (8) hours pay at the temporary part-time employee's regular straight-time hourly rate for any of the holidays enumerated under Section 43 of the current Chrysler Canada Inc.-CAW Agreement when such holidays occur on a regular workday of the employee's workweek, provided the employee (1) actually worked at least ninety (90) days prior to such holiday, (2) worked the employee's last scheduled working day prior to and the employee's next scheduled working day after such holiday within the scheduled workweek, and (3) would otherwise have been scheduled to work on such day if it had not been observed as a holiday.
- XI. Temporary part-time employees will be provided \$3,750 life insurance and \$1,875 accidental death and dismemberment insurance. The Company will pay the premiums for coverage for any month in which the employee receives pay from the Company for any time during such month. Such coverage begins on the first

day of the first calendar month next following the month in which employment commences and ceases on the last day worked where employment is terminated.

Temporary part-time employees will also be provided the following coverage as set forth in Exhibit G to this agreement:

- i) Prescription Drug Expense Benefits as set forth in Appendix I
- ii) Semi-Private Hospital Accommodation as set forth in Appendix H
- iii) Out of Province HSM Coverage and Assistance as set forth in Appendix F, Section XIV
- iv) The Ontario Health Insurance Plan as set forth in section I A.

Coverage for temporary part-time employees does not include dental, vision, hearing aid, extended health services, other expenses provide for under Exhibit G, or other benefits provided under the Insurance Program.

Such coverage begins on the first day of the fourth calendar month next following the month in which employment commences. Coverage ceases at the end of the month in which employment is terminated.

XII. This Agreement shall become effective concurrently with, and continue in full force and effect during the term of the Agreement between Chrysler Canada Inc. and the CAW.

NATIONAL AUTOMOBILE,
AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS
UNION OF CANADA, CAW

CHRYSLER
CANADA INC.

(c09 Addendum)

**MEMORANDUM OF UNDERSTANDING
COVERING SPECIAL CONTINGENCY FUND**

The Company and the Union agree that:

- (a) The Special Contingency (SC) Fund will be continued for and during the term of this Collective Agreement.
- (b) Such SC Fund will equal an accrual by the Company of \$2.60 per overtime hour worked by all covered employees in excess of five percent (5%) of straight time hours worked by such covered employees - for all pay periods commencing after the effective date of this Agreement - calculated on a twelve month rolling average.
- (c) During the term of this Collective Agreement, the SC Fund will be utilized only in support of the following plans and programs: i) the Supplemental Unemployment Benefit (SUB) Plan, ii) the Legal Services Plan, iii) the C.A.W. Leadership Training Program (P.E.L.), research, leadership and development activities of the Union, and v) programs covered under the National Training Committee Letter #(16.1), (vi) a dependent scholarship fund (vii) dependent childcare subsidy, (viii) Social Justice Fund and (ix) a retiree fund. At any point in time the Special Contingency Fund Balance shall be equal to the cumulative accrual calculated in Section (b) above, less the cumulative utilization calculated in this Section (c). The cumulative accrual and utilization shall include balances carried forward from prior Agreements and then only if needed.
- (d) The use of the SC Fund for SUB funding will be determined solely by the amount of the Credit Unit Cancellation Base (CUCB) as determined from time to time under the SUB Plan for the purpose of determining the cancellation rate of Credit Units on the payment of Regular Benefits under the SUB Plan. In the event that

such CUCB amount otherwise would fall below the applicable amount that would require an increased Credit Unit cancellation rate from 3.33 to 5 Units for employees with 1 but less than 5 Years of Continuous Service, the Company will make weekly contributions to the SUB Fund from the balance in the SC Fund. Such additional contribution amount from the SC Fund would be an amount that, together with the amount of regular Company contributions to the SUB Fund that week, would be sufficient to pay all SUB Benefits then due and payable and still keep such CUCB from falling below the amount requiring the increased cancellation rate described above. At any time the balance of the SC Fund is exhausted, the regular provisions of the SUB Plan would apply.

- (e) Funding for the above mentioned plans and programs will be determined as follows:
- i) funding for SUB purposes will be made available pursuant to paragraph (d), above
 - ii) funding for the Legal Services Plan will be made available in the amount of \$0.14 per hour worked.
 - iii) funding for the C.A.W. Leadership Training Program (P.E.L.) will be provided in the amount of \$0.07 per hour worked.
 - iv) funding for research, leadership and development activities of the Union will be provided in the amount of \$0.05 per hour worked.
 - v) funding for programs and activities of the National Training Committee will be provided pursuant to letter (72)
 - vi) funding for the dependent scholarship program will be provided in the amount of \$1,500 per year to eligible dependents of active employees enrolled in an accredited Canadian University/Community College pursuant to letter (91)

- vii) Funding for the Social Justice Fund will be provided in the amount of \$0.06 per hour worked.
 - viii) Funding for the dependent childcare subsidy in the amount of \$2,400 per year per eligible child pursuant to letter (91)
 - ix) Funding for the retiree fund of \$0.03 per hour worked.
- (f) The parties agree that in the event that the SC Fund Balance is insufficient to provide funding for the above mentioned plans and programs as required in paragraph (e), the amount of required funding in excess of the SC Fund Balance will be recovered as an offset against future SC accruals.
- (g) As of the end of this Collective Agreement period, the parties would negotiate the usage of any balance then remaining in the Special Canadian Contingency Fund.
- (c09 Addendum)

**MEMORANDUM OF UNDERSTANDING
EMPLOYMENT EQUITY**

The Chrysler Canada Inc. – CAW Production and Maintenance Memorandum of Understanding – Employment Equity will be recognized as having application based upon past practices in effect at the National Parts Distribution Centre. Included are the following sections:

- (A) Communication of Workplace Harassment
- (B) Union Leadership/Management Harassment Training
- (C) Violence Against Women
- (D) Minute of Silence
- (E) Women's Advocate
- (F) Employment Equity Programs
- (G) Women's Committee Understanding
- (H) Comfort Hearts
- (I) Temporary Accommodation for Pregnant Women

- (J) Nursing Mothers
- (K) Local Employment Equity Committee Training

MEMORANDUM OF UNDERSTANDING LEAN OPERATING PRINCIPLES

During the course of these negotiations, the parties discussed at length the principles and philosophy associated with operating Canadian Parts Distribution Centres (PDC's). These discussions included the current level of implementation of Lean Operating Principles at each facility in the Canadian distribution network and the success that the parties have enjoyed utilizing a joint Union/Management approach. In this context, the subjects of quality, productivity, accountability, seniority and viability were reviewed.

The parties expressed a mutual belief that this philosophy of creating an integrated system to accomplish supply chain objectives is the cornerstone of Mopar's ability to survive in an ever increasing highly competitive market. Mopar's ability to sustain a profitable future resides, in part, in its ability to drive continuous improvement in the process of ensuring the right quality parts are available to the customer at the right time at a competitive price.

The parties are committed to working together to continue to realize the success of implementing Lean Warehousing throughout the Mopar Parts Division. In order to ensure the flexibility to react to changing business needs, in a highly competitive environment, the parties agreed that efforts towards implementing principles of this Memorandum must be accelerated. As a result, this Memorandum serves as the framework of the fundamental principles that any parts distribution facility must adopt in order to transform itself to a competitive operating environment. They are as follows:

COMMITMENT TO QUALITY AND PRODUCTIVITY

The parties recognize the importance of making sure that the right part is delivered to the right place at the right time. It is essential that we continue to strive towards improving customer satisfaction. The parties are committed to the joint role of PQI and standardized work processes in driving improvement through joint initiatives. To help accomplish quality and productivity objectives, the parties agree to jointly participate in quality and productivity awareness reviews with all employees.

JOINT ACTIVITIES OPERATING PRINCIPLES (JAOP)

The spirit of jointness and employee empowerment embodied within each of the Canadian PDC Agreements as well as the concepts of fairness, accountability and responsibility must become the PDC culture.

TEAM BASED ENVIRONMENT

A team-based structure will be adopted, including functional assignment, rotation and operational flexibility in such ways that will improve operational efficiencies. In this regard, the parties have agreed to the following:

1. **Classifications** - All Field PDC non-skilled employees will be consolidated into one (1) classification.
2. **Work Circles** - All Parts Distribution Centres shall be arranged in a functional work circles consistent with the above mentioned principles.
3. **Responsibilities**- Each work circle will encompass a broad range of responsibilities applicable to the warehouse or a specific area of the warehouse.

4. **Rotation** - Employees assigned to a work circle will rotate functions within that work circle in a manner determined by the work circle members and the PDC Joint Leadership. Employees will be trained on each function to ensure the maximum skill level and knowledge base of each work circle is achieved. This provides flexibility to respond to changing business conditions. Enhancing the fundamental team-based environment of a work circle is the following premise: every work circle employee has responsibility and ownership of every function in the work circle. Employees will assist in training other work circle members. If an employee has a substantiated condition that would otherwise preclude the employee from performing a rotational function, the employee may bring the matter to the attention of local Management and Union for discussion and proper resolution.
5. **Seniority** – Employee assignment to a work circle will be based on seniority preference. Functional assignment within a work circle will be based on the rotational format and business needs of the PDC. Adjustments as a result of business needs are intended to be done in a manner that is fair and equitable.
6. **Preferred Functions** - In certain cases, there will be a need for specialized jobs where specific skill sets may preclude rotation of work circle members. The number and type of these positions may vary at each PDC.
7. **Flexible Work** - Simultaneous picking and stocking of parts may be performed across all shifts, as

business needs dictate, in order to support reliable throughput and delivery of parts.

8. **Equitable Work Assignments**- Fair and equitable work assignments will be developed to promote the ability to implement and sustain small batch processing techniques.
9. **Housekeeping** - All employees shall have general housekeeping duties as part of their daily responsibilities and will be expected to maintain their work area in a clean, orderly and safe condition on an ongoing basis.

WORK CIRCLE LEADER (WCL)

Since the implementation of this MOU, Mopar employees have provided momentum toward adoption of Lean Principles. In order to enhance the success of Lean implementation, the parties agree on the next evolutionary step, the utilization of Work Circle Leaders (WCLs).

Mopar's business model provides unique challenges within the automotive industry structure. In consideration of this, it is understood and agreed that the implementation of WCLs will be done with the goal of improving customer / dealer satisfaction while reducing Mopar's costs. The parties agree that a WCL has a function to perform as an integral and necessary part of the work circle rotation. In addition to their regular work circle rotational function, the WCLs roles and responsibility will include, but not be limited to the following:

- Learn, follow and promote all area safety requirements,

- procedures, and processes
- Know and ensure achievement of all Work Circle quality standards
 - Assist root causes analysis and problem solving
 - Assist development of Standard Work instructions and training new Work Circle members
 - Assist in documenting, monitoring and supporting effective use of progress and Batch Board systems
 - Evaluate, encourage and support continuous improvement efforts
 - Communicate team goals, problems and objectives to Work Circle members
 - Perform non-regular, miscellaneous, special and exception pick functions

To achieve the results and outputs that measure the success of Lean Operations and Work Circle Leaders, the LOSC, described below, will, within 90 days after ratification of the 2008 Local PDC Agreements, develop and provide the standardized training, organization structure, quality, material and facility systems and expert support necessary to implement and sustain Work Circle Leader utilization.

It is understood and agreed the utilization of WCLs at any PDC is contingent on the assessment by the Lean Operating Steering Committee that the subject PDC has adopted Lean Operating Principles and is free from prohibitive barriers to the Lean Operating System.

CONTINUOUS IMPROVEMENT

The parties are committed to the philosophical belief that we must continually look for ways to improve processes in order to sustain our ability to compete. It is the responsibility of each person to participate in identifying issues and

eliminating waste. To accomplish this: the Lean Operating Steering Committee (LOSC) was established.

The Lean Operations Steering Committee (L.O.S.C.), consisting of Mopar Senior Management and the CAW National Union is committed to the success of the Mopar Parts Division. The parties recognize the importance of this committee and agree that the L.O.S.C. shall drive implementation and sustainment of the LEAN Operating Principles across the Canadian Parts Distribution network and provide guidance and counsel to ensure success in implementing the Lean processes including the principles of this Memorandum.

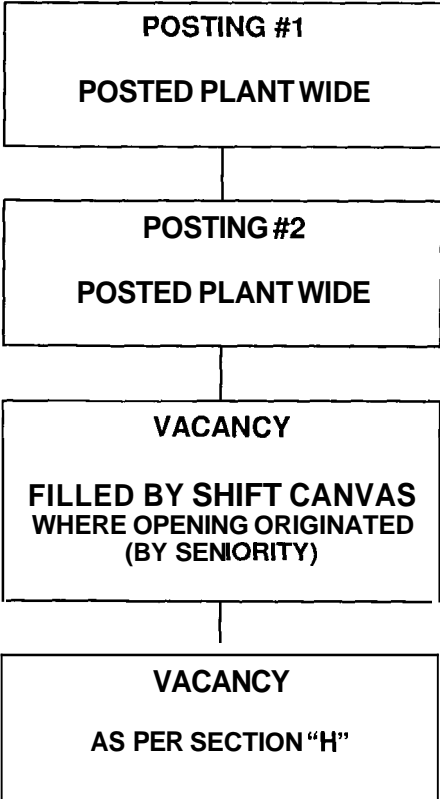
The ultimate success of Canadian PDC's is dependent upon Local Employee Participation Council (LEPC) taking responsibility to lead the necessary changes to transform their location into Lean operations. To ensure the accountability and commitment of the LEPC Co-chairs, the LOSC will take the following actions:

1. Provide a structure of accountability, by establishing Joint Co-chairs, one Co-chair being the Director of Global Supply Chain and one Co-chair being a CAW Administrative Assistant.
2. Develop a standardized report to be used by each PDC to regularly provide status updates on Lean implementation, sustainment and continuous improvement.
3. Establish a Lean Assessment Process to measure and review Lean Operating System elements at each PDC and provide direction for implementation and sustainment.

The Company and Union recognize the competitive environment that exists in the Parts Industry. It is agreed that

the only manner in which operations can survive and provide job security is to become competitive and efficient. Accordingly, both parties agree to continue to work jointly to meet the commitments outlined in this memorandum.

**NATIONAL PARTS DISTRIBUTION CENTRE
POSTING FLOWCHART**



Letter 1 – Tuition Refund

The Company offers and administers a tuition refund program under which employees will, under such terms and conditions as the Corporation may from time to time establish, receive a tuition refund not to exceed \$2,000 a calendar year (\$3,250 for the calendar year for approved courses taken at an accredited college or university) or taken as a web based on-line program from an accredited college or university at an approved educational or training institution during non-working hours while on the active rolls of the Company. Any refund made to an eligible employee will relate to the calendar year of completion of the courses. Tuition refunds will be made available upon receipt, however, successful completion of the course is obligatory.

The following programs are considered job related and will be approved when the needs cannot be met within the Company:

- (a) Courses which update employees in the technology of their trade or occupation and courses directed toward qualifying an employee as an apprentice in the skilled trades.
- (b) Courses which relate to the next job in the logical development of an employee's career.
- (c) Courses which prepare an employee for openings that are expected to occur in the future and for which a sufficient number of qualified employees are not available.
- (d) Courses taken to complete the requirements for a grammar school certificate or high school diploma.
- (e) Any literacy courses or courses in fundamental reading and mathematics. These include courses usually designed to teach sixth grade competency in reading, writing and numerical skills.

- (f) Courses that are part of the regular curriculum of an accredited educational institution taken for degree credit leading to an Associate Degree or Bachelor's Degree in Labour Studies.
- (g) Courses in industrial hygiene or safety related courses taken at approved educational institutions by the appointed Union member of a Local Committee on Health and Safety.
- (h) Any required or pertinent elective courses taken in a degree-seeking program in a field related to the employee's job or appropriate to the employee's career in Chrysler Canada Inc.
- (i) During negotiations, in response to a request from the union, the company agreed that the CAW/McMaster Labour Studies Program offered by McMaster University will be approved for participants under the Tuition Refund Program, with a direct billing arrangement established for this Labour Studies Program.

The tuition refund, for **courses** which must be taken in the United States solely because they are not available in Canada, will be paid the Canadian Equivalency of United States currency.

In addition to the above, employees appointed as full-time Benefit Plans or Health and Safety Representatives who wish to enroll in courses of instruction relating to benefit plans or health and safety at approved educational institutions shall be eligible to apply for tuition refund for such courses subject to the terms and conditions of the Company's Tuition Refund Program. Seniority employees on an approved Maternity, Adoption, Parental or short term union leave of absence for a defined term will also be eligible for tuition refund.

In addition to the above, a seniority employee who is indefinitely laid off, may utilize the Tuition Refund Program

for the purposes of vocational training to qualify for any available or potential employment opportunities. This expanded tuition refund eligibility shall not exceed \$2,000 (\$3,250 for courses at an accredited college or university) and the employee must apply for such refund within twenty-four (24) months from the effective date of layoff. The plan will reimburse an employee up to \$200, within the limits of the plan, for the purchase of books related to approved course material, subject to proof of purchase.

Concerns relating to the administration of the Tuition Refund Program including a determination of applicant eligibility for a particular course may be the subject of a discussion between the local Plant Chairperson and the PDC Manager.

The Impartial Chairperson shall have no jurisdiction over any matter involving the establishment, administration or terms and provisions of such a tuition refund program.
(c09 Addendum)

Letter 3 – Seniority

This is to clarify the fact that under Section 32 of the Collective Agreement classification seniority shall be interpreted that in the event of a reduction of employees in any classification, the junior employee of that classification will displace the junior employee in the plant provided said employee is able to do the work required.

Letter 4 – Representation

This is to clarify the fact that under Section 5 of the Collective Agreement the "three Committeepersons (one of whom shall be Chairperson of the plant committee, consisting of two members)" are for purposes of representation covering all shifts and their appointment should be made in this regard.

The Company agrees to maintain the current practice with regard to accommodating changes to Union Representative's starting times for the purpose of communication.

Appendix No. 1 submitted by the Plant Chairperson to the PDC Manager identifies the appointment of a Committeeperson to each shift.

It is understood that the Chairperson shall be assigned to and shall function on the day shift.

Letter 5 – Shift Preference

During the course of negotiations, it was agreed that except in cases of particular maintenance requirements, "new hires" will be assigned to the off shifts.

In assigning these new employees it is understood that there shall be no interference with the flexibility and efficiency of the operation on all shifts and the assignment shall be made in accordance with the employee requirements on each shift.

Letter 6 – Union Office

At the present time the Company is providing office facilities for the use of the Plant Committee and a Health and Safety Representative.

The Company assures the Union that it will continue to provide said office facilities and existing equipment for the duration of this Agreement.

Letter 8 – Industrial Vehicle – Operator Licensing Program

During the recently concluded negotiations the subject of the licensing program for Industrial Vehicle Operators was discussed. The Company indicated at that time that it was desirable to maintain a program of training and licensing of

competent employees to operate Industrial Vehicles. The Company also indicated that a review would be held upon the second anniversary date of the issuance of the license to the Industrial Vehicle Operator.

Letter 9 – Alcoholism and Drug Abuse

During negotiations the parties reaffirmed their conviction that it is important to provide help to employees afflicted with alcohol and drug dependence.

We share a common belief that it is more important to provide assistance to such afflicted individuals to motivate them to help themselves overcome their problems, rather than to rely solely on discipline. Further, employees who seek assistance are assured of the privacy and confidentiality of matters discussed and may refer problems to the Substance Abuse Representative from Brampton Assembly Plant.

Accordingly, the parties have expressed their mutual wish to continue with their efforts toward this common goal.

Letter 10 – Shift Change Arrangement

In the course of current negotiations, the Company and the Union had lengthy discussions concerning seniority employees, who were desirous of being transferred to another shift or start time for a period of limited duration based upon grounds of compassion.

Company spokespersons expressed the view that it was not possible to develop in these negotiations a definite procedure for dealing with this problem which would be workable in all situations. The Company acknowledged that much could be done to deal with the problem and advised that Management's ability to deal effectively with the problem

would be enhanced if the Union would advise the Personnel Manager of the existence of such cases.

It would be the intention of Management to make every reasonable effort to accommodate such employees after being identified by the Union, consistent with the maintenance of efficient plant operations.

Letter 11 – Shift Schedule

The Company reserves the right to change the current shift schedule where circumstances so warrant. Such changes will be discussed with the Union prior to implementation.

Letter 12 – Overtime – Plant Chairperson

In the event overtime is scheduled to be performed on the day shift on Saturdays, Sundays or holidays requiring more than ten (10) employees, the Plant Chairperson will be entitled to function full time.

Letter 13 – Work Performance

During negotiations, the parties discussed the matter of job Performance.

Management expects a fair days work for a fair days pay. The Depot operation is varied in nature and individual performance is measured on the reasonable working capacities of an experienced employee working at a normal pace.

When an employee performance becomes questionable Management will counsel the employee with the employee's Union representative present in an effort to correct the performance problem. Subsequent continued poor performance may result in appropriate corrective disciplinary action.

Letter 14 – Summer Students

The employment of summer students to provide vacation relief has been a usual, annual occurrence at the National Parts Distribution Centre.

During these negotiations, the Company clarified that the hiring of students during the summer vacation period would coincide with the need to provide for vacation coverage and availability of students finishing the school year.

The Company further advised that hiring of students would not occur during the August - September period unless there were insufficient student employees to cover vacation requests.

Letter 15 – Wage Progression/COLA Fold-in

For the purposes of administering the new hire provisions of the new Collective Agreement it was agreed that employees hired prior to the effective date of the new Agreement who are governed by the provisions of Section 58 shall have the calculation of their base rate determined on the basis of 70%, 80% or 90%, as the case may be, of the maximum base rate under the new Agreement, except that the cost-of-living allowance fold-in effective the beginning of the pay period commencing on or after the receipt of notice of ratification will not be subject to the reduction to 70%, 80% or 90%, as the case may be, but shall be transferred to base rate without reduction.

Letter 16 – Temporary Part-Time Employees

We had several discussions concerning the Supplemental Agreement-Temporary Part-Time Employees.

The parties signed the Supplemental Agreement - Temporary Part-Time Employees and further agreed that the National Union, CAW, may cancel such Agreement because of

abuses by giving the Corporation thirty (30) days advance notice.

Letter 17 – Employee-Retiree New Vehicle Purchase Program

This will confirm my advice to you that Chrysler Canada Inc. intends to continue the Chrysler Employee-Retiree New Vehicle Purchase Program for employees with at least ninety (90) days of continuous service, employees on approved leaves of absence, retirees under a Chrysler Canada Inc.-CAW Pension Plan, surviving spouses of eligible employees-retirees, and dependents of eligible employees-retirees living at the same address, as well as non-dependent sons and daughters of eligible employees-retirees.

Under the present program, the dealer, selected by the employee, will bill the employee at the Special Employees' Price.

In continuing to make the New Vehicle Purchase Program available, it is understood and agreed that the Company may at any time modify, change or discontinue the Program and it shall have no obligation to bargain concerning its decision to do so. The Union will be advised in advance of any such action. It is further agreed that the institution of this Program shall not constitute a precedent for future negotiations on this subject.

Letter 19 – Chemical Hazard Training

During the course of negotiations the parties agreed that chemical hazard training would be provided to those employees who have not yet been trained.

Based on meetings held and an exploration of the difficulties in the design of the program the following is agreed:

- the program is to be a joint effort

- training information was jointly established
- training time - 2 hours of basic training plus pertinent hazardous material modules of 30 to 45 minutes each.

Letter 21 – Safety Training– Union Representatives

During the current negotiations, the parties discussed safety training for the Health and Safety Representative, Alternate Health and Safety Representative and the Shop Committee. The importance of proper training in such matters was acknowledged and the parties agreed that adequate safety training should be provided.

The Company is willing to conduct training of the above representatives during the current contract.

It was agreed that consistent with the needs of the depot, up to 40 hours of Health and Safety training will be provided to representatives who have not received this training.

The National Health and Safety Committee will provide guidance to the Local Health and Safety Committee to ensure that the nature and quality of the content of the training and the method of providing the training meets the intent of this letter.

Letter 22 – Alternate Health and Safety Representative Attending Monthly Meetings

The Company agrees the Alternate Health and Safety Representative will attend Monthly Safety Meetings.

Letter 27 – Employee Parking

During the course of the 1996 negotiations the Company and the Union agreed that except for row “A” the parking lot would be shared jointly with hourly and salaried employees.

The 3 parking spots reserved for disabled employees will be moved to the first three spots on aisle D.

Letter 29 – Health and Safety

Memorandum of Understanding Health and Safety

This Memorandum of Understanding supplements the Production and Maintenance Agreement between Chrysler Canada Inc. and the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada), and certain of its Local Unions, as follows:

WHEREAS, no subject is of greater concern to the Company and the Union than the physical well-being of employees in Chrysler's plants, and in our recent negotiations no subject received or deserved a higher priority than promoting safe and healthy working conditions in the plants; and

WHEREAS, the parties agree that an on-going program, in which both will jointly participate and cooperate, will aid in achieving this objective,

WHEREAS, The Company recognizes its obligation to provide as safe and healthy a working environment for employees as it reasonably can and both parties agree to use their best efforts, jointly, to achieve that end. Responsibility for health and safety matters remains, however, with the Company,

WHEREAS, The Union agrees to maintain in a confidential manner any statistical data or proprietary information supplied to it under the terms of this Memorandum of Understanding,

WHEREAS, the Company and the Union mutually recognize the challenges in the market place from both foreign and domestic competitors require a fundamental change to maximize the potential of our human resources.

This change can occur only by building on our current joint efforts and by fostering a spirit of cooperation and mutual dedication that will permit the full development of the skills of our people and meaningful involvement in the decision-making process. Success in these endeavours benefits all of the parties: the CAW through a strong and viable membership; the employees through job satisfaction and job security; and the Company through achieving its goal of becoming a world class competitor.

The parties agree that in order to make constructive progress in this regard, there is a need to reach a common understanding of the concept of "Jointness" and to establish a facilitating mechanism to assure that the various programs related to changes in the health, safety and ergonomics environment are appropriately and effectively administered.

The term "Jointness" is understood to mean the concepts for these activities be jointly developed, implemented, monitored, and evaluated. Furthermore, decisions must be arrived at in a setting which is characterized by the parties working together in an atmosphere of trust; making mutual decisions at all levels which respect the concerns and interests of the parties involved; sharing responsibility for the problem-solving process; and sharing the rewards of achieving common goals.

The parties agree that the appropriate facilitating mechanism for joint health and safety endeavours is the National Joint Health and Safety Committee.

NOW, THEREFORE, it is hereby agreed as follows:

1. National Joint Health & Safety Committee:

A National Joint Health & Safety Committee, hereafter referred to as the National Committee will be established, consisting of two (2) representatives of the

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National Union appointed by the President, National Union, CAW and two (2) representatives of the Company appointed by the Vice-president of Human Resources of the Company, herein referred to as the National Committee. Each party will appoint at least one (1) member who has professional training in industrial hygiene or safety.

The National Committee shall:

- (a) Meet at least quarterly at mutually agreeable times and places. Minutes will be prepared for each meeting by the co-chairs.
- (b) Receive the Company's safety and health programs and make necessary or desirable recommendations.
- (c) Develop and recommend to the Company an appropriate annual training program to be established for Union members of the Local Committees.
- (d) Develop and recommend to the Company guidelines for employee training and education.
- (e) Review and analyze federal, provincial or local standards or regulations, which affect the health and safety programs within the Company.
- (f) Review problems concerning serious or unusual situations affecting plant health and safety and make necessary or desirable recommendations.
- (g) Receive, review and analyze the monthly Incident Rate, Lost Work Day Incident Rate and Severity Rate data for all plants with a view to giving guidance to the Local Joint Health & Safety committees.
- (h) Receive Loss Prevention Survey/Fire Insurance Loss Inspection Reports. The parties recognize that such reports may not accurately or properly characterize issues relating to employee health and

safety matters and may not be a violation of municipal, provincial or federal codes.

- (i) Receive and deal with matters referred to them by Local Committees.

2. Local Joint Health & Safety Committee:

A Local Joint Health and Safety Committee, hereinafter referred to as the Local Committee, will be established in each plant, consisting of two (2) certified representatives appointed by the Plant Management and two (2) certified representatives appointed by the President of the Local Union. The two members from the Union will be the two Health and Safety Representatives in those locations which have two Full time Health and Safety Representatives. In those locations, which have one Full time Representative, the second member of the committee will be the alternate Health and Safety Representative. The President of the National Union, shall advise the Corporate Labour Relations Staff in writing of the names of these appointees and the plant in which each is assigned. No Union member of a Local Committee shall function as such until the Company is so advised.

Duties of Local Joint Health and Safety Committee:

The Local Committee shall:

- (a) Function as a high profile, non-adversarial Joint Committee managing the plant's health and safety programs and processes to safeguard the health & safety of its employees.
- (b) Recognize that JHSC duties and responsibilities, when shared, will further improve committee relationships, promote growth of the committee's success through making each Committee member responsible for formal investigation, analysis, reporting and recommending improvements, in such

areas as Accident Control, Hazard Recognition and Removal, Legislation Compliance, Corporate Health & Safety Policy and Program compliance.

- (c) Recognize that through joint participation, communication and responsibility the JHSC members will better equip Chrysler Canada Inc. and the CAW to jointly meet the challenges of Health & Safety in the future.
- (d) Meet at least once each month or may meet weekly at a mutually agreeable time and place to review health and safety conditions within the plant and make recommendations in this regard as they deem necessary or desirable. Minutes will be prepared for each meeting by the Co-chairs and a copy forwarded to the National Committee.
- (e) Receive copies of employer's report to WSIB (Form 7) of all accidents or work related illness cases that require medical attention as prescribed by legislation, review/receive upon request results of the plant safety investigation of such accidents and make any necessary or desirable recommendations. Investigate work-related fatalities and serious accidents. When such events occur during any shift, Management will notify the Union Health and Safety Representative and the National Coordinator, inform the Union member of the facts, request the Union Health and Safety Representative and the National Coordinator to enter the plant and investigate such events.
- (f) Receive a copy of the plant's report on injury and illness for the pertinent period.
- (g) Ensure that their S-58 floor audits and their regular joint health and safety audits, include the random selection of a tradesperson or service person each time they complete a cycle of their audit and have

them exhibit their knowledge of how to lockout a specific piece of equipment and/or work cell.

- (h) Jointly take appropriate steps to directly inform all employees who participated in occupational hygiene sampling of the results. Where corrective action is required the Union members of the Local Committee will be informed of the measures to be taken, Results of all breathing zone and appropriate area air samples will be entered in the employee's medical records. Such results shall be provided upon request to the employee or the employee's authorized agent as prescribed by legislation (Reference P&M Letter: Confidential Medical Information).

Training:

The Company agrees to:

Provide 40 hours annual training for members of the Local Committees. The Company agrees to pay for lost time, registration where necessary, lodging and transportation. The Union will be responsible for meals and other expenses for the union Safety Representatives. In addition to initial instruction, members of the Local Committees will receive specialized training appropriate to the nature of the work performed in their plants. The National Union Health and Safety Department will be provided the opportunity to review and participate in such training or instruction programs and make necessary and desirable recommendations.

3. Duties of the Union Health & Safety Representative:

The Union Health and Safety Representative in carrying out his/her duties will follow the direction of the Local Union Officers and the Plant Chairperson and shall:

- (a) Make weekly systematic inspections of the plant, to ensure that there is a safe, healthy and sanitary working environment in each plant.
- (b) Provide written inspection reports to the Local Committee and to management.
- (c) Maintain a file of inspection reports. These reports are to be made available to the National Joint Health & Safety committee for review during plant H & S Compliance Audits.
- (d) Accompany Government Health and Safety inspectors, National Union Health and Safety professionals and Corporate Health and Safety professionals on inspections and audits of the plant. Advance arrangements should be made to permit participation in such audits.
- (e) Be notified in advance, and participate whenever possible, in health and safety inspections by Government officials or by consultants retained by the Company, and be afforded an opportunity, to provide any pertinent information to such officials or consultants.
- (f) Review, recommend, and participate in local safety education and information programs.
- (g) Where necessary, measure noise, humidity, and airflow with approved direct reading equipment provided by the Company as set forth hereinafter. The Union Health and Safety Representatives shall also use, or observe the use of appropriate industrial hygiene and safety testing equipment as required.
- (h) The Union Health and Safety Representative of the Local-Joint Health and Safety Committee shall jointly participate whenever possible in any occupational hygiene testing in the plant. The results and recommendations will be given to the Union members of the Local Committee, in writing,

and the results will be posted as prescribed by legislation.

4. Administration:

- (a) In the event the Union Health and Safety Representative is absent for one (1) day or more, the member may be replaced by an employee who has been designated as the regular replacement (alternate) by the Local Union with the concurrence of the National Joint Committee on Health and Safety, provided, where possible, the Union Health and Safety Representative has given local Management advance written notification of the expected absence of the regular Union Health and Safety Representative. As soon as practical following the effective date of this Agreement, the Local Union shall provide to the Company the names of the employees who have been designated by the Local Union as regular replacements (alternates).
- (b) It is understood that the Union Health and Safety Representative on each Local Committee who does not qualify to perform these functions forty (40) hours per week has a regular job to perform and that the Union Health and Safety Representative will advise the Supervisor concerned on each occasion when it is necessary for the Union member to leave the Union member's regular job in order to function as a member of the Local Committee. The Union Health and Safety Representative on the Local Committee shall be permitted to attend the regular meeting of the Plant Shop Committee and, at the request of the Local Union President, attend Special Conferences during the portion of such meeting or conference when health and safety issues or grievances thereon are discussed. Furthermore, the Union Health and Safety Representative shall be permitted to meet locally with the National Coordinator twice per year. It is understood

that these meetings will be of no cost to the Company and the National Coordinator shall provide either the plant personnel manager or direct supervisor with reasonable advance written notification of such meetings.

- (c) The Union Health and Safety Representative shall be assigned to the first shift in plants, which have one full time representative. In plants with more than one full time representative, each representative shall be assigned to a specific shift and he/she shall follow the normal shift rotation.
- (d) It is understood that the Union Health and Safety Representative on each Local Committee will be paid only for such time spent in performing these functions as occurs during the time when the Union Health and Safety Representative is otherwise scheduled to work except as provided by legislation.
- (e) Each plant will make available to such Union Health and Safety Representative a place in an office where the Union Health and Safety Representative can write reports or review health and safety material. In addition, the Union Health and Safety Representative will be provided a computer/printer and a lockable filing cabinet or drawer to keep health and safety material.
- (f) The Union Health and Safety Representative shall be scheduled to function for overtime, during plant layoffs, model change or a plant rearrangement when ten (10) or more of the employees on the Health and Safety Representative's shift including outside contractors and vendors are working.
- (g) The privilege of the Union Health and Safety Representative of a Local Committee to perform these duties during regular working hours is subject to the conditions (i) that the time be devoted to the prompt handling of matters which are proper pursuant to the terms of the Memorandum or existing legislation and the

privilege shall not be abused and (ii) that if it is necessary for a Union Health and Safety Representative of a Local Committee to speak to an employee about a health and safety matter the Union Health and Safety Representative shall make prior arrangements with the employee's Supervisor to do so unless authorized by legislation.

5. Duties of the Company:

- (a) During negotiations the company agreed to provide the health and safety representative access to Lotus Notes, HASCOM, REGSCAN and the OHM, (read only). It is understood that the information retrieved from these programs remains the property of the company and is to be kept confidential. This confidential information is to be used solely to assist the union health & safety representative in carrying out his/her legislative and contractual requirements.
- (b) Provide the necessary or required personal protective equipment, devices and clothing at no cost to employees.
- (c) Provide equipment and training for measuring noise, humidity, temperature and airflow, which will be available for use by the Local Committees. Requests for chemical, physical and biological exposure monitoring will be reviewed with an Occupational Hygienist. Sampling may be conducted by the Occupational Hygienist or by a member of the Joint Health and Safety Committee under the direction of the Occupational Hygienist when deemed appropriate. Proper arrangements shall be made to permit the Union Health and Safety Representative of the Local Committee to use the safety and industrial hygiene equipment available to the Management members of the Local Committee and in which the members of the Local Committee have received training.

- (d) Provide written notification to the Local Committee of any ongoing changes in the make-up of chemical products used in the plant.
- (e) Provide competent staff and medical facilities adequate to implement its obligation as outlined in (f) below.
- (f) Provide to employees who are exposed to potentially harmful agents or toxic materials, at no cost to them, those medical services, physical examinations and other appropriate tests including audiometric examinations, at a frequency and extent necessary to determine whether the health of such employees is being adversely affected.
- (g) Provide the specific tests required for employees in jobs with special physical requirements. The Plant Doctor will be available to discuss privately with an individual employee the medical results of tests performed by the Company.
- (h) Arrange for regular DCCI OH&S compliance audits of each plant by the Companys Industrial Health and Safety Staff and provide special audits at the request of either a plant management or the National Union. The reports and recommendations will be provided to National and Local Health and Safety Committees and management
- (i) Provide access, upon reasonable notice, to all Company plants and locations to health and safety representatives of the National Union. Reports on such surveys will be provided to the Company.
- (j) Provide to the Union members of the Local Committee and to the National Committee prompt notification of fatalities and serious accidents. Upon making proper arrangements, immediate investigation may be made of such events by the National Union's health and safety professionals upon request.

- (k) The company will inform the Union when safety related medical surveillance programs are being conducted at DCCI locations.
- (l) Management shall also advise Local Committees and the National H&S Coordinator of any fatalities and critical injuries occurring in Chrysler U.S. facilities within 2 days of Chrysler Canada Inc. being notified. Additional information will also be distributed in writing as received.
- (m) In the event of a work refusal under the Occupational Health and Safety Act occurring on the same shift as the regular Health and Safety Representative, it will be the company's procedure to call the Health and Safety Representative. Where a work refusal occurs on an off shift, the Health and Safety Representative will be notified by calling said Health and Safety Representative at a telephone number which is listed with Management for that purpose. If the Health and Safety Representative cannot be reached the company will endeavour to contact the designated replacement provided said designated replacement too has submitted a telephone number to Management. Should the company be unable to reach the regular Health and Safety Representative, or the designated replacement, the company will contact the Steward for the area who, from our experience, is usually present when a work refusal occurs.
- (n) Provide in writing to the Union members of the Local Committees and on request, the National Committee any process of biological, chemical or physical agents or combination of such agents used or intended to be used in the work place, including those in use by outside contractors, and the manner of use including:
 - (1) the ingredients considered hazardous in keeping with federal and provincial legislation thereof
stating their full chemical name or names.

- (2) the composition stated in percentage ranges as legislated where appropriate and the properties thereof.
- (3) the toxicological effect thereof.
- (4) the effect of exposure thereto whether by contact, inhalation or ingestion.
- (5) the protective measures used or to be used in respect thereof.
- (6) the emergency measures used or to be used, including a description of the remedies and antidotes to deal with exposure in respect thereof.
- (7) the effect of the use, handling and disposal thereof.

When a need arises that "Full Chemical Information" on a product is required, every effort will be made to obtain such information. The information received will be shared with the Local Committee for purposes of hazard assessment and shall be protected as legislated.

- (o) Assure that each facility maintain defibrillation equipment under the care and control of a trained and qualified individual(s).

6. Health & Safety Duties of Stewards & Committeepersons:

- (a) Once per week the Steward or Committeeperson on each shift in each zone/district of each plant along with the area Supervisor shall conduct a Workplace Safety Observation Tour, of their zone/district to determine whether safe, healthy and sanitary conditions are being maintained, consistent with the Bringing Excellence to Safety Teams (BEST) process.
- (b) During their weekly Workplace Safety Observation Tours, the appropriate Steward / Committeeperson and Maintenance / Service Personnel Supervisor shall randomly select two (2) employees to exhibit their

knowledge and proficiency to lockout specific equipment they service. During the Workplace Safety Observation Tour, the Supervisor and Steward/ Committeeperson shall also inspect and verify the accuracy of the lockout placards.

- (c) Additionally, the Steward/ Committeeperson shall report to the Supervisor of the area any conditions, which believes is believed to be in need of correction. Once made aware of the concern, the Supervisor shall conduct an investigation. If it is determined that a hazard exists which requires immediate corrective action, the Supervisor will take the appropriate steps to remove the hazard. Where the parties involved agree that immediate action is not required and where additional assistance is necessary, the Hazard Recognition Process (OHM) shall be initiated. All concerns and the disposition of said concerns shall be documented and retained by the Steward/ Committeeperson and the Supervisor involved with copies provided to the Local Joint Health and Safety Committee.
- (d) It is expected that the Steward/ Committeeperson and the Supervisor will continue to communicate with each other on all matters in this regard until the final disposition has been achieved. Those matters not resolved may be referred to the Local Joint Health and Safety Committee for disposition. All matters not resolved by the Local Joint Health and Safety Committee shall be placed on the agenda of the next scheduled B.E.S.T. Weekly Incident Review Board Meeting. Those situations deemed to be urgent by a member of the Local Joint Health and Safety Committee can be referred directly to the National Joint Health and Safety Committee.
- (e) This procedure shall not preclude the filing of a health and safety grievance at Step 1 of the Grievance Procedure. The primary responsibility of resolving

differences involving health and safety matters remains with the plant Supervision and the local Union representatives. Grievances arising under these provisions shall not be in the jurisdiction of the Appeal Board.

Nothing herein shall be construed to restrict any employee's rights under Parts 5 and 6 (S.43 to 50 inclusive) of the Occupational Health and Safety Act, in effect on the date of this agreement.

In addition the Company agrees that its duties and responsibilities under Part 2 (S.8 to 11 inclusive) and Parts 3, 4 and 7 of the Act shall be minimum standards incorporated under this agreement. (c96, c99, c02, c05)

The Chrysler Canada – CAW Production and Maintenance Memorandum of Understanding – Health and Safety, and related Safety Programs will be recognized as having application based upon past practices in effect at the National Parts Distribution Centre. Included are the following letters:

a) Job Hazard Awareness

During negotiations the parties discussed the Company's method of providing to the employees information regarding the hazards associated with their particular job.

The procedure known as Job Hazard Analysis is recognized by Management and Union alike as the best way of providing and recording the employee's understanding of job hazards.

Such instruction meets the Supervisors duty as legislated and should be presented before starting the job.

The parties also discussed the Company's program with respect to periodic safety talks with employees. These talks which are usually conducted by members of plant supervision serve the purpose of reminding the employees of the importance of safe work practices and encourages awareness to potential hazards in the workplace. Both parties share the view that conditions, equipment and processes differ by plant and that safety talks must of necessity be handled on a plant-by-plant basis.

The parties are aware that many individual plants have developed safety talk procedures which are effective in their design and manner of presentation and which in some cases, make use of the latest recording and multi-media technology (e.g. DVD, CD ROM etc.). The review of these programs is a proper subject for discussion by the National Committee so that this information may be communicated to other Chrysler Plants for their evaluation.

Further, the parties agreed that the content of safety talks and method of delivery will be addressed by the Local Health and Safety Committees and that they may develop and recommend specific materials for inclusion in the program.(c05)

b) Protective Clothing and Personal Protective Equipment (P.P.E.)

In the course of the current negotiations between Chrysler Canada Inc. and the **CAW**, the Union was advised that it is the policy of the Company to issue protective clothing and P.P.E. at no cost on the basis of the need for such clothing and P.P.E. on a particular job.

In making the determination of the need for protective clothing and P.P.E. consideration must be given to factors such as safety and job requirements.

The Company's policy is that protective clothing and P.P.E. may only be withdrawn with the discontinuance of an operation for which it had been issued or where the conditions for which the protective clothing and P.P.E. was issued no longer pertains or where the issuance or retention is no longer consistent with the basic policy statement outlined above.

Where appropriate the Supervisor must properly instruct the worker on use, fit, care and storage of P.P.E.

Each location may develop a program to provide to employees external appliances, i.e. wrist, elbow or knee braces when the need is recognized by either the company doctor or by the employee's physician and approved by the company doctor. It should be recognized that these appliances are not a permanent solution to the problem.

When such a device is prescribed the Doctor will advise the plant to review the operation for possible ergonomic improvement, through the Joint Health and Safety Committee and plant Ergonomist.

Complaints arising in connection with the administration of the foregoing should be taken up with the supervisor, and, if unresolved, with the Labour Relations Supervisor. (c96, c02, c05)

c) New, Rebuilt or Relocated Equipment

During current negotiations the parties discussed our mutual concern regarding the timely installation of necessary safety measures on new, rebuilt or relocated equipment.

The Company and the Union agree that the Chrysler Canada Inc. / **CAW** health and safety partnership is a journey of continuous improvement that has earned world-class

recognition. To that end, the parties agreed that the selection of measures required on new, rebuilt or relocated equipment to protect the health and safety of workers will continue to be based on the hierarchy of safeguarding methods, which gives preference to engineering solutions over procedures and personal protective equipment.

Furthermore, where practicable, the Company agrees, as early as possible in the planning process, to involve the Local Joint Health and Safety Committee in the joint review of new plant layouts, new manufacturing equipment and major process changes where worker health and safety may be affected.

The Company and the Union have made significant progress over the years in implementing and enhancing a procedure that mandates the early involvement of the plant Local Joint Health and Safety Committee in the key development phases of new equipment programs. This effort has led to the inclusion of a milestone meeting procedure in the Advance Manufacturing Engineering Specifications to provide that the plant Local Joint Health and Safety Committees are included, at appropriate steps, in the project build cycle. In addition, the Company advises that the Engineering Specifications require the Original Equipment Manufacturer (OEM) design processes with control reliable architecture, and energy control (lockout) systems that facilitate safe worker access and simplicity of operation. Annually any modifications to the AME specifications (Do's and Don'ts Section 16) will be reviewed with the Union at a National Joint Health and Safety Committee meeting.

It is Company policy to encourage the active participation of members of the Local Joint Health and Safety Committee in the health and safety review and approval process of machinery and equipment at the manufacturer's location

where practicable, and in the plant prior to start up with a view to providing constructive recommendations to Management.

The Company will continue its present purchasing policy in regards to sound emissions for new and rebuilt equipment and processes as described in the manufacturing standard, "Sound Level Specification for Industrial Machinery and Equipment".

For most equipment the sound emissions shall not exceed 80dB(A) average sound level (L(avg)) at a distance of one (1) meter from the perimeter of the machine or at any operator's position.

Notwithstanding the process described above, the parties recognize that compliance to the Ontario Occupational Health and Safety Act, Industrial Establishments Reg. 851, Section 7, "Pre-Start Health and Safety Reviews" is the final step in the approval process for new, rebuilt and relocated equipment. (c96,c05)

d) Heat

In our recent negotiations the parties mutually recognized the desirability of an orderly procedure for accommodating employee requests to be excused from work during periods of excessively hot weather.

During such periods it is the Company's general procedure to honour the requests of individual employees to be excused from work up to the number that can be spared.

When the number of employees requesting permission to be excused would, if granted, affect the efficiency of the operations, the Company is prepared to give full and complete consideration to a written request by the Union to

the Plant Manager to suspend or shorten the scheduled hours of work.

In making its decision management will give due regard to the requirements of the plant, the existing conditions in the plant and the desires of employees. Consistent with the maintenance of efficient plant operations, every effort will be made to excuse employees in a reasonable time as replacements become available.

In our discussions today, we agreed that it would be useful for representatives of the Company and Union including the National Health and Safety Coordinator and Health and Safety Representatives to meet on or before May 15 in each year to discuss the implementation of the matters raised in this letter with a view toward maintaining normal operating schedules during periods of excessively hot weather.

During excessively hot weather, Plant Management may provide Electrolyte Replacement drinks to those employees affected. (c02)

e) Heat Stress Index

During current negotiations Heat Stress conditions for individuals and groups were discussed.

It was agreed that Plant Management will meet with the Plant Committee and Local Joint Health and Safety Committee to discuss ways of reducing Heat Stress as well as monitoring and communications.

The Heat Stress Index recommended by ACGIH and adopted by the Ministry of Labour is calculated using readings which include temperature, humidity, radiant heat and air flow and are compared with established allowable

levels of Heat Stress which take into account work intensity and relief time.

When Heat Stress conditions prevail, the Local Joint Health and Safety Committee shall receive training and will monitor temperature and humidity and inform Management and Union of their findings.

Affected workers will be informed of such findings and appropriate relief measures including those developed by the Chrysler Medical Department will be employed.

Prior to conditions exceeding the ACGIH Index for Heat Stress, Plant Management and the Health and Safety Committee will meet with the Plant Committees and discuss options available to Management in the event conditions worsen. (c96)

f) Confidential Medical Information

During the current negotiations the parties discussed the confidentiality and disclosure provisions of the Health Disciplines Act (Ontario).

The Company will instruct its medical department to review this matter with the National Health and Safety Committee at an early date with the objective of developing an understanding of the requirements of the Act.

It is understood that the Company's medical department will provide, upon request, and as prescribed by legislation and interpreted by the College of Physicians and Surgeons of Ontario to each employee or the employee's authorized agent, the results of any examination or treatment performed by the Company's medical department.

It is understood that the Union is not automatically an authorized agent as described in the Health Disciplines Act (Ontario). (c96)

g) Noise Abatement Program

During the current negotiations, the parties discussed various aspects of noise abatement in the Company's plants.

It is evident that the problem of noise varies in kind and intensity in each plant. Thus, it is not feasible to establish a specific noise abatement program generally applicable throughout all the Company's facilities.

It was also agreed that a Noise Committee comprised of Union/Management members will oversee noise abatement across the plant. This committee will also make any recommendations to senior management, on a priority basis, of those areas deemed to be over the legislated requirements, and assist in the plans to undertake progressive improvements.

Management also agreed that a consultant may be engaged for purposes of assisting in the determination of recommended improvements.

The parties further agreed to conduct audiometric tests annually for those employees who work, on a regular basis, in areas where noise exceeds 85 dBA. Further, permanent records of noise will be maintained at each plant location. (c96)

h) Chemical Data Link CCOHS

During the current negotiations, the parties discussed the desirability of accessing the on-line information systems of the Canadian Centre For Occupational Health and Safety

and making this information available to Local Joint Health and Safety Committees.

The company agrees to purchase CD ROM players for the Health and Safety Reps.' Computers. The company further agreed to provide an annual subscription to the "NIOSH TIC" and "CHEM SOURCE" info disks from CCOHS and to provide instruction on how to use the disks. (c96, c02)

i) Records of Breathing Zone Exposure

During the current negotiations the Company assured the Union that results of all breathing zone samples taken in our Canadian plants will be entered in / on the employee's medical file.

Further where it has been established by a nurse or doctor because of a visit to first aid that an employee has had an exposure to a workplace chemical or process emission, the nurse or doctor shall enter the part number of the chemical and/or the chemical name on the employee's medical file.(c05)

j) Canadian Health Research

During the current negotiations the parties devoted considerable attention to the subject of occupational health within groups of Chrysler employees represented by the CAW,

The Company recognizes that there is value in health research and will pursue jointly with the **CAW**, proposals for occupational health and engineering control research studies by reputable institutes and/or universities. It was understood that such research would be funded by other than Company sources.

Such proposals should be directed to the National Joint Health and Safety Committee.

The Company agrees to provide the CAW National Health & Safety & Ergonomics Coordinator with copies of completed Occupational Health & Safety & Ergonomic Research Projects conducted by the Company in its U.S. facilities.

During negotiations, we discussed the various ergonomic research projects that are, from time to time, conducted by the company at its U.S. facilities. Specifically addressed were research projects that are not published in peer reviewed journals or otherwise made available to the public. The company agreed to provide the "lay summaries" of these research projects, to the CAW National Ergonomic and Health & Safety Coordinators respectively, following receipt of approval from the appropriate authority, normally the funding agency. (c96, c99,c05)

k) Preventive Maintenance

During the current negotiations, the Company and the Union discussed problems associated with maintaining a safe working environment. The Company assured the Union of its continued recognition of the value of a sound Preventive Maintenance Program and the need to maintain, with priority, the high safety standards established for machinery and equipment.

Within four (4) months of the effective date of the new Collective Agreement, the Company will prepare a letter for distribution to all locations that stresses the need and importance of established preventive maintenance programs with regard to safety-related items and ventilation systems. An updated written program will be reviewed and signed by the Joint Leadership (Plant Manager and Union Local President / Plant Chairperson) annually at the January

Monthly Safety Review Board Meeting. The signed program will be then submitted to the National Joint Health and Safety Committee.(c05)

I) **Health and Safety — Use of Camera**

During negotiations, the Company agreed to provide one digital and one Polaroid camera to each local Joint Health and Safety committee which will be made available for use by both the management and union members of the committee to be used as an aid in conducting joint investigations and inspections where special circumstances dictate the need, such as where photographs are necessary to enable the Local Joint Health and Safety Committee to adequately explain or describe serious safety or health problems to responsible plant management. The union members of the Local Joint Health and Safety Committee may also use the camera to photograph health and safety items that are being referred to the National Joint Health and Safety Committee. Additionally, the Company agreed to provide a digital camera to each Regional Ergonomics Committee. It is understood that all photographs will be jointly reviewed at the earliest opportunity. Such photographs shall remain the property of Chrysler Canada and shall be for the internal use of the Local and National Joint Health and Safety Committees only and shall not be reproduced, published or distributed externally.

In those plants in which a video camera is available the Local Joint Health and Safety Committee will be permitted its use as an aid in conducting joint investigations and inspections where special circumstances dictate the need, such as where a video camera is needed to video tape health and safety items that are being referred to the National Joint Health and Safety Committee.

Upon request, the union member of the Local Joint Health and Safety Committee will be provided with a copy of video tape which relates to health and safety matters in the plant. Such video tapes shall remain the property of the Chrysler Canada Inc. and shall be for the internal use of the Local and National Joint Health and Safety Committees only and shall not be reproduced, published or distributed externally. (c96, c99, c02, c05)

m) Hazard Recognition Process (OHM)

During 2005 Negotiations, the parties recognized the importance of resolving health and safety concerns before they become work refusals and without loss of production. To this end the parties agree that the standardized electronic Hazard Recognition System developed to document employee health and safety concerns shall be utilized.

Roles & Responsibilities

A) Employee

Employees upon identifying a concern will immediately report the concern to their Supervisor for prompt investigation.

B) Supervisor

The Supervisor shall promptly investigate the Employee's concern. If the concern is not valid, the Supervisor shall communicate the findings to the Employee. If the Supervisor determines the concern to be valid the Supervisor shall take appropriate actions to remediate the concern within the same shift. Where remediation of the concern is not possible during the same shift the Supervisor shall enter the necessary details in the Hazard Recognition System for follow up and correction. Additionally, the Supervisor will provide a copy of

the electronic form to the Employee. It is the responsibility of the Supervisor to follow up and advise the Employee of progress and closure of the concern. Finally, the Supervisor shall advise the Joint Health & Safety committee of the completed corrective action for the purpose of verification and concern closure.

C) Area Manager/Production Area Leader

The Area Manager/Production Area Leader shall assist the Supervisor where necessary to ensure that all relevant information required on the electronic form is complete and accurate.

D) Local Joint Health & Safety Committee

The Local Joint Health & Safety Committee's role is to ensure all open safety concerns are monitored for completion.

E) Unresolved Concerns

Any matters not resolved by this process after all steps have been followed may be placed as an agenda item and presented by the Local Joint Health & Safety Committee at the next Weekly Incident Review Board Meeting. (c96, c02, c05)

n) Joint Workplace Environment Committees

During these negotiations the Company demonstrated its concern for the environment by outlining the programs and policies which are in place in the plants.

As well, the CAW has become deeply involved in environmental issues, at both the National and local levels.

Therefore, it is agreed that to demonstrate this joint interest, Joint Workplace Environment Committees will be established

by the parties at the assembly plants. The committee will consist of two representatives selected by the Union and two representatives selected by the Company. The CAW Environmental Representative will be allowed to function for up to 40 hours per month. The other **CAW** member of this committee would be allowed time to attend meetings of the Joint Workplace Environment Committee.

Specifically, the Joint Workplace Environment Committee members will:

- Meet monthly at a mutually agreeable time and place to review and discuss issues involving the environment, recycling and energy conservation which pertain to Chrysler Canada Inc. employees.
- Discuss and make recommendations regarding possible future programs for the plants concerning the environment, recycling and energy conservation in consultation with the Joint National Environment Committee.
- Promote and support ongoing programs in the plants relating to the environment ISO committees.
- Receive and discuss appropriate issues referred to them by the employees or the Company.
- Develop and issue educational materials to employees and their families concerning the environment, recycling and energy conservation.
- Support of corporate citizenship, community outreach, and in-plant environmental awareness, promotion and other activities as agreed upon by the CAW Environmental Representative and the company Environmental Representative.

The Union agrees to hold confidential any proprietary information supplied to it under the terms of this Collective Agreement.

The Company and the Union agree that it is beneficial to share information with respect to plant environmental activities with other Chrysler Canada Inc. plants.

In this regard the Company and the Union agree that the Company Health and Safety Manager and the National Health and Safety Coordinator will convene an annual three day (24 hours) meeting/training for the Joint Workplace Environment Committees from each Assembly plant to discuss environmental activities. The Company will pay for scheduled hours worked, registration where necessary, lodging and transportation. The union will be responsible for meal(s) and other expenses for the union representatives. It is hoped that this innovative approach will increase environmental awareness within Chrysler Canada Inc.

During negotiations the company and union had dialogue regarding their mutual concern for the environment. Both parties acknowledged the efforts and the numerous positive results of the Workplace Environmental Committees, and specifically, the contribution of the CAW Environmental Representatives to company initiatives. (n96, c99, c02)

o) Joint Statement on-Health and Safety Work Refusals

During the current negotiations the Company and the Union reaffirmed their commitment to provide a safe and healthy workplace for employees. The parties agree that practical solutions to health and safety concerns are best achieved by responding to such concerns in a prompt and co-operative manner. Further, the Company committed that the rights offered to employees by the Occupational Health and Safety Act as it exists with the effective date of this agreement would remain intact as outlined in the Memorandum of Understanding, Health and Safety, notwithstanding legislative changes that may alter these fundamental rights.

The Company recognizes that the workers' right to refuse to work is clearly defined in provincial health and safety legislation as it read on the effective date of this Agreement and is an integral part of employee rights in the workplace.

However, the parties recognize the importance of resolving health and safety concerns before they become work refusals and without loss of production. Within this context, the parties focused their discussion during negotiations on methods and means by which health and safety issues and concerns could be addressed in a mutually satisfactory manner such that employee health and safety work refusals could be significantly reduced in number.

During these discussions, the parties focused on the Hazard Recognition Process as the foundation for effective efforts in this regard. The use of this process was deemed to be of particular value in addressing the ergonomic concerns of employees, where the hazard is not imminent but of significant concern to the employee, the Union and the Company agree that forthright efforts must be put into place to alleviate the problem(s) identified by the employee.

The Company expressed its concern over employee health and safety work refusals where Supervisors have no prior knowledge of such concerns or dangers. The parties acknowledged that in these cases it is detrimental to Company and Union efforts to protect the health and safety of workers. In addition, production lost during such refusals has a negative impact on the Company's competitive position and the job security of employees. Consequently, both parties re-affirmed their commitment to effectively implement the Hazard Recognition Process. Following negotiations, the National Joint Health and Safety Committee will work with each Local Joint Health and Safety Committee to determine and resolve local problems associated with the effective

application of the Hazard Recognition Process. In this regard the National Joint Health and Safety Committee will be assisted and supported by the Chairperson of the DaimlerChrysler Council for the CAW and the Director, Labour Relations and Security, Chrysler Canada Inc. (c96, c05)

p) Substance Abuse/Drug Testing

During negotiations, the Company and the Union had comprehensive discussions regarding the issue of employee substance abuse. In this regard, the parties agreed that the consumption of certain drugs and/or alcohol may impair an employee's health and endanger his/her safety, or that of fellow employees and the public at large. As worker health and safety are of paramount concern to the Company and the Union, the parties are committed to improving the well-being of employees and maintaining a safe workplace through the effective implementation of the Employee Assistance and Substance Abuse Program.

During these negotiations, the parties also discussed at length the issue of mandatory drug and alcohol testing in the workplace. In recent years, this issue has been the subject of considerable public debate and a number of legal cases in various jurisdictions. The parties agreed that the debate and case law in this area is still evolving and it is yet unclear whether such testing will be unconditionally supported by the courts.

Some governments have also introduced mandatory drug and alcohol testing laws for specific job functions. These laws recognize the concerns of a number of these legislators regarding the adverse effects of substance abuse on families, the workplace and the general public.

The parties acknowledged that as the public gains a broader understanding of the costs and dangers associated with substance abuse, other governments may also introduce such laws and apply them more broadly.

Prior to any introduction of such legislation in Canada, the Company will not introduce drug testing into the workplace.

q) Ergonomics

During the current negotiations the parties discussed the value of the application of Ergonomics in the Chrysler Canada Inc. plants.

The Company assured the Union that it is committed to efforts, where feasible, to improve the interface of employees with the workplace. Accordingly, each Plant Manager will designate an Industrial Engineer, or another qualified member of Management, to have responsibilities for Ergonomics. In carrying out job station design at the introduction of new processes, procedures or the changing of job assignments all Industrial Engineers shall complete the approved and standardized Chrysler Ergonomic Check List. It is understood that the Ergonomic Checklist is a screening tool to identify any potential ergonomic related issues. The check list will be explained to the Local Joint Health and Safety Committee before its launch when they may make recommendations. The check list may in the future be computerized. The Local Joint Health and Safety Committees will address ergonomic concerns on a continuing basis with the plant Management designate.

It is intended the Local Joint Health and Safety Committees will address ergonomic needs on a priority basis and work progressively toward improving workplace/employee interface. When an ergonomic concern is beyond the scope of the parties and requires further expertise, a consultant

may be hired to evaluate the problem. When the parties agree upon ergonomic solutions, they will be implemented on a priority basis.

In addition, the parties understand the importance of implementing sound ergonomic guidelines at the earliest stages of the product/process development cycle. Where New Technology is to be introduced into a plant, the Joint Health and Safety Committee will be given the opportunity to review the technological changes and to make recommendations with respect to ergonomic concerns. Ergonomic design criteria are contained within the Chrysler Tool Design Standards Do's and Don'ts. Design and Process personnel, including suppliers, will review the principles of the Chrysler Do's and Don'ts and take them into account when working on advance programs. The Company will review Section 15 Do's and Don'ts with the National Joint Ergonomics Committee (NJEC) every six (6) months.

It was agreed that the Company would conduct a needs assessment for ergonomic training for industrial engineers to be shared with the CAW National Health and Safety Coordinator and the CAW National Ergonomics Coordinator. Furthermore, it was agreed to include the Union Time Study Representative in ergonomic training programs provided to industrial engineers.

National Joint Ergonomics Committee:

During negotiations, the Company agrees to establish a National Joint Ergonomics Committee (NJEC). The committee will meet quarterly at mutually agreed upon times and places. An agenda will be prepared in advance. This joint committee will consist of two (2) representatives from the CAW and two (2) representatives from the company. Each party will appoint to the committee at least one (1) member who has professional training in ergonomics. As

required, the company representative will be responsible for contacting key ergonomics professionals from the Advance Manufacturing Engineering (AME) organization to discuss new model design matters that are mutually agreed upon by the NJEC.

Among those matters that will be appropriate for discussion by the committee include:

1. Plant applications and support of the CAW/Chrysler Canada Inc. Ergonomics Process
2. Training of Local Ergonomics Committees (LEC)
3. Chrysler Production Systems - Ergonomics
4. Results of completed Chrysler ergonomic studies
5. Advanced ergonomic applications at the company, including early involvement of the LEC into the new model design process.
6. Current state of Ergonomic Checklist Activity, including IE checklists on all element moves and ErgoPAL utilization as part of the Ergonomic Database Suite.
7. Development of application guidelines for standing-support solutions including "comfort matting", with considerations given to relevant plant data, wood floor pilot programs, and all other applicable research.

The parties agree that by working jointly, positive gains in employee morale, and quality and that a reduction in injury rates, and costs would be realized. The Company and the Union further agree it would be beneficial to share among the various plants what each one is doing with respect to ergonomic activities. The NJEC will provide forty (40) hours annual training for the Local Ergonomics Committee. The Company will pay for scheduled hours worked, registration where necessary, lodging and transportation. The Union will be responsible for meals and other expenses for Union representatives.

Local Ergonomics Committees (LEC):

In negotiations, the Company and the Union discussed their joint commitments to efforts where feasible, to improve the interface of employees with the workplace through ergonomics. Each assembly plant, manufacturing unit or Parts Distribution Centre of 125 employees will establish a Local Ergonomics Committee (LEC) with the objective of exploring and introducing ways to reduce injuries and illnesses through the application of ergonomics.

This committee will consist of 4 (four) members; the CAW H&S Representative/Ergonomic Representative, and either the CAW Time Study Representative or a committee person **and** the Management Safety Specialist/Administrator and either the plant ergonomist or another qualified member of management responsible for ergonomics.

The LEC should work to identify priority jobs requiring remediation. Several factors should be considered when identifying and resolving priority jobs. Some of these factors may include injury rates, lost time rates, ergonomic check list scores, ergonomic secondary analysis results, and cost benefit analysis. Medical tracking tools should be used to verify employees are experiencing injuries on these jobs. To facilitate these endeavours, the company agreed to provide the LEC members access to Lotus Notes, Regscan and the OHM (read only).

During 2008 Negotiations, the company assured the union that a good faith effort will be made to implement permanent ergonomic solutions within a six (6) month time frame after the LEC determines that corrective action is required, and has prioritized the remediation. If an identified priority is unresolved following six (6) months the LEC will provide a status update target date to the attention of the plant

leadership as part of the Bringing Excellence to Safety Teams (BEST) process. The parties acknowledge that there may be times when it may take longer than six (6) months to make the proper correction, and the reasons need to be documented. Formal follow-up on improvement actions should be completed within one (1) month after the final solution is in place to confirm its effectiveness.

The Company and the Union have made significant progress in facilitating information sharing regarding ergonomic improvements across facilities. Ongoing enhancements in communication and information sharing have led to the development of the Ergonomic Database Suite. Access to the database has been provided to the LEC members. The database allows the LECs to document the remediation of priority jobs and share the information across facilities. Within the database, the highest priority jobs are labeled "Top Five". The LEC will work aggressively to effectively develop the "Top Five" list and find practical, feasible, and economical solutions to these high priority jobs.

International RSI Awareness Day

Each year on the last day of February, the company and the union agree to promote awareness of repetitive strain injuries in order to reduce their occurrence. Initiatives used to promote RSI awareness could include safety talks, videos disseminating written material and/or posters.

The CAW/Chrysler Canada Inc. Ergonomics Process

The study of ergonomics examines the interaction between the worker and the work environment, including such factors as machinery, tools, equipment, control panel design, and others. If the match between the worker and their work environment is poor, the worker's ability to *perform* the job may lead to, in the short term, fatigue, and in the long term, physical injury and/or disability. In addition improper job

design may hinder the worker's ability to produce high quality work and may result in increased absenteeism and decreased job satisfaction.

The parties developed the Chrysler Canada Inc. / CAW Ergonomic Process for use in all of its plants. This process was reviewed during the current negotiations and it was agreed that this would be a living process, which would be updated as required by the NJEC. (c96, c99, c02,c05)

r) Safety Glasses

The Company will provide prescription safety glasses to active employees and TPT employees working on a job or in an area where eye protection is a company requirement provided the employee furnishes a prescription from the employee's own doctor or optometrist. It is understood that invisible line bi-focal, tri-focal lenses and task specific eyewear for computer operators under certain conditions are included in this program. The Company will replace such glasses if damaged by a cause attributable to the employment or if the employee presents a new and different prescription from the doctor or optometrist. The Company will establish the standards and specifications for the frames and lenses and will select the manufacturing source.

The parties agreed that a wider selection of plastic and metal frames are included in the program.

Further the parties agree that a 100% Eye Safety Program is desirable in certain plants and areas and the Union will support such programs where they are warranted for safety reasons. (c96, c99, c02)

(a) Task Specific Prescription Eyewear

This letter is to confirm the conditions of obtaining task specific eyewear under the company's safety glass program.

Computer operators who wear bi-focals or tri-focals may be eligible for "ComfortEyes" (task specific eyewear) in lieu of bi-focal or tri-focal lenses. To be eligible, a prior ergonomic assessment must be completed on the employee's job station indicating a need for "ComfortEyes", an ergonomic program vision questionnaire must be completed, a medical specialist's report must be obtained recommending "ComfortEyes", and the employee must be regularly assigned and working at a computer for at least 6 hours daily at a work station. (n99)

s) Safety Shoes

The Company has agreed to provide active employees with a one hundred dollar subsidy for the purchase of safety footwear from approved Company sources not more often than once each contractual year through the payroll deduction program. An employee who elects to purchase safety footwear in accordance with this understanding shall wear such footwear on the job.

Electricians shall use their one hundred dollar subsidy towards the purchase of "OMEGA/Green Patch" construction grade safety footwear. It is understood that all electricians shall wear such footwear on the job.

Temporary Part Time (TPT) employees will be eligible to participate in this program after having worked 30 days.

It is understood by the parties that employees hired by the Company as vacation replacements, more commonly referred to by the parties as "summer students" will not be entitled to participate in this program. (c96, c99, c02)

t) Working Alone

During the negotiations leading to the current collective bargaining agreement the parties discussed the Company's policy with respect to the assignment of employees to work in isolated areas. Each local Health and Safety Committee shall assess the work activities in their plant to determine those specific work activities they consider hazardous for working alone and shall make recommendations to local Management for consideration. It is the policy of the Company that when such assignments are recognized as potentially hazardous, appropriate precautions are taken. Such precautions include providing air sampling and ventilation when necessary, appropriate protective equipment, a reliable communication system, appropriate personnel surveillance arrangements, training and, as required, adequate support personnel. This will not change or restrict any mutually satisfactory local practice.

The National Committee, in consultation with the Local Committees, has developed guidelines for implementing Working Alone procedures at the local levels. (c96, c02, c05)

u) Bringing Excellence to Safety Teams II (BEST)

During the 2002 Negotiations, the Company and the Union embarked upon a new journey when we agreed to implement a concept known as the Joint Health and Safety Process. The core foundation of the process was that only through total ownership and mobilization can optimal health and safety results be achieved. The foundation of our process was built upon an acknowledgement that personal commitments by all participants, from senior joint leadership all the way to the shop floor, would be required. The parties also acknowledged that a significant commitment in terms of training resources would be essential.

During the interim period of the last Agreement, we began to put in place the foundation and fundamentals of the Joint Health and Safety Process. The results have been nothing short of dramatic. Injury and Lost Work day cases have dropped **by** significant amounts. Increased ownership and accountability for safety performance is spreading throughout the Company. We are proud that outside organizations such as the National Quality Institute in conjunction with Health Canada have honoured Chrysler Canada Inc. and the **CAW** with the prestigious CANADA AWARDS FOR EXCELLENCE. These organizations bestowed the award in recognition of a demonstrated commitment to healthy workplace programs, principles and practices. The Healthy Workplace Award recognizes organizations which promote, encourage, support and offer exemplary health, safety and wellness related programs in the workplace and address five key areas; Leadership, Planning, People Focus, Process Management and Outcomes. This award recognizes the organizational successes of the Chrysler Canada Inc. / Canadian Auto Workers Union partnership as world-class. Chrysler Canada Inc. is the first automotive manufacturer in Canada to receive the award.

Yet, as far as we have come, we know much remains. We must pursue continuous improvement in our processes and our culture change initiatives. We must drive standardization and alignment throughout our organizations. And, finally, we must build the process in a dynamic and robust manner that provides perpetual sustainment.

In that context, the following next steps are envisioned:

1. The Joint Health and Safety Process will become known as the Bringing Excellence To Safety Teams (B.E.S.T.) process.

2. A full day of annual leadership training for the local Joint Leadership will be implemented. This will be an effective tool in addressing roles and responsibilities, as well as setting forth expectations.
3. Specific training for the Local Joint Health and Safety Committees will take place at the Annual Health, Safety and Ergonomics Training Conferences.
4. The Chrysler Operating Principles will continue to be utilized to ensure standardization and alignment.
5. We need to complete our Phase 1 roll-out by driving standardization and placing appropriate mechanisms in place to aid sustainment.
6. In Phase 2, we need to validate the ongoing leadership base commitment, develop a plant floor safety infrastructure with defined roles for all employees, train and communicate on an ongoing basis and continue to drive Company wide accountability.

The responsibility for the development of B.E.S.T. shall be with the National Joint Health and Safety Committee consistent with Chrysler objectives. Funding for B.E.S.T. programs will be from the Training Fund administered by the NTC.

B.E.S.T. is becoming a benchmark for other companies and unions. We are proud of our past accomplishments and are confident that B.E.S.T. will bring even greater improvements in our workplace environments, thereby enhancing overall Company performance and employee morale/well-being.
{n02,c05}

v) Occupational Hygiene

During the current negotiations the parties discussed the need to have information on all hazardous chemicals before they enter the plant.

Toxic Use Control

The Company supports the principle of toxic use reduction through its policy and programs. Materials and processes shall be formulated to eliminate wherever feasible, constituents that are considered potentially hazardous or that could possibly harm the environment or health of the customer or employee or adversely affect the occupational safety of an employee.

Carcinogens in the workplace

The company shares the union's concern regarding employee exposures to recognized carcinogens, as worker safety and health is of prime importance to the company. In this respect Chrysler has policies and procedures (CS-9003: Environmental, Health and Occupational Safety Requirements for Regulated Substances or Processes and Product Recycling Reporting Requirements and ETI-102: Instructions for the Application & Requesting of Non-Production Hazardous and Potentially Hazardous Material) in place, which either prohibit or restrict the use of hazardous chemicals like carcinogens from parts, materials, equipment and/or tooling supplied to the company for use in its products. Furthermore, it is recognized by both parties that the documents listed above are living documents and substances may be added, and in some cases deleted, based on the current state of knowledge concerning the substances.

Presently, the following materials are prohibited in all products that are supplied to Chrysler Canada Inc.

Asbestos (132207-33-1, 12172-73-5, 12001-29-5,
12001-28-4);
Bis (chloromethyl) ether (BCME)(542-88-1);
Carbon tetrachloride (56-23-5);
Halons (353-59-3, 75-63-8);
Hydrobromofluorocarbons (HBFCs)(1868-53-7);
Methyl bromide(74-83-9);
Methyl chloroform(71-55-6);
Polybrominatedbiphenyls (PBBs) > 0.001% (59536-65-1);
Polybrominatedbiphenyls (PCBs) > 0.001% (1336-36-30);
Polychlorinatedterphenyls (PCTs) > 0.001% (61788-33-8);
Products of endangered species as defined by US
Endangered Species Act
Tris (1-aziridinyl) phosphine oxide (545-55-1);
Tris (2,3-dibromopropyl) phosphate(TRIS)(126-72-7);
Vinyl chloride monomer > 0.001% (75-01-4);

Furthermore, the company will continue in its efforts to minimize the potential for worker exposures to hazardous substances through substitution where feasible, engineering controls like ventilation, isolation, or through the use of personal protective equipment. The selection of controls will be based on the hierarchy, which gives preference to engineering solutions over procedures and personal protective equipment.

Metal Working Fluids

During these negotiations, the parties discussed employee exposures to Metal Working Fluids. It was acknowledged that over the past decade the Company has made significant strides in improving the overall workplace environment within its facilities. Moreover, it should be noted that employee exposures to metal working fluids are consistently below the Ministry of Labour prescribed limits.

Furthermore, during negotiations the company advised the union that the company will endeavour to engineer and design new equipment to attain a level of 0.5 mg/m³ time weighted average (TWA) for initial production start-up. Furthermore, efforts will be made to attain this level after startup. Moreover, the company agreed that, for its existing equipment, it will strive to obtain a Chrysler exposure guideline of 1.0 mg/m³ or less.

Hazardous Communication Sheets

The company will provide computer access to the Hazard Communication Sheets for the CAW H&S Representatives.

Measurement and Sampling

The company intends to control, through professional industrial hygiene practice and methods, employee exposures to the lowest of the following currently adopted guidelines, regulations, or recommendations of the organizations identified below:

- Ontario Regulation 833 - Control of Exposure to Biological or Chemical Agents;
- Ontario Regulations 835 - 846 - Designated Substances;
- U.S. Occupational Safety and Health Administration's Permissible Exposure Levels (PEL);
- Chrysler Company Occupational Exposure Limits (OEL);
- American Conference of Governmental Industrial Hygienist's Threshold Limit Values (TLV) for Chemical Substances in the Work Environment.

Powered Industrial Vehicles

The company and the union discussed the replacement of internal combustion powered industrial vehicles with electric vehicles for in-plant use when such vehicles require replacement. The parties also discussed the emissions from the use of internal combustion powered vehicles and taking appropriate action, where necessary to control carbon monoxide exposure levels. The company advised the union it would consider the replacement of material handling vehicles and floor scrubbers/sweepers powered by internal combustion engines with electrically powered vehicles, to control carbon monoxide exposures from material handling vehicles used inside the plant where this is economically and technologically achievable. (c96, c99, c02, c05)

w) Minute of Silence

During the course of these negotiations the Union requested one (1) minute of silence be observed in the Parts Distribution Centre in memory of those persons who have died in industrial accidents. The minute of silence will be observed each year on April 28, at 11:00 a.m. or at such time as determined by local management which will have the least impact on plant operations.

In addition, the **CAW** National Health & Safety Coordinator may make recommendations to the NJHSC on proactive initiatives that the company and union may take to promote the day of observance and health and safety awareness, such as flying flags at half-mast, safety talk or disseminating promotional written material. (c02, c05)

x) Computers

In past negotiations the parties discussed the needs of Union Health and Safety Representatives with regard to improving communications and tracking of information.

The Company will provide a computer complete with appropriate software for use by the Plant Union and Health and Safety Representative(s). In negotiations, the Company agreed to provide a computer with appropriate software for use by the Regional Ergonomic Representative(s). Training on the use of the computers will be provided as soon as possible after placement of the computers.

The Union assured the Company, Health and Safety Representatives would share in the work of the Health and Safety Department by producing standing reports and Health and Safety meeting—minutes. Further it was agreed the Health and Safety Representative will use the computer to track plant Health and Safety Audits as prescribed.

The computers are Company property and as such will be subject to software content audits. (c96, c99, c05)

y) Emergency Procedures

During the current negotiations, the parties discussed emergency evacuation procedures and severe weather (take cover) procedures at each plant location. The parties recognized that employee awareness is a key element of these preparedness plans. As a result, the parties agree that the company will review its emergency evacuation procedure and severe weather (take cover) procedure with employees in the form of a safety talk at each plant annually. (n99)

Letter 30 –Smoking in the Workplace

During negotiations the company and the union discussed the adverse impact of smoking, both on the health of the employee who smokes and on the health of other employees in the workplace. The parties discussed the advantages of a smoke free workplace and the need for effective programs to comply with provincial and municipal legislation regarding smoking in the workplace.

Letter 31 – Commitment Formula

This letter will confirm the agreement that employees who have not deferred their P.A.A. entitlement will be included in the Commitment Book on Tuesday, Wednesday, and Thursday, as part of the established formula.

Letter 33 – T.P.T. Overtime

During these negotiations, the parties agreed that T.P.T.'s shall only be entitled to overtime after all other employees on the shift have first been offered the opportunity.

Letter 35 – T.P.T. Allotment

While there are a designated number of T.P.T.'s assigned to each shift, the Company and the Union agree to continue the current practice of sharing T.P.T.'s between the 1st and 2nd shifts, making every effort to accommodate employees requiring time off.

It is further agreed that employees reporting for work who have scheduled T.P.T. time off will be sent home by the Company for the corresponding number of hours.

Letter 36 – T.P.T. to Full Time

During the current negotiations the Union raised concerns regarding the appropriateness of requiring temporary part time (TPT) employees who wish to become full time employees to successfully complete the Company new hire testing procedures.

While recognizing the need of the Company to ensure it hires the best candidates, the parties acknowledged that TPT employees who do not meet the minimum standards of the Company's new hire testing procedure, will be given further consideration for employment based on the following conditions:

- (a) An active TPT employee on roll at the time of test.
- (b) Has completed three (3) consecutive years of service as a TPT employee and has worked a minimum of 400 hours in the third year.
- (c) Has maintained acceptable ratings during their tenure as a TPT employee.
TPT's may continue to work provided they meet the eligibility guidelines of the TPT program or until such time as a full time position is offered.

Letter 37 - T.P.T. Training

During these negotiations, the parties discussed the matter of offering adequate training opportunity for newly-hired T.P.T.'s. The parties agreed that a newly-hired T.P.T. could be assigned on a training opportunity following hire on either a Monday/Tuesday or Thursday/Friday basis.

Letter 38 – Inspection Jobs

The applicant selected by seniority will be assigned to the Inspection assignment at the Inspection rate and be subject to testing as soon as possible following completion of 90 days on the job. If the selected applicant is unsuccessful on the test the Company may post the job again with the current requirement of immediate ability as defined by successful completion of the test. The parties further agreed the test results will be jointly verified by Company and Union representatives.

Letter 39 – Social Justice Fund

During the current negotiations, the parties discussed the continuation of the Social Justice Fund. The purpose of this fund is to provide financial assistance to such entities as food banks, registered Canadian charities, and international relief measures to assist the innocent victims of droughts, famines and other dislocations.

Subject to the following conditions, the Company will make quarterly contributions to the Social Justice Fund equal to six cents (66) for each straight time hour worked in the preceding thirteen (13) week period. These contributions will be made available from the Special Contingency Fund.

Hours Worked	Payment Date
12/29/08 - 03/29/08	04/30/09
03/30/09 - 06/28/09	07/31/09
06/29/09 - 09/27/09	10/31/09
09/28/09 - 12/27/09	01/31/10
12/28/09 - 03/28/10	04/30/10
03/29/10 - 06/27/10	07/31/10
06/28/10 - 09/26/10	10/31/10
09/27/10 - 12/26/10	01/31/11
12/31/10 - 03/27/11	04/30/11
03/28/11 - 06/26/11	07/31/11
06/27/11 - 09/25/11	10/31/11
09/26/11 - 12/25/11	01/31/12

The Company will make these quarterly payments provided that:

- (a) the Union operates the fund as a non-profit corporation under the Canada Corporations Act, and ensures that all necessary steps are taken to maintain the corporation in proper legal standing and that all requirements of the Act are met;
- (b) the Union operates the non-profit corporation as a registered charity under the Income Tax Act of Canada and maintains the registration in good standing;
- (c) the Union obtains and maintains a favourable Income Tax Ruling from the federal Department of National Revenue that all contributions which the Company makes to the non-profit corporation are tax deductible;

- (d) at all times, the objects, by-laws and resolutions of this non-profit corporation limit it to making only the following types of financial contributions:
- (i) contributions to other Canadian charities that are registered under the Income **Tax Act**,
 - (ii) contributions to international relief efforts that are considered reasonable and which do not hinder the non-profit corporation's ability to maintain its status as a registered charity, in good standing under the Income Tax Act;
 - (iii) contributions to any Canadian or international non-partisan relief efforts to which other Canadian registered charities are also making financial contributions.

It is agreed by the parties that the Company will pay each quarterly contribution as set forth above, as long as the requirements of points (a) to (d) above continue to be met by the Union. (c09 Addendum)

Letter 40 –Christmas Bonus

During these negotiations it was agreed by the Company and the Union that employees with at least three (3) years seniority who are eligible for payment-in-lieu of vacation in accordance with the provisions of Section (39) will receive a special payment of \$1,700.00 on the last regular pay deposit prior to the Christmas Holiday period each year of this Agreement provided they are on the roll as of the first Sunday in December of each year.

Employees who qualify for only a portion of their payment-in-lieu of vacation under Section 39 will receive the same proportion of this payment.

Employees not on the active roll of the Company on the first Sunday in December but who are subsequently reinstated to the active roll during the current vacation year will be paid the

special payment either at the time they take their vacation or at the end of the vacation year.

Employees who retire in the current calendar year will be deemed to have met the on roll requirement for the subsequent year, provided all other eligibility requirements are met. (c09 Addendum)

Letter 41 – Restructuring– Job and Income Protection

During the 1993 negotiations, in a separate letter between the parties, we described the process that would be followed in the event that restructuring actions may result in permanent job losses. In that letter we agreed that the objective of the parties will be the retention of the jobs in question. We also agreed that if job losses become unavoidable, every effort will be made to use attrition to manage the required reductions.

The instant letter describes the process that will be implemented, and the benefit entitlements that will be provided to employees under three separate scenarios: (1) closure of stand-alone plants, (2) closure of a plant(s) at a multi-plant site, and (3) restructuring actions resulting in permanent job losses at any plant. The scenarios are detailed below as follows:

PLANT CLOSING

Stand-Alone Plants

As closure approaches and operations begin to wind down, employees who (1) are any age and have 28.1 or more years of Credited Service; (2) are age 54 or older but less than age 60 and within two years would have sufficient combined years of age and Credited Service to equal 85 or more; and (3) are age 60 or older but less than age 65 and have ten or

more years of Credited Service or are age 61 or older but less than age 65 and have 9.1 but less than 10 years of Credited Service, will be contacted regarding retirement under the Regular Early Retirement provisions of the applicable Non-Contributory Pension Plan and, if eligible, for Regular Early Retirement, may retire immediately and receive the retirement allowance described in Letter (43), Retirement Allowance Option - Job and Income Protection Plan. Employees who are age 55 or older but less than age 65 and who have ten or more years of Credited Service (including any such employees who are also eligible for Regular Early Retirement) will be offered Special Early Retirement commencing on or before the announced closing date and be eligible to receive the retirement allowance described in Letter (43) upon retirement. Employees who are age 50 or older but less than age 55 and who have 10 or more years of credited service at the date of closure and are not eligible for Regular Early Retirement will be offered benefits under the Pre-Retirement Income Maintenance Program (PRIMP) and be eligible to receive the retirement allowance described in Letter (43) upon commencement of PRIMP benefits.

At time of closure, remaining employees, including eligible employees who declined to elect immediate Regular Early Retirement or who declined the offer of Special Early Retirement or PRIMP will be placed on layoff. All such employees with 5 or more years of Seniority, except those who meet the age and service requirements for Regular or Special Early Retirement or PRIMP will be eligible to apply immediately upon layoff for a lump sum payment under the Voluntary Termination of Employment Plan (VTEP). Any laid off employee who elects not to apply immediately for VTEP or who is ineligible for VTEP because the employee has less than 5 years of Seniority at layoff or because the employee meets , at the date of layoff, the age and Credited Service

requirements for Regular or Special Early Retirement or PRIMP will:

- be eligible for Regular Benefits under the Supplemental Unemployment Benefit (SUB) Plan provided the employee has at least one year of Seniority as of the employee's last day worked prior to layoff;
- be offered employment at other Company facilities in accordance with the parties' understanding on preferential placement; and
- provided the employee had 5 or more years of Seniority as of the employee's last day worked prior to layoff and does not meet the age and Credited Service requirements for Regular Early Retirement upon exhausting the employee's eligibility for Regular SUBenefits and did not meet the age and Credited Service requirements for Special Early Retirement or PRIMP at time of layoff, be eligible for IMP Benefits under the Income Maintenance Benefit Plan.

An employee with 5 or more years of Seniority who elects not to apply for VTEP at time of layoff will be eligible to make subsequent application for such a payment, reduced by the sum of any IMP Benefits the employee had received while on layoff prior to ultimately making application for VTEP, provided that the employee does not meet the age and Credited Service requirements for Regular Early Retirement at the time application is made and did not meet the age and Credited Service requirements for Special Early Retirement or PRIMP at time of layoff and provided further that such application is filed within the maximum time limits set forth in the Voluntary Termination of Employment Plan.

Multi-Plant Sites

On a site-wide basis, separately for skilled trades and non-skilled employees for skilled employees, by trade, before

closing layoffs are effected, the number of employees in the workforce will be reduced by:

- (1) Laying off employees with hire or rehire dates on or after the date closing was announced;
- (2) Offering the opportunity to employees at any age who have 28.1 or more years of Credited Service to:
 - (a) retire immediately, if eligible for Regular Early Retirement, and receive the retirement allowance described in Letter (43); or
 - (b) if not eligible to retire, or if option 2(a) not chosen, to be placed on layoff, with eligibility for Regular SUBenefits;
- (3) Offering the opportunity to employees (excluding those who also may be in (2) above) who are age 54 or older but less than age 65 and who within two years would have sufficient combined years of age and Credited Service to equal 85 or more to:
 - (a) retire immediately, if eligible for Regular Early Retirement, and receive the retirement allowance described in Letter (43); or
 - (b) if not eligible to retire, or if option 3(a) not chosen, to be placed on layoff, with eligibility for Regular SUBenefits;
- (4) Offering Special Early Retirement to employees (including those who also may be in (2) or (3) above but excluding those in 2(a) or 3(a) who are age 55 or more but less than age 65 and who have 10 or more years of Credited Service and be eligible to receive the retirement allowance described in Letter (43) upon retirement;
- (5) Offering the opportunity to be placed on layoff, with eligibility for Regular SUBenefits, to employees who are age 60 or older but less than age 65 and have 10 more years of Credited Service or are age 61 or older but less than age 65 and have 9.1 but less than 10 years of Credited Service; and

- (6) Offering employees who have 5 or more years of Seniority (excluding those in (2), (3), (4) and (5) above) an opportunity to apply for VTEP.

If the total number of employees who accept an offer under (2), (3), (4), (5) or (6) above exceeds the number of jobs that will be permanently lost due to the closing, individual elections will be effected in Seniority order until the resulting number of separations equals the expected job loss.

At time of closure, the reduction in force provisions of the Collective Bargaining Agreement will be implemented. An employee with 5 or more years of Seniority who is laid off as a result of the reduction in force and who at time of layoff does not meet the age and Credited Service requirements for Regular or Special Early Retirement will be eligible to apply immediately upon layoff for a lump sum payment under VTEP. Any laid off employee who elects not to apply immediately for VTEP or who is ineligible for VTEP because the employee has less than 5 years of Seniority at layoff or because the employee meets the age and Credited Service requirements for Regular or Special Early Retirement will:

- be eligible for Regular Benefits under the SUB Plan;
- be offered employment at other Company facilities in accordance with the parties' understanding on preferential placement or be eligible for recall to work at a plant in the same unit, whichever may occur first; and
- provided the employee had 5 or more years of Seniority as of the employee's last day worked prior to layoff and does not meet the age and Credited Service requirement for Regular Early Retirement upon exhausting the employee's eligibility for Regular SUBenefits and did not meet the age and Credited Service requirements for Special Early Retirement at time of layoff, be eligible for IMP

Benefits under the Income Maintenance Benefit Plan.

An employee with 5 or more years of Seniority who elects not to apply for VTEP at time of layoff will be eligible to make subsequent application for such a payment, reduced by the sum of any IMP Benefits the employee had received while on layoff prior to ultimately making application for VTEP, provided that the employee does not meet the age and Credited Service requirements for Regular Early Retirement at the time application is made and did not meet the age and Credited Service requirements for Special Early Retirement at the time of layoff and provided further that such application is filed within the maximum time limits set forth in the Voluntary Termination of Employment Plan.

PERMANENT JOB LOSS

In the event management decides that workforce reductions resulting in permanent job loss as a consequence of restructuring actions cannot be accomplished in a timely and efficient manner through normal attrition, the following steps will be taken, separately for skilled trades and non-skilled employees and for skilled employees, by trade:

- (1) employees who have not attained seniority will be placed on layoff:
- (2) If the number of separations that can be accomplished through implementation of (1) above is less than the number of jobs that will be lost, employees at any age who have 28.1 or more years of Credited Service will be offered the opportunity to:
 - (a) retire immediately, if eligible for Regular Early Retirement, and receive the retirement allowance described in Letter (43); or

(b) if not eligible to retire, or if option 2(a) not chosen, be placed on layoff, with eligibility for Regular SUBenefits;

If at the time of workforce reduction there are employees with less than one year of Seniority at work, step 3 (b) will not apply;

If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under (1) above, exceeds the number of jobs that will be permanently lost, this offer will be implemented in Seniority order for accepting employees until the combined number of actual and scheduled separations equals the number of jobs lost:

- (3) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees (excluding those who may also be in (2) above) who are age 54 or older but less than age 65 and who within two years would have sufficient combined years of age and Credited Service equal to 85 or more will be offered the opportunity to:
- (a) retire immediately, if eligible for Regular Early Retirement, and receive the retirement allowance described in Letter (43); or
 - (b) if not eligible to retire, or if option 3(a) not chosen, be placed on layoff, with eligibility for Regular SUBenefits;

If at the time of the workforce reduction there are employees with less than one year of Seniority at work, step 3 (b) will not apply;

If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the two preceding steps, exceeds the number of jobs that will be permanently lost,

this offer will be implemented in Seniority order for accepting employees until the combined number of actual and scheduled separations equals the number of jobs lost;

- (4) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees (including those who also may be in (2) or (3) above but excluding those in 2(a) or 3(a) who are age 55 or more but less than age 65 and who have 10 or more years of Credited Service will be offered Special Early Retirement and be eligible to receive the retirement allowance described in Letter (43) upon retirement. If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the three preceding steps, exceeds the number of jobs that will be permanently lost, Special Early Retirements will be approved in Seniority order until the combined number of actual and scheduled separations equals the number of jobs lost;

- (5) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently *lost*, employees who are age 60 or older but less than age 65 and have 10 or more years of Credited Service or are age 61 or older but less than age 65 and have 9.1 or more but less than 10 years of Credited Service will be offered the opportunity to be placed on layoff with eligibility for Regular SUBenefits.

If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the four preceding steps, exceeds the number of jobs that will be permanently lost, this offer will be implemented in Seniority order for

accepting employees until the combined number of actual and scheduled separations equals the number of jobs lost;

If at the time of the workforce reduction there are employees with less than one year of Seniority at work, employees will not be offered the opportunity to be placed on layoff with eligibility for Regular SUBenefits;

- (6) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees who have 5 or more years of Seniority (excluding those in (2), (3), (4) and (5) above) will be offered an opportunity to apply for VTEP.

If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the five preceding steps, exceeds the number of jobs that will be permanently lost, this offer will be implemented in Seniority order until the combined number of actual and scheduled separations equals the number of jobs lost.

These actions will be taken and administered on a site-wide basis at multi-plant sites.

If these measures fail to stimulate sufficient additional attrition to accomplish the necessary workforce reductions, the reduction in force provisions of the Collective Bargaining Agreement will be implemented. An employee with 5 or more years of Seniority who is laid off as a result of the reduction in force and who at time of layoff does not meet the age and Credited Service requirements for Regular or Special Early Retirement will be eligible to apply immediately upon layoff for a lump sum payment under VTEP. Any laid off employee who elects not to apply immediately for VTEP or who is ineligible for VTEP because the employee has less than 5

years of Seniority or because the employee meets the age and Credited Service requirements for Regular or Special Early Retirement will:

- (i) be eligible for Regular Benefits under the SUB Plan;
- (ii) be offered employment at other Company facilities in accordance with the parties' understanding on preferential placement (or at a multi-plant site, be eligible for recall pursuant to the Collective Bargaining Agreement, whichever may occur first); and
- (iii) provided the employee had 5 or more years of Seniority as of the employee's last day worked prior to layoff and does not meet the age and Credited Service requirements for Regular Early Retirement upon exhausting the employee's eligibility for Regular SUBenefits and did not meet the age and Credited Service requirements for Special Early Retirement at time of layoff, be eligible for IMP Benefits under the Income Maintenance Benefit Plan.

An employee with 5 or more years of Seniority who elects not to apply for VTEP at time of layoff will be eligible to make subsequent application for such a payment, reduced by the sum of any IMP Benefits the employee had received while on layoff prior to ultimately making application for VTEP, provided that the employee does not meet the age and Credited Service requirements for Regular Early Retirement at the time application is made and did not meet the age and Credited Service requirements for Special Early Retirement at the time of layoff and provided further that such application is filed within the maximum time limits set forth in the Voluntary Termination of Employment Plan.

Following the notice of a restructuring event and if, after steps (1) through (6) above have been completed, the

number of separations achieved is less than the number of jobs lost then the difference between the number of separations and the jobs lost will be accumulated as a reserve. The Company will repeat steps (2) through (6) every six months, or earlier by mutual agreement among the parties, during any period in which employees at the affected location remain on indefinite layoff until a number of additional separations equal to the lesser of the reserve or the number of employees on indefinite layoff, is achieved.

The above commitments were executed in a spirit that recognizes the need to ensure that Chrysler Canada operations produce world-class quality products as efficiently as possible. That recognition, coupled with the commitments we have negotiated to protect the jobs and incomes of our employees, should help to assure that both parties achieve our shared objective of maintaining Chrysler Canada as a viable entity in the North American automotive market.

Letter 42 – Income Security

During the current negotiations, the parties discussed the extensive structural change that has already, and will continue to take place, in the North American automotive industry. Our discussions focused on two key aspects of this complicated issue: the need to maintain each Chrysler Canada Inc. location as a productive manufacturer of world class quality products in the North American automotive market and to ensure that Chrysler Canada Inc. employees, who contribute to the success of the Company, have their jobs and incomes protected as restructuring actions are taken. In addition, we have recognized the importance of the parties at both the local and national level continuing an ongoing dialogue about all the aspects of the business to ensure that the important goals are achieved.

With these objectives in mind, we have agreed that the understanding listed below will govern the parties in the event that restructuring or productivity-related actions may result in permanent job losses. These permanent job losses are those occasioned by specific actions **taken** by the Company. For example, outsourcing, the introduction of new technology, sale of part of the Company, and consolidation of operations would be actions contemplated by this understanding. The understanding would not apply to normal cyclical fluctuations in demand or the reduction of employees on "temporary" assignments. It is also understood that this program does not replace the ongoing discussions which continually take place at the local level regarding production standards and manpower requirements.

1. Where such permanent loss of jobs is considered, one year notice will be provided to the Union in the case of plant closure and six months notice will be provided to the Union in the case of a potential permanent job loss related to a restructuring as referred above. The information supplied to the Union will include the number of employees who could potentially be impacted and the rationale for the decision. It is understood that the information will be used for discussions between the parties and the workforce, and will be considered confidential. The Union will have the opportunity to make proposals which could alter or modify the decision.
2. During the course of these discussions, the objectives of the parties will be the retention of the jobs in question. To that end, the parties will discuss opportunities to retain or replace the jobs which are being discontinued. The Union will have thirty days from the date of notice to make proposals which could make it feasible to retain or replace the jobs in question.
3. If job losses become unavoidable and management decides to reduce the size of the workforce, every effort

will be made to use attrition to manage the required reductions. The use of attrition is the subject of a separate letter between the parties.

**Letter 43 – Retirement Allowance Option -
Job & income Protection Plan**

During the current negotiations the parties discussed methods of providing retirement incentives to employees retirement eligible under the Regular or Special Early Retirement provisions of the Non-contributory Pension Plan, on the date of a plant closing or permanent job loss as identified under Letter (41) - Restructuring- Job and Income Protection.

Accordingly, after December 16, 1999 any employee who is retirement eligible under the provisions of Letter (41) on the date of the closure or permanent job loss, will be given the option of taking a Retirement Allowance of \$75,000 (\$90,000 for skilled trades employees) and a \$35,000 new vehicle voucher.

The parties agreed that receipt of the Retirement Allowance is in-lieu of any SUB entitlement that may have been provided under the provisions of Letter (41) and the SUB Plan.

Acceptance of this option will result in the immediate retirement of the employee.

All payments made under the terms of this Agreement will be recoverable from future SUB contributions on a dollar-for-dollar basis for all pay periods in which SUB contributions exceed the total amount of Regular Benefits paid and the Percentage Relationship of Fund Assets to Maximum Funding is greater than 40%.

(c09 Addendum)

Letter 44 - Payments upon Plant Closure

During negotiations the parties agreed that upon a stand alone plant closure as defined in Letter (41) of the Collective Bargaining Agreement, pre retirement income maintenance program (PRIMP) benefits will be payable to eligible employees based on the following terms and conditions:

- (i) Eligible employees are those employees at the affected plant:
 - (a) who are between age 50 and 55 with at least 10 years of credited service at the date of the plant closure and are not eligible for Regular Early Retirement: or
 - (b) who are at least age 48.1 but under age 50, with at least 9.1 years of credited service at the date of plant closure, who are placed on layoff and who then attain age 50 with at least 10 years of credited service.
- (ii) Eligible employees will receive monthly PRIMP benefits equal to (a) the sum of the basic and supplementary benefit rates in effect under the provisions of the applicable pension plan at date of commencement of PRIMP benefits, multiplied by (b) the employee's credited service at the date of plant closure or, if later, the date at which the employee attains age 50 with at least 10 years of credited service:
- (iii) Unless otherwise elected by both the employee and the surviving spouse (as defined in the applicable pension plan), PRIMP payments will be reduced by 5% of the amount calculated in (ii) above, excluding any supplementary benefit amount, in order to provide PRIMP benefits to the surviving spouse, in an amount equal to 66 2/3% of the portion of the employee's PRIMP benefit which is based upon the basic benefit amount, after the application of the 5% reduction. In the event the employee's spouse predeceases the employee, the

employee's unreduced PRIMP benefit will be payable, upon notification of the death of the spouse.

PRIMP benefits will be payable until the first date at which the employee is, (or would have been eligible in the event of the death of the employee), eligible for Special Early retirement:

- (iv) On each October 1 following their commencement, PRIMP benefits will be recomputed in accordance with PCOLA adjustments applicable to employees retired under the pension plan on or after January 1, 2000.
- (v) Employees or surviving spouses in receipt of PRIMP benefits would be eligible for Special Early retirement benefits from the applicable pension plan at age 55 (or at the date the employee would have attained age 55, in the case of a surviving spouse), at which time the calculation of the pension payable will be based on the employee's credited service and benefit rates at the time of plant closure or, if later, the date at which the employee attains or would have attained age 50, adjusted for PCOLA;
- (vi) Employees and surviving spouses will be eligible for continued health care and group insurance coverage when in receipt of PRIMP benefits.
- (vii) The Maximum Corporate Liability under the Income Maintenance Benefit Plan, Exhibit B to the Collective Bargaining Agreement, will be reduced by the amount of any PRIMP benefits paid to eligible employees.
- (viii) Employees age 50 but not yet age 55 who are eligible for PRIMP benefits at the date of plant closure will also be eligible for the lump sum retirement allowance pursuant to Letter (41).

Letter 45 – Rights Under Job & Income Protection

During the recently concluded negotiations the Union expressed concern regarding seniority employees who are laid off as a result of an action described in Letter (41) -

Restructuring - Job and Income Protection who secure employment through the Preferential Hire opportunities at another corporate facility and within five years of the original layoff date are again indefinitely laid off without expectation of recall.

The Company agrees that under these circumstances the employee will be given the option to remain on layoff from the last facility where they were employed or to exercise their rights under Letter (41) - Restructuring - Job and Income Protection available to them at the time of the original layoff.

Letter 46 – Weekend Union Representation– Off Shift

In the event that 10 or more employees are working overtime on the off shift on a weekend, or holiday, a union representative will be amongst the group, who will perform work and function as a union representative only with respect to cases of discipline occurring during that overtime.

Letter 47 – Health and Safety Representative - Negotiations

With the discretion of the union bargaining committee, this will acknowledge that the (Union) Health and Safety Representative may be present at negotiations during occasions when Health and Safety issues are being presented for discussion.

Letter 48 – Vacation Leave of Absence

The Company will allow a maximum of 10% of the workforce to be off each week.

Vacation replacements will consist of afternoon shift employees who transfer to a different shift. Up to fifty percent (50%) of the summer students may be utilized on day shift. It is understood that this may result in a reduction of shift movement of full time employees.

Letter 49 – Vacation Pay Advance

During negotiations, the Company and the Union had discussions regarding the practice of providing employees with the ability of receiving their vacation pay once full entitlement has been earned.

The Company agrees that once full entitlement has been earned, the employees may submit a Vacation Pay Request after January 1st of the vacation year which will generate a **pay** for full entitlement under the Payment in lieu of Vacation Plan, as soon as practicable after the request is made.

Letter 50 – CAW Leadership Training Program

During these negotiations the parties have discussed the labour education program developed by the Union for the purpose of upgrading the skills which employees utilize in all aspects of trade union functions and the matter of Company financial support of this program. This program, entitled the CAW Leadership Training Program, has received contributions from the Company since September of 1983.

In recognition, therefore, of the contributions this program can make to the improvement of the Union/Management relationship and toward a more effective administration of the Collective Agreement, the Company agrees as hereinafter set forth to make a grant to the CAW Leadership Training Program (P.E.L. Trust).

Past Company contributions to the Leadership Training Program (P.E.L.) Trust have been deductible. Providing that such amounts shall continue to be deductible, the Company will make quarterly contributions to the P.E.L. Trust, equal to seven cents (\$0.07) for each hour worked in the preceding thirteen (13) week period from the Special Contingency Fund pursuant to the provisions of the Memorandum of

Understanding Special Contingency Fund. The contributions will be payable on the following dates:

<u>Hours Worked</u>	<u>Payment Date</u>
12/29/08 - 03/29/09	04/30/09
03/30/09 - 06/28/09	07/31/09
06/29/09 - 09/27/09	10/31/09
09/28/09 - 12/27/09	01/31/10
12/28/09 - 03/28/10	04/30/10
03/29/10 - 06/27/10	07/31/10
06/28/10 - 09/26/10	10/31/10
09/27/10 - 12/26/10	01/31/11
12/27/10 - 03/27/11	04/30/11
03/28/11 - 06/26/11	07/31/11
06/27/11 - 09/25/11	10/31/11
09/26/11 - 12/25/11	01/30/12

The Union will cooperate fully in providing the Company with all documents regarding the CAW Leadership Training Program (P.E.L. Trust) as it may require in order to maintain the aforementioned Income Tax Ruling received from Revenue Canada, and related to the deductibility of amounts paid by the Company to the P.E.L. Trust.

It is understood and agreed that the portion of the P.E.L. Trust Fund represented by the Company's contributions will be used solely and exclusively to provide paid educational leaves and related benefits for employees of the Company who attend sessions of the labour education program as described by the Union during these negotiations. Annually the Union will provide the Company with an audited statement prepared by an independent public accounting firm certifying that all expenditures made from the P.E.L. Trust Fund were made in accordance with the intent and purposes of the Trust Deed dated July 3, 1979, establishing the P.E.L. Trust.

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was scheduled. As an example, if an employee was assessed a three (3) day disciplinary layoff, scheduled to be on Friday, Monday and Tuesday ... and Monday and Tuesday were days the employee was designated off as SPA week, the discipline would reflect a three (3) day disciplinary layoff, however the employee would receive SPA payments for those two (2) days.

Notwithstanding the provisions of paragraph (g) of Section 40 the Company and the Union agree that should at any time the Company demonstrate a significant increase in the number of employees on WCB and/or S&A status during their SPA weeks the parties will endeavor to determine the underlying causes for such increase.

If the underlying causes have not been identified and corrective action has not been taken prior to the commencement of the next SPA scheduling period the Company reserves the right to disqualify from SPA entitlement employees in receipt of WCB or S&A during their SPA week. (c09 Addendum)

Letter 52 – Pension Benefit Reduction

The parties agree that if any employee's total pension benefit is reduced because of the application of Section 3 of Article IV ("Maximum allowable lifetime pension for employees retiring after December 31, 1991") or of Section 5 of Article VII ("Maximum allowable temporary pension for employees retiring after December 31, 1991"), or of Section 6 of Article VII ("Maximum allowable total benefits for employees retiring after December 31, 1991"), then the Company agrees to pay to such employee an equivalent pension from general revenues so long as the commuted value of that pension exceeds 2% of the YMPE at the time of retirement. When the commuted value is 2% or less of the YMPE at the time of retirement, the retired employee will be paid the value as a lump sum. Any other reductions in pension due to regulatory

requirements shall continue to be paid as a lump sum at retirement or death, whichever is applicable.

The payment could be treated as a retiring allowance and rolled tax free into a Registered Retirement Savings Plan (RRSP), subject to Revenue Canada regulations.

The determination of the commuted value of the reductions shall be made at the time the employee's seniority ceases using the calculation basis specified in the Canadian Institute of Actuaries Recommendations for the Computation of Transfer Values from Registered Pension Plans (effective September 1, 1993).

Letter 53 – Pension – SIB

The surviving spouses of employees who elect to take a lump sum pension payment in accordance with the Ontario Pension Benefits Act, are eligible for a residual monthly pension benefit and would otherwise meet the eligibility requirements for Transition and/or Bridge Benefits under the Group Life and Disability Insurance Program, will be given the option to choose which benefit to receive. Such surviving spouses who choose to receive benefits under the Insurance Program will become eligible again to receive the pension benefit following the exhaustion of eligibility for insurance benefits.

Letter 57 – Content

During the course of the 1993 negotiations the Company and the Union held extensive discussions concerning the business and social consequences appendant to the issue of marketplace accessibility, content and sourcing within the context of a global automobile industry.

Consistent with our mutual desire to utilize the full range of employees' abilities to contribute to these objectives, the

Company agrees to work with the Union in the exploration of measures to maintain employment opportunities equivalent to those now encompassed by the total of all plants covered by the Production and Maintenance Agreement. This would include, where feasible, replacement of jobs lost by outsourcing.

In addition, Chrysler Canada Inc. joins the CAW in supporting the principle that manufacturers who participate in the Canadian market should provide jobs, pay taxes and support the economy of the market in which they sell. As you know, Chrysler Corporation has for decades based its operations throughout North America on this very principle. We believe that, over the long run, no alternative policy can prevail if there is to be fairness and balance among the major trading nations of the world. As evidence of its commitment to these principles, the Company's Canadian value added gross purchases in 1992 exceeded seventy-five percent (75%) of its gross Canadian sales. Given the scope of its current operations in Canada, the Company affirms its expectation these principles will be maintained.

Chrysler Canada Inc. commits to support acceptance of this principle, so that foreign producers will be encouraged to make their fair contribution to actions that will restore jobs to Canadian automotive and parts manufacturing workers.

It is believed that the principles expressed in this letter will contribute significantly to our co-operatively working together to provide employees in Canada with improved job security.

Letter 58 – E. I. Premium Rebate

This will confirm our understanding first reached during the 1990 negotiations concerning the sharing of the Employment Insurance premium reduction allowed employers with qualified wage loss replacement plans.

The parties recognize that the Employment Insurance premium reduction may be passed on to employees as a group either in the form of a cash rebate or in the form of employee benefits.

It was agreed that effective with the first pay period ending in January 1991, and continuing through the term of this Agreement, the Company will cease sharing the premium reduction with employees in the form of a cash rebate and will instead apply the employee's share of the Employment Insurance premium reduction to improvements in current benefits or to provide new benefits.

Letter 61 – Functional Assignments– Duration

This will confirm that functional assignments which are known to the Company at time of posting to be non-permanent in duration, or that are subject to change, shall be so identified on the posting.

Letter 62 – P.A.A. / TPT Commitment

During negotiations the parties discussed the subject of Paid Absence Allowance and commitment figures for the day and afternoon shifts, Monday through Friday inclusive. The parties agreed to allow a maximum of 4% per shift, which may vary based on manpower availability and dealer requirements.

TPT Book

	M	F
Day	7	7
Afternoon	13	13

Both parties agreed that Temporary Part Time employees will be utilized to supplement the workforce on Mondays and Fridays. The total TPT replacement ratios will be subject to Management's discretion and levels will be adjusted as required.

Both parties further agreed that in order to qualify for approved time off hours in the P.A.A. Book, employees must use hours credited to the employee's Paid Absence Allowance.

It was agreed in the area of certain classified jobs (Inspection) a maximum of one employee per shift would be able to enter their name in the commitment book.

Letter 65 – Warehouse Cafeteria

During negotiations the Company agreed to supply and maintain an ice making machine by March 15, 2000. This machine will be located in the main warehouse cafeteria.

Additionally, dispensing units will be provided for filtered water.

Letter 67 – Trailer Heaters for “K” Dock

During negotiations the union expressed a concern regarding the heat loss between trailers and the seals at “K” dock. The company has agreed to install force fan heaters at this location to address this concern.

Letter 68 – Overtime Work Opportunity – Health and Safety Representative

During the 1996 negotiations the Union expressed concerns regarding the limited work opportunities that are available to the Health and Safety Representative.

The Company indicated that it was mindful of circumstances which could result in work opportunities even though sufficient numbers of employees were not at work to qualify the Health and Safety Representative in accordance with the provisions of the Collective Agreement. For example, it would be appropriate for the Health and Safety Representative to be offered the opportunity to be at work during the plant rearrangements involving new equipment installations.

In response the Company has agreed that where the overtime is required to meet the responsibilities and duties of the full time Health & Safety Representative such Representative may be retained at work provided he/she has the prior approval of the PDC Manager.

Where the respective Representative believes that there is no reasonable justification for the PDC Manager withholding prior approval, the matter may be referred to Staff Labour Relations and the CAW National Office.

Letter 69 – Timeliness of Discipline

Unless written notice of discipline is given to an employee and committee person within a reasonable time, not in any event to exceed three working days, providing the employee is at work in the plant, such discipline shall not thereafter be enforceable.

Letter 70 – Resolution of Disputes – Benefit Plans and Pension Agreement

No matter respecting the provisions of the plans or agreements referenced in Section 48 S.U.B.P., Income Maintenance/Voluntary Termination, Insurance, Relocation Allowance, and Health Care, or the Pension Agreement between Chrysler Canada Inc. and the **CAW**, shall be subject to the grievance procedure established under this agreement, and in the event of a conflict between the

provisions of the benefit plans or agreements so listed and this collective agreement, the provisions of the listed benefit plans or agreements shall prevail.

Letter 71 – Health and Safety, Environment, Leadership Training and Research Fund

During the current negotiations, the Company agreed to provide funds to the Union in support of health and safety, environment, leadership training and research activities. Accordingly, the parties agreed that arrangements will be made to finance these activities by using available funds from the Special Contingency Fund in an amount of up to six cents (\$0.06) per hour worked during the term of this Agreement.

Letter 72 – Training Fund – National Training Committee

During the current negotiations the parties focused on the importance of training and the role played by the National Training Committee. In reaffirming its commitment to training, the parties agreed to establish a Training Fund as a means of funding the development and implementation of employee skills and training activities. The Fund will come under the direction of the National Training Committee.

In this regard it was agreed the Company will make available up to a maximum \$525,055. (representing the value of up to 48 hours training per active employee as of the effective date of this agreement) for use by the National Training Committee over the term of this collective agreement to fund the development and implementation of training programs approved by the committee. All monies will be recovered from the Special Contingency Fund.

The Fund will provide for training program development costs, trainers (including wages, benefits, and other expenses incurred with the development and implementation of training programs), program material costs, employee

travel costs, and labor costs associated with employees attending approved training. The parties agreed that **up** to the value of eight hours per active employee as of the effective date of this agreement could be used for administrative activities. (c09 Addendum)

Letter 73 – Maternity, Parental and Adoption Leaves

The company agrees to provide a maternity leave allowance which will provide seniority employees with up to 16 weeks at a rate equivalent to an amount that when **added** to Employment Insurance benefits will equal 75% of Weekly Straight Time Pay provided that the employee has been in active service in the Bargaining Unit within one (1) year of the commencement of their maternity leave of absence. In addition, the Company will also provide parental and adoption leave allowances which will provide seniority employees with 35 weeks of benefits, or for duration of the leave, if shorter, at 65% of Weekly Straight Time Pay less Employment Insurance benefits.

The parties agree that the adoption leave allowance will be at 75% of Weekly Straight Time Pay less Employment Insurance benefits for up to 16 weeks if Employment Insurance adoption leave benefits are modified to equate with maternity leave benefits.

Letter 74 – Implementation of Revised Legislation in the Area of Health and Safety

During the current negotiations the Union raised with the Company its concern regarding possible future changes to the Occupational Health and Safety Act and Regulations.

Amendments were made to the Memorandum of Understanding, Health and Safety, to address those concerns.

Notwithstanding this agreement, the parties understand that should changes to the legislation and/or the Ontario Ministry of Labour's support for the subject legislation change to render inoperative the rights expressed in the Memorandum, a mechanism will have to be determined to maintain the functional dimension of these rights. Consequently, upon such time as the Union or the Company has a reasonable concern that legislation could be passed which so affects the employee's right to refuse unsafe work, the National Joint Health and Safety Committee shall meet within 10 days' notice of a written request to meet. The parties will make a good faith effort to arrive at a fair and workable solution to the problem in a forthright and expeditious manner. In this regard, the National Committee will be assisted and supported by the Chairperson of the Chrysler Council for the CAW and the Senior Manager, Labour Relations and Safety, Chrysler Canada Inc.

It was further agreed that any changes to the Regulations would also be reviewed by the above mentioned parties in order to assess the impact on employee health and safety. The parties agreed that the regulations in effect on the date of this agreement would be considered a minimum standard.

Letter 75 – Employment Standards Act

During the current negotiations the Union expressed concern about the possibility of future legislative changes negatively impacting existing employment standards as set forth in the Employment Standards Act (Ontario) June 5, 1995. During the negotiation process the parties acknowledged their reliance on this legislation as forming a basis for past practices in respect of employment standards not otherwise specifically covered by the collective agreement. As an outgrowth of these discussions, the parties came to the following agreement.

- A. The rights, benefits, terms or conditions of employment as set out as employment standards in the Employment Standards Act and Regulations made thereunder, as they existed on June 5, 1995, as the same relates to the Union, the Company and/or its employees, shall be minimum requirements incorporated within this collective agreement; however, where this collective agreement provides higher remuneration in money or a greater right, benefit, term or condition of employment in favour of an employee(s) with respect to a particular standard, this collective agreement shall prevail. A violation of the rights, benefits, terms or conditions of employment as set out as employment standards in the Employment Standards Act and Regulations made thereunder, as they existed on June 5, 1995, as the same relates to the Union, the Company and/or its employees, may be subject to the grievance procedure of this collective agreement or may be prosecuted and enforced through the procedural mechanisms offered by the Employment Standards Act and Regulations thereunder, as they exist from time to time, but not both.
- B. During the 1996 negotiations, the union expressed the concern that the provincial Government has and would amend the Employment Standards Act and or Regulations in a manner adverse to the interests of the Union and Chrysler Canada Inc. bargaining unit employees. It was agreed that the parties shall meet within thirty (30) days after the introduction of a Bill amending the ESA to the legislature to discuss the proposed Bill. The parties agree that the Union and/or Chrysler Canada Inc. bargaining unit employees shall not be disadvantaged in any way by any amendments to the ESA or Regulations thereunder made by the provincial Government. It is agreed that for example, if any part of the collective agreement or past practice of the parties provides a greater right, benefit, term or

condition of employment than the amendment to a particular employment standard (such as an amendment to the 8 x 48 hours of work rule), then the collective agreement or past practice shall prevail and apply. The parties agree that a difference between them relating to the application, alleged violation or interpretation of the above provisions may be subject to the grievance procedure under this collective agreement.

Letter 76 – Job Security and Work Ownership

Over the years, the company and the union have regularly addressed worker concerns over income and job security. Recognizing that employment levels will fluctuate with changes in the marketplace, the parties have negotiated programs to provide workers and their families with a measure of income security unparalleled in Canadian industry. Further, recognizing that longer term employment levels will be affected by in-plant changes in technology and the in-plant organization of work, the parties have negotiated programs to encourage attrition and thereby prevent or limit potential layoffs.

During the 1990 round of bargaining, a milestone agreement on Job and Income Protection was reached by Chrysler and the **CAW**, which was intended to limit and prevent layoffs. The agreement established a workable procedure to deal with the extensive structural change in evidence in the industry at that time, and, which clearly has continued to date.

In each set of negotiations since 1990 the Company and the Union have addressed worker concerns over the issues of income security, based on the specific conditions affecting individual and plant operations, with the intent of minimizing the impact of any restructuring initiatives and in-plant changes on the lives of workers and their families.

During the term of the 2005 Agreement, the Company and the Union engaged in extensive discussions concerning the intensely competitive nature of the automotive industry and the increasing threat to the financial sustainability of operations which forced Chrysler Corporation to modify its existing business model.

A comprehensive study was conducted with the objectives of optimizing Mopar's North American parts distribution and warehousing operations. Results of the study led to a realignment plan for the Parts Distribution Centres.

As a result, the Company met with representatives of the CAW Local 1285 and announced the closure of the Mississauga Parts Distribution Centre.

In subsequent discussions between the parties, the Union maintained that given the commitment of the workers, the Company had a responsibility to the facility. The Company responded that closing the Mississauga Parts Distribution Centre was a required element of the realignment plan in order to improve competitiveness and contribute to cost reductions to remain viable in the future. The Union took the position that alternative solutions could achieve the required improvements in competitiveness and cost reduction.

Many alternatives were discussed to address this situation and the need to reduce the operating costs of the facility. As a result of these discussions the parties agreed to implement the action in Letter 105 - Mississauga Operational Efficiency, the Company agreed to withdraw the notice of closure.

The Company and the Union agreed to meet quarterly to review the Mississauga Parts Distribution Centre's performance and adherence to the agreed upon labour practices changes and performance metrics contained in

Letter 105 – Mississauga Operational Efficiency, the Company agreed to withdraw the notice of closure.

The Company also notified the Union that the Service and Financial Agreements with Mercedes Benz Canada will expire in 2010.

Of critical importance to the Union was the concept of “work ownership”, defined as protection against the outsourcing of work which has been performed on a historical basis in a quality and efficient manner at reasonable cost. From a CAW perspective, work ownership was described as a principle intended to be consistent with on-going changes in the workplace.

In keeping with the work ownership concept, the Company advised the union that it will not outsource any major operations during the life of the agreement other than those specified in Letter 105.

The Company indicated that changes in organization of work at the PDC would continue to be required to become competitive and improve the viability of the PDC’s operations. The Company agreed, however, that if work changes or further restructuring was required during the term of this Collective Agreement, they would be reviewed with the Union and that associated changes in the workplace would be accomplished in a manner consistent with the work ownership and community employment level provision of this Agreement.

Letter 77 – Joint Action Operating Plan Discussion

During these negotiations, the parties raised numerous issues which impact the customer, the Union and operating management. It is clear the relationship between the parties has developed into one of mutual trust and respect and

supports the sincere belief that most problems experienced at the workplace can be resolved with open, honest and continuous communication.

Effective communication also supports joint initiatives to improve quality and efficiency – key elements in our efforts to improve our service to the customer.

With agreement on these fundamental principles, the parties look forward to discussion on continued expansion of our joint efforts in this regard.

Letter 78 – Plant Closing Moratorium

As a result of your deep concern about job security in our negotiations and the many discussions which took place over it, this will confirm that during the term of the new Collective Bargaining Agreement, until December 8, 2011, the Company will not close or sell the National Parts Distribution Centre operation.

It is understood that conditions may arise that are beyond the control of the Company, e.g., act of God, catastrophic circumstances, or significant economic decline concerning the subject. Should these conditions occur, the Company will discuss such conditions with the National union.

Letter 80 – Mopar Integration Issues

In our discussions concerning the operational integration of the Mississauga Parts Distribution Centre (MPDC) with Mopar, the Union raised a number of issues that were important to its membership but difficult to address given the lack of specific information available during negotiations.

Management advised the Union of its intentions to initiate discussion on issues including job postings, vacation scheduling, overtime distribution procedures, TPT/PAA

allotments, Scheduled Paid Absence administration, shift arrangements, as well as the introduction of new technology, operating systems and machinery once the information pertaining to studies related to integration is available to operating management.

With reference to specific facility/equipment improvements requiring review within the context of facility rearrangements driven by integration, the Union was advised as follows:

1. Floor sealing – Floor area will be sealed in areas of the facility where floor scrubbers do not have access. A solid colour walkway will be painted from the employee entrance to “Old Dispatch” featuring a joint company/union logo at a location to be determined by the Union;
2. Washrooms – Washrooms will be constructed *and/or* renovated as required, dictated of course by the new plant layout;
3. Parking – Spaces based upon facility rearrangements and employee density will be reviewed with the Union with a view toward providing K-section parking if required;
4. Compactor – A new compactor will be provided in an area to be determined. It is understood that the Joint Health and Safety Committee will provide recommendations as to guarding requirements and noise reduction for this equipment.
5. Cafeteria – Rearrangements *and/or* improvements will be provided to the main employee cafeteria.

In addition to the above, the parties acknowledge that unforeseen concerns may arise resulting from the integration and subsequently related activities. As a result, both parties agree to an ongoing commitment to discuss and resolve issues as they present themselves.

Letter 81 – Limiting the Impact of Layoffs

Prior to the layoff of bargaining unit personnel, the company agrees to discuss options available to limit the impact on employees.

Letter 89 – Maintenance "A" – Electrician

During negotiations, considerable discussion was held regarding the qualifications, requirements and responsibilities of certain Maintenance "A" personnel.

The Company agrees to implement a new Maintenance "A – Electrician classification (4965) to be paid a rate of 20 cents over the current Maintenance "A – 4961 base rate.

The parties agree that the responsibilities and duties of this assignment will continue and the successor to the current incumbent must have a valid journeyman electrician license.

Additional training to obtain other necessary licenses will be provided consistent with the training provided to the current employee.

Letter 90 – Dependent Scholarship

During negotiations the parties agreed to continue the dependent children scholarship program. This program will reimburse up to \$1,500 per year from the Special Contingency Fund, to eligible children of active employees enrolled in an accredited Canadian university or community college. This plan will be expanded to include dependent children of retirees and surviving spouses. This plan may be coordinated between two represented bargaining unit employees. Details of this program will be developed by the Company. (c09 Addendum)

Letter 91 – Dependent Childcare Subsidy

During negotiations the parties discussed the continuation of the Child Care Benefit for CAW employees covered by the agreement. The company will:

- Provide a subsidy of \$12.00 per full day of childcare for dependent children, age 0 through 6 but not after August 31 of the year in which age 6 is attained, that is:
 - Licensed under the Day Nurseries Act
 - Registered as a non-profit or co-operative
- For half day care, the company will provide a subsidy of \$6.00 per day
- The subsidy will be extended to cover dependent children between the ages of 4 up to and including age 10 who do not qualify for the half day or full day subsidy for the use of before school, after school, or both before and after school care (maximum \$6.00 per day).
- The benefit will apply equally to all licensed, non-profit childcare centres, including in-home care
- The benefits will be capped at annual maximum of \$2,400.00 per year, per eligible child. Additionally, this subsidy can be coordinated between represented Chrysler Canada Inc. employees.
- Details of the administration of this program will be developed by the company.
- In no circumstance would the company pay more than 50%
- This program will be funded from the Special Contingency Fund

Letter 92 – Retiree Fund

During the current negotiations, the Company agreed to provide funds to the Union in support of educational and awareness programs for retired workers. Accordingly, the parties agreed that arrangements will be made to finance these programs by using available funds from the Special Contingency Fund in an amount of up to two cents (\$0.02)

per straight time hour worked during the term of this Agreement.

Letter 93 - Wellness

During the 2002 negotiations there was considerable discussion regarding the importance of continuing the joint Wellness Program for Chrysler Canada Inc. employees, retirees and their families. The overall goal of the Wellness Program is to improve the health and wellbeing of Chrysler Canada Inc. employees, retirees and their families. The company and the CAW are jointly committed to achieving this goal.

The "Working Toward Wellness" program has proven to be a very successful partnership with the Windsor -Essex County Health Unit. The Wellness Steering Committee will continue to be composed of two members designated by the Union (one designated by the National Union and the other designated by the Chairperson of the Bargaining Committee for the Production and Maintenance and Office and Clerical and Engineering Agreements), two members designated by the company and two members designated by the Windsor-Essex County Health Unit.

Wellness Program initiatives will continue to include, but may not be limited to the following: brochures, newsletters and internet communications, promotional materials, educational programs, on-site education/screenings and individual health risk assessments.

As the Wellness Program is of mutual benefit to all parties concerned, we would look to the CAW to continue to fully support this initiative as a joint program. To this end, it is the intent of the parties to further develop this program with the partnership of the CAW and the Windsor-Essex County

Health Unit (in conjunction with the local health units where the company has facilities).

The company will continue to fund the Wellness program as required during the term of this agreement.

Letter 94 – Employee Family Assistance Program

During the course of these negotiations the parties discussed the Employee Family Assistance Program and its application to hourly employees covered by this Agreement.

The Union was informed that represented hourly employees covered under this collective agreement would be included in the program covering CAW represented employees under the Production and Maintenance Agreement.

Letter 95 – Forty (40) Hour Human Rights Training

During these negotiations, the Union requested all employment equity committees attend the new Forty (40) Hour Human Rights Training session. It was agreed the new Forty (40) Hour Human Rights Training module be presented at one of the five day annual meetings during the life of this agreement.

Letter 96 - Trainers

During negotiations, the issue of trainers at the NPDC was discussed. The parties agreed that three (3) Health & Safety Trainers and four (4) Training Fund Trainers would be available to accommodate the training requirements at this facility.

Letter 100 – Substance Abuse Facility Charges

This will confirm our understanding reached during these negotiations with respect to employees, the employees' dependents or retired employees receiving services through approved residential substance abuse treatment facilities.

The Company shall make arrangements to provide coverage for the payment of any daily charge levied on an employee's dependents or retired employee who is under treatment for substance abuse in a residential substance abuse treatment facility which has been approved by the Company Medical Director. Should the approved facility provide non-residential treatment programs and it is determined by the Company Medical Director that the employee is a suitable candidate for such treatment, arrangements will be made for the payment of the non-residential program charge in lieu of a residential treatment program.

Benefits will be provided under such coverage only for the employee, the employee's dependents, or retired employee who are actively involved in the Chrysler Canada Inc.-CAW Substance Abuse Program and are admitted to a treatment facility on the recommendation of the Company Medical Director.

The payment of such benefits will be contingent upon the employee's, the employee's dependents, or retired employee's successful completion of required treatment.

Letter 101 – Common Expiry Date– Canadian PDC's

During the 2008 negotiations, the parties addressed issues relative to the collective agreement expiration dates for Canadian Parts Distribution Centre Agreement and the future separate agreements applicable to all Canadian Parts Distribution Centres will have a common expiration date of December 8, 2011. The normal costs associated with the bargaining such as flights and hotels will be borne by the company. CAW representation at negotiations will be as follows:

National	(1)
Lean Coordinator	(1)

Mississauga Parts	(5)
<i>(this includes (1) Health and Safety Rep and (1) Local Officer)</i>	
Montreal Parts	(2)
Red Deer Parts	(2)

Office and Clerical

Mississauga Parts	(1)
Montreal Parts	(1)

Additionally, representatives of the Canadian Parts Distribution Centres will be invited to the Master Agreement Annual Meeting as well as the other major conferences associated with the joint programs in the area of Health & Safety, Equity, and Benefits. In the case of the annual meeting arrangements will be made to incorporate MOPAR specific discussion groups.

Letter 102 – Automotive Discount & Insurance

During 2008 negotiations, the parties discussed an employee automotive discount purchase program.

Discount Program

The parties agreed to implement an automotive discount program consisting of the following features:

- \$2,600 discount for eligible employees from Employee New Vehicle Purchase Plan price on eligible vehicles
- \$2,600 discount for eligible retirees from the Retiree New Vehicle Purchase Plan price on eligible vehicles
- Applicable to ONE (1) purchase or lease made on or after October 1, 2008 and during the term of the 2008 Collective Agreement only
- Eligible vehicles are new vehicles assembled in North America eligible under the New Vehicle Purchase Plan

- Eligible employees are employees (or surviving spouses) who qualify for health care benefits. Employees must have at least one (1) year of seniority at the time of the purchase or lease
 - Eligible retirees are retirees (or their surviving spouses) who are receiving a normal, early (regular or special), or disability retirement benefit at the time of the purchase or lease
 - The \$2,600 New Vehicle Discount Program is not combinable with the \$35,000 Car Voucher Program.
- (c09 Addendum)

Letter 104 – Military Active Reserve Duty

During the 2005 negotiations the parties discussed compensation for employees serving Canada on a military or active reserve duty leave of absence, pursuant to Section 59. The parties agreed that during the term of the agreement employees are eligible to receive their base weekly earnings (40 hours) minus any military pay received for the same period for up to a maximum twelve (12) month period following the date their active duty begins.

Health care (including dental) and Group Life benefits will continue to the end of the month following the twelve (12) month period which commences on the employee's first day of active duty.

Optional Insurance Programs will continue until the end of the month in which the last payroll deduction occurs. Thereafter the employee may continue the coverage by paying the applicable premiums directly to the carrier.

Employees are required to submit to their local Human resources representative a statement of earnings from the military as soon as practicable.

Letter 105 – Mississauga Operational Efficiency Letter

The intensely competitive nature of the automotive industry and the increasing threat to the financial sustainability of operations has forced Chrysler Corporation to modify its existing business model.

Many factors have required the Mopar Division to change its operational structure in order to remain viable in the future.

A comprehensive study was conducted with the objective of optimizing Mopar's North American parts distribution and warehousing operations. Results of the study led to a realignment plan for the Parts Distribution Centres.

As a result, the Company met with representatives of CAW Local 1285 on September 19, 2008 and notified them that the Mississauga Parts Distribution Centre will close on November 30, 2008.

In subsequent discussions between the parties, the Union maintained that given the commitment of the workers, the Company has a responsibility to this facility.

The Company responded that closing the Mississauga Parts Distribution Centre was a required element of the realignment plan in order to improve competitiveness and contribute to cost reductions to remain viable in the **future**. The Union took the position that alternative solutions could achieve the required improvements in competitiveness and cost reduction.

Many alternatives were discussed to address this situation and the need to reduce the operating costs of the facility. As a result of these discussions the parties agreed to implement the actions contained in Attachment A of this letter as soon

as possible. The Company has agreed to withdraw the notice of closure.

The Company and Union agree to meet quarterly to review the Mississauga Parts Distribution Centre's performance and adherence to the agreed upon labour practice changes and performance metrics.

Attachment "A"

The Company and Union engaged in extensive discussions concerning the Toronto / Mississauga Parts Distribution Centre (PDC) competitive disadvantage and the need to contribute to cost reductions to remain viable in the future. As a means to improve the PDC's competitive position the parties reviewed alternatives with the goal of reducing the operating costs of the facility.

As a result, the parties agreed to implement the following actions as soon as possible following ratification:

- To work cooperatively in support of the goal of eliminating all hourly overtime within warehouse operations.
- Notwithstanding Supplemental Agreement Temporary Part Time (TPT) Employees and Letter 62, "PAA / TPT Commitment", increase TPT flexibility for all planned and unplanned absences which includes increased allotment on Monday, Friday, Saturday, Sunday, Holidays and the Tuesday and Thursday before or after a holiday.
- Notwithstanding Letter 33, "TPT Overtime", expand utilization of TPT's to include daily overtime if required.
- Eliminate Letter 28, "Assignment Revision"(tumbledown).
- Eliminate Letter 34, "TPT Exchange".

- Notwithstanding Letter 48, "Vacation Leave of Absence", up to 50% of summer students may be utilized on day shift. It is understood that this may result in a reduction of shift movement of full time employees.
- Notwithstanding Letter 63, "Job Distribution (Day Shift)", it is understood that the pre-shift job selection meeting process will be discontinued and result in the elimination of the current employee "Domino Effect".
- Discontinue the "Open Season" program and eliminate all references to it in the collective agreement.
- Implement "Attachment B" – "Lean Operating Principles".
- In support of "Lean Operating Principles" agree to remove all contractual barriers contained within the collective agreement.
- Discontinue the practice of offering up to four (4) hours overtime prior to canvassing a TPT or summer vacation replacement.
- Notwithstanding Letter 62, "PAA / TPT Commitment", remove the commitment schedule contained within the agreement and allow a maximum of 4% per shift, which may vary based on manpower availability and dealer requirements.
- Notwithstanding Section 42, "Vacation Period, and Letter 48, "Vacation Leave of Absence", agree to allow a maximum of 10% of the workforce to be off each week.
- Eliminate automatic granting of vacations during June, July and August.
- Reduce paid breaks from two 15 minute breaks to two 12 minute breaks.
- Support a revised Toronto / Mississauga Parts Distribution Centre Attendance Policy for lates, absences, and failure to call-in.
- Eliminate the five (5) minute wash up time at the end of each shift.

- Stock keeping and picking activities must be performed simultaneously on all shifts on overtime as needed per management's discretion or as the business dictates.
- In support of the "Lean Operating Principles", consolidate three (3) classifications (# 0622 - Receiving Clerk, # 3557 - Stock Attendant, and # 4960 - Maintenance Worker) into one (1) classification.
- Increase productivity through manpower alignment in the following areas:
 - Combine MRA and Inspection job functions. (Employees= 1)
 - Reduce employees in the cycle return and core function areas. (Employees = 2)
 - Notwithstanding Section 6, "Time Allowances" and Section 10(a), "Health & Safety Rep and Benefits Rep", the union agrees to reduce representation hours from 100 to 50 hours per week. (Employees= 1)
 - Reduce employees in the inbound sort area. (Employees= 2)
 - Eliminate MBOS Coordinator function. (Employees = 1)
 - Reduce employees in the National inbound functions. (Employees = 1)
- Agree to outsourcing the following functions:
 - Outbound dock activities which includes (2) loaders/unloaders, (2) shippers, (4) marshallers, and (1) receiving clerk. (Employees = 9)
 - Inbound dock activities which includes (5) loaders/unloaders. (Employees = 5)
 - Maintenance activities which includes all PIV motor mechanics and (1) clerk. (Employees = 5)
 - Janitorial activities which includes all housekeeping related functions on all shifts. (Employees = 4)
 - Recycling activities which includes all related functions. (Employees = 1)

- o Scrap activities which includes all de-packaging related functions currently being performed on the afternoon shift. (Employees = 2)
- o The Company agrees that these functions will be **sourced** to a CAW represented supplier at a wage and benefit rate consistent with the 3rd party non-paint shop janitors at the Brampton Assembly Plant.
- The Company agrees that the outsourcing actions detailed in Attachment “A” qualifies as a Permanent Job Loss under Letter 41 “Restructuring - Job and Income Protection”, and will be paid at the levels negotiated in the 2008 P&M Agreement Section 17.6, “Retirement Allowance Option – Job and Income Protection Plan”.
- Align the Canada Day Holiday with Dealer parts and service hours.
- Notwithstanding Section 37, “Eligibility Working”, align pay in lieu of vacation and PAA eligibility with the P&M Agreement, Section 13.2, “Payment Schedules” (i.e. percentage payment schedule and S&A).

Attachment “B”

Memorandum of Understanding – Lean Operating Principles

During the course of these negotiations, the parties discussed at length the principles and philosophy associated with operating Canadian Parts Distribution Centres (PDC's). These discussions included the current level of implementation of Lean Operating Principles at each facility in the Canadian distribution network and the success that the parties have enjoyed utilizing a joint Union/Management approach. In this context, the subjects of quality, productivity, accountability, seniority and viability were reviewed.

The parties expressed a mutual belief that this philosophy of creating an integrated system to accomplish supply chain objectives is the cornerstone of Mopar's ability to survive in an ever increasing highly competitive market. Mopar's ability to sustain a profitable future resides, in part, in its ability to drive continuous improvement in the process of ensuring the right quality parts are available to the customer at the right time at a competitive price.

The parties are committed to working together to continue to realize the success of implementing Lean Warehousing throughout the Mopar Parts Division. In order to ensure the flexibility to react to changing business needs, in a highly competitive environment, the parties agreed that efforts towards implementing principles of this Memorandum must be accelerated. As a result, this Memorandum serves as the framework of the fundamental principles that any parts distribution facility must adopt in order to transform itself to a competitive operating environment. They are as follows:

COMMITMENT TO QUALITY AND PRODUCTIVITY

The parties recognize the importance of making sure that the right part is delivered to the right place at the right time. It is essential that we continue to strive towards improving customer satisfaction. The parties are committed to the joint role of PQI and standardized work processes in driving improvement through joint initiatives. To help accomplish quality and productivity objectives, the parties agree to jointly participate in quality and productivity awareness reviews with all employees.

JOINT ACTIVITIES OPERATING PRINCIPLES (JAOP)

The spirit of jointness and employee empowerment embodied within each of the Canadian PDC Agreements as well as the concepts of fairness, accountability and responsibility must become the PDC culture.

TEAM BASED ENVIRONMENT

A team-based structure will be adopted, including functional assignment, rotation and operational flexibility in such ways that will improve operational efficiencies. In this regard, the parties have agreed to the following;

1. **Classifications - All Field PDC non-skilled employees** will be consolidated into one (1) classification.
2. **Work Circles - All Parts Distribution Centres** shall be arranged in a functional work circles consistent with the above mentioned principles.
3. **Responsibilities - Each work circle** will encompass a broad range of responsibilities applicable to the warehouse or a specific area of the warehouse.
4. **Rotation - Employees assigned to a work circle** will rotate functions within that work circle in a manner determined by the work circle members and the PDC Joint Leadership. Employees will be trained on each function to ensure the maximum skill level and knowledge base of each work circle is achieved. This provides flexibility to respond to changing business conditions. Enhancing the fundamental team-based environment of a work circle is the following premise: every work circle employee has responsibility and ownership of every function in the work circle. Employees will assist in training other work circle members. If an employee has a substantiated condition that would otherwise preclude the employee from performing a rotational function, the employee may bring

the matter to the attention of local Management and Union for discussion and proper resolution.

5. **Seniority** – Employee assignment to a work circle will be based on seniority preference. Functional assignment within a work circle will be based on the rotational format and business needs of the PDC. Adjustments as a result of business needs are intended to be done in a manner that is fair and equitable.
6. **Preferred Functions** - In certain cases, there will be a need for specialized jobs where specific skill sets may preclude rotation of work circle members. The number and type of these positions may vary at each PDC.
7. **Flexible Work** - Simultaneous picking and stocking of parts may be performed across all shifts, as business needs dictate, in order to support reliable throughput and delivery of parts.
8. **Equitable Work Assignments** - Fair and equitable work assignments will be developed to promote the ability to implement and sustain small batch processing techniques.
9. **Housekeeping** - All employees shall have general housekeeping duties as part of their daily responsibilities and will be expected to maintain their work area in a clean, orderly and safe condition on an ongoing basis.

WORK CIRCLE LEADER (WCL)

Since the implementation of this MOU, Mopar employees have provided momentum toward adoption of Lean Principles. In order to enhance the success of Lean implementation, the parties agree on the next evolutionary step, the utilization of Work Circle Leaders(WCLs).

Mopar's business model provides unique challenges within the automotive industry structure. In consideration of this, it is understood and agreed that the implementation of WCLs will be done with the goal of improving customer / dealer satisfaction while reducing Mopar's costs. The parties agree that a WCL has a function to perform as an integral and necessary part of the work circle rotation. In addition to their regular work circle rotational function, the WCLs roles and responsibility will include, but not be limited to the following:

- Learn, follow and promote all area safety requirements, procedures, and processes
- Know and ensure achievement of all Work Circle quality standards
- Assist root causes analysis and problem solving
- Assist development of Standard Work instructions and training new Work Circle members
- Assist in documenting, monitoring and supporting effective use of progress and Batch Board systems
- Evaluate, encourage and support continuous improvement efforts
- Communicate team goals, problems and objectives to Work Circle members
- Perform non-regular, miscellaneous, special and exception pick functions

To achieve the results and outputs that measure the success of Lean Operations and Work Circle Leaders, the LOSC, described below, will, within 90 days after ratification of the 2008 Local PDC Agreements, develop and provide the standardized training, organization structure, quality, material and facility systems and expert support necessary to implement and sustain Work Circle Leader utilization.

It is understood and agreed the utilization of WCLs at

any PDC is contingent on the assessment by the Lean Operating Steering Committee that the subject PDC has adopted Lean Operating Principles and is free from prohibitive barriers to the Lean Operating System.

CONTINUOUS IMPROVEMENT

The parties are committed to the philosophical belief that we must continually look for ways to improve processes in order to sustain our ability to compete. It is the responsibility of each person to participate in identifying issues and eliminating waste. To accomplish this: the Lean Operating Steering Committee (LOSC) was established.

The Lean Operations Steering Committee (L.O.S.C.), consisting of Mopar Senior Management and the CAW National Union is committed to the success of the Mopar Parts Division. The parties recognize the importance of this committee and agree that the L.O.S.C. shall drive implementation and sustainment of the LEAN Operating Principles across the Canadian Parts Distribution network and provide guidance and counsel to ensure success in implementing the Lean processes including the principles of this Memorandum.

The ultimate success of Canadian PDC's is dependent upon Local Employee Participation Council (LEPC) taking responsibility to lead the necessary changes to transform their location into Lean operations. To ensure the accountability and commitment of the LEPC Co-chairs, the LOSC will take the following actions:

1. Provide a structure of accountability, by establishing Joint Co-chairs, one Co-chair being the Director of Global Supply Chain and one Co-chair being a CAW Administrative Assistant.

2. Develop a standardized report to be used by each PDC to regularly provide status updates on Lean implementation, sustainment and continuous improvement.
3. Establish a Lean Assessment Process to measure and review Lean Operating System elements at each PDC and provide direction for implementation and sustainment.

The Company and Union recognize the competitive environment that exists in the Parts Industry. It is agreed that the only manner in which operations can survive and provide job security is to become competitive and efficient. Accordingly, both parties agree to continue to work jointly to meet the commitments outlined in this memorandum.

**2009 Addendum Agreement to the 2008
National Parts Distribution Centre
Agreement**

between

Chrysler Canada Inc.

and the

**National Automobile, Aerospace,
Transportation and General Workers
Union of Canada (CAW-Canada)**

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**Agreement Between
Chrysler Canada Inc.
and
National Automobile, Aerospace, Transportation and
General Workers Union of Canada**

The Company and the Union have agreed to the terms set forth in this Agreement (including its attachments). This Agreement shall constitute an Addendum to the 2008 National Parts Distribution Centre Hourly Agreement between Chrysler Canada Inc and the National Automobile, Aerospace, Transportation And General Workers Union of Canada (CAW-Canada).

With respect to the terms of the attached Memorandum of Understanding calling for suspensions/eliminations of compensation or benefits, or other amendments to existing contractual provisions, the amendments and/or suspensions/eliminations will last until the expiration of the 2008 National Parts Distribution Centre Hourly Agreement or unless otherwise modified or terminated by mutual agreement of the parties.

The parties have agreed that the current 2008 National Parts Distribution Centre Hourly Agreement and all attached Supplemental Agreements will be extended one (1) year from the expiration date of December 8, 2011 and shall continue in full force and effect until 11:59 pm on December 13, 2012 when it shall automatically terminate.

This addendum shall become effective at the beginning of the first pay period following receipt of notice of ratification by the Company from the Union as well as the receipt of

Financial assistance and acceptance of Chrysler Canada's viability plan from both the Federal and Provincial Governments and shall continue in full force and effect until 11:59 p.m., December 13, 2012.

In WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above mentioned.

**MEMORANDUM OF UNDERSTANDING
RE: TUITION REFUND PROGRAM**

The parties agree to eliminate Letter (1) Tuition Refund Program outlined in the current 2008 National Parts Distribution Centre Hourly Agreement between Chrysler Canada Inc. and the National Automobile, Aerospace, Transportation and General Workers Agreement (CAW – Canada) for courses commencing on or after January 1, 2010.

**MEMORANDUM OF UNDERSTANDING
RE: PAID HOLIDAYS**

With the extension of the current 2008 National Parts Distribution Centre Hourly Agreement between Chrysler Canada Inc. and the National Automobile, Aerospace, Transportation and General Workers Union of Canada – (CAW-Canada), Section (43) Eligibility, paid holidays shall include:

December26, 2011	Christmas Holiday Period
December27, 2011	
December28, 2011	
December29, 2011	
December30, 2011	
January 2, 2012	
April 6, 2012	Good Friday
April 9, 2012	Monday after Easter
May 18, 2012	Friday before Victoria Day
May 21, 2012	Victoria Day
July 2, 2012	Canada Day
August 6, 2012	Civic Holiday
August 31, 2012	Friday before Labour Day
September 3, 2012	Labour Day
October 8, 2012	Thanksgiving Day

**MEMORANDUM OF UNDERSTANDING
RE: CHRISTMAS BONUS**

As part of an effort to offset the cost of retiree health care, the parties agree to eliminate Letter (40) Christmas Bonus - \$1,700 attached to the current 2008 National Parts Distribution Centre Hourly Agreement between Chrysler Canada Inc. and the National Automobile, Aerospace, Transportation and General Workers Agreement (CAW – Canada) effective with the date of this agreement.

**MEMORANDUM OF UNDERSTANDING
RE: AUTOMOTIVE DISCOUNT**

The parties agree to eliminate Letter (102) Automotive Discount in the current 2008 National Parts Distribution Centre Hourly Agreement between Chrysler Canada Inc. and the National Automobile, Aerospace, Transportation and General Workers Agreement (CAW – Canada) effective with vehicles purchased on or after January 1, 2010.

**MEMORANDUM OF UNDERSTANDING
RE: SCHEDULED PAID ABSENCE**

The parties agree to eliminate Section (40) Scheduled Paid Absence (SPA), Letter (51) Administrative Procedures of the SPA Program & PAA and all other references to SPA in the current 2008 National Parts Distribution Centre Hourly Agreement between Chrysler Canada Inc. and the National Automobile, Aerospace, Transportation and General Workers Agreement (CAW – Canada).

**MEMORANDUM OF UNDERSTANDING
RE: VACATION PLAN ELIGIBILITY**

As a result of the elimination of SPA, the Basic Payment In Lieu of Vacation with Pay Table in Section (37) Eligibility Working will be amended as follows commencing with the June 2009 – May 2010 vacation eligibility year (payable June 2010).

Seniority on June 30 of the Vacation Eligibility Year	Basic Payment in Lieu of Vacation With Pay	Paid Absence Allowance
1 but less than 2 years	80 hours *	0 hours
2 but less than 3 years	88 hours *	0 hours
3 but less than 5 years	60 hours	80 hours
5 but less than 10 years	80 hours	80 hours
10 but less than 15 years	100 hours	80 hours
15 but less than 20 years	120 hours	80 hours
20 years or more	160 hours	80 hours

* For employees hired prior to the effective date of this agreement, add (40) hours to reflect the conversion of (1) week of SPA.

**MEMORANDUM OF UNDERSTANDING
RE: COLA ADJUSTMENT**

With the extension of the 2008 National Parts Distribution Centre Hourly Agreement between Chrysler Canada Inc. and the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW – Canada), the following represents changes to Section 56 Cost-of-Living Allowance (COLA).

Section 56(a) shall be replaced with:
Effective with the adjustment scheduled for September 2012, the cost-of-living-allowance shall be determined in

accordance with changes in the Consumer Price Index published by Statistics Canada (2002=100)

The schedule in Section 56(b) shall be replaced with:

Effective at Beginning of First Pay Period Commencing on or After:	Based on Three-Month Average of the Consumer Price Index for:
September 1, 2012	May, June and July 2012

Section 56(c)(2) shall be replaced with:

The amount of the cost-of-living allowance effective the beginning of the pay period commencing on or after notice of ratification and ending September 2, 2012 shall be five cents (5¢) per hour.

Section 56(c)(3) shall be replaced with:

Commencing September 3, 2012 for each period thereafter as provided in Subsection (b), the allowance shall be determined as follows:

- (i) a one cent (1¢) adjustment will be provided for each full 0.038 point change in the average index from the COLA base.
- (ii) the COLA base is the average of the February, March and April 2012 Canadian Consumer Price Index (2002=100).

**MEMORANDUM OF UNDERSTANDING
RE: WAGE INCREASES**

The parties agree that the extension of the current 2008 National Parts Distribution Centre Hourly Agreement between Chrysler Canada Inc and the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) to December 13, 2012 includes an extension to Section (57) Wage Increases for the entire term of this Agreement.

This memorandum confirms that the regular base rate for each classification covered by the above agreements shall remain the same at the expiration of this agreement between the company and the union.

**MEMORANDUM OF UNDERSTANDING
RE: DEPENDENT CHILDREN SCHOLARSHIP PROGRAM**

The parties agree to reduce the Dependent Scholarship to eligible dependent children, provided for in Letter (90) Dependent Scholarship from \$1,500 to \$1,300 per year.

This reduction in payment will be effective for courses commencing on or after January 1, 2010.

**MEMORANDUM OF UNDERSTANDING
RE: SPECIAL CONTINGENCY FUND**

The parties have agreed to reduce expenses associated with the funds covered by the Special Contingency Fund (SCF)

covered by the following actions:

- a) Effective December 15, 2009, the Training Fund National Training Committee Letter 72 shall be restructured to fund a total 28 hours per active employee over the balance of this agreement that will consist of 24 hours of training and 4 hours of administration. Funding from this program shall be reduced proportionately to a total of \$306,282 over the remaining three years of the 2008 National Parts Distribution Centre Hourly Agreement.
- b) Effective December 15, 2009, the funding for the balance of the programs covered under the SCF (including the funds contained in the Memorandum of Understanding Covering Special Contingency Fund, Letter (93) Wellness and Legal Services) shall be reduced on a negotiated timetable and restructuring of the foregoing over the balance of this agreement. The savings shall be proportional to savings achieved by the 2008 Production and Maintenance Agreement over the remaining three years of the 2008 Agreement.
- c) Within 90 days of the effective date of this agreement, the parties will negotiate a timetable specifying the precise measures that will be implemented to achieve the commitments specified in (b) above.
- d) Should the hours worked by active employees fall significantly below the hours forecasted by the Company (ie. workforce reduction) to be worked

during 2009 through 2011, the cost savings target specified in (b) above, will be proportionately reduced.

- e) Within 90 days of the implementation of this agreement, the parties will convene a joint committee to review the legal services plan to address its funding status, structure, benefit coverage, financial sustainability and taxable status, with the goal of implementing measures to reduce the cost of its services.

**MEMORANDUM OF UNDERSTANDING
RE: SOCIAL JUSTICE FUND**

With the extension of the current 2008 National Parts Distribution Centre Hourly Agreement between Chrysler Canada Inc. and the National Automobile, Aerospace, Transportation and General Workers Agreement (CAW – Canada), the contribution table in Letter (39) Social Justice Fund will be amended as follows:

Hours Worked	Payment Date
12/26/11 – 03/25/12	04/30/12
03/26/12- 06/24/12	07/31/12
06/25/12- 09/23/12	10/31/12
09/24/12- 12/23/12	01/31/13

**MEMORANDUM OF UNDERSTANDING
RE: CAW LEADERSHIP TRAINING PROGRAM**

With the extension of the current 2008 National Parts Distribution Centre Hourly Agreement between Chrysler Canada Inc. and the National Automobile, Aerospace, Transportation and General Workers Agreement (CAW – Canada), the contribution table in Letter (50) CAW Leadership Training Program will be amended as follows:

Hours Worked	Payment Date
12/26/11 – 03/25/12	04/30/12
03/26/12 – 06/24/12	07/31/12
06/25/12 – 09/23/12	10/31/12
09/24/12 – 12/23/12	01/31/13

**MEMORANDUM OF UNDERSTANDING
RE: \$3,500 PAYMENT**

The parties agree to delete the Unpublished Letter pertaining to the \$3,500 payment (vacation buy-down) included in the 2008 Agreement between Chrysler Canada Inc. and the National Automobile, Aerospace, Transportation and General Workers Agreement (CAW – Canada) effective with the date of this agreement.

**MEMORANDUM OF UNDERSTANDING
RE: RESTRUCTURING EVENTS AND INCENTIVES**

The parties have agreed to modifications in Letter (43) – Retirement Allowance Option – Job & Income Protection

Plan due to events outlined in Letter (41) Restructuring– Job and Income Protection in the 2008 National Parts Distribution Centre Agreement.

For any future restructuring events, as defined in Letter (41), that have not already been announced, the retirement allowance under Letter (43) will consist of a lump sum payment of \$50,000 for production employees and \$60,000 for skilled trades employees. In addition, a \$20,000 new vehicle voucher will be provided.

**MEMORANDUM OF UNDERSTANDING
RE: NEW ENTRY LEVEL EMPLOYEE**

The parties have agreed that New Entry Level Employees hired on or after the date of this agreement will be subject to the wage, benefit and pension provisions outlined below notwithstanding all other provisions specified in the 2008 Agreements.

Wage Progression

- Hired at 70% of the full base rate of the applicable job classification
- 1st year anniversary date – increase to 75% of the full base rate
- 2nd year anniversary date – increase to 80% of the full base rate
- 3rd year anniversary date – increase to 85% of the full base rate
- 4th year anniversary date – increase to 90% of the full base rate
- 5th year anniversary date – increase to 95% of the

full base rate

- 6th year anniversary date – increase to 100% of the full base rate

Cost of Living Allowance (COLA)

- Not eligible for COLA until 3rd year anniversary date

Supplemental Unemployment Benefit (SUB)

- Not eligible for SUB payments until 3rd year anniversary date
- SUB credit unit accrual begins after 1st anniversary date at ¼ credit unit per week worked for the subsequent 18 months, then ½ credit unit per week worked thereafter
- Employees with at least three (3) years of seniority but less than ten (10) years of seniority shall be eligible to receive SUB benefits for a maximum of 26 weeks at the current 65% of weekly straight-time pay. For **up** to the next 26 weeks the SUB benefit will be calculated at 50% of Weekly Straight Time Pay.
- Employees with at least ten (10) but less than twenty (20) years of seniority shall be eligible to receive SUB benefits for a maximum of 39 weeks at the current 65% of weekly straight-time pay. For **up** to the next 39 weeks the SUB benefit will be calculated at 50% of Weekly Straight Time Pay.
- Employees with twenty (20) or more years of seniority shall be eligible to receive SUB benefits for a maximum of 52 weeks at the current 65% of weekly straight-time pay. For **up** to the next 52 weeks the SUB benefit will be calculated at 50% of Weekly Straight Time Pay.

Short Work Week (SWW)

- Not eligible for short work week payments until 3rd year anniversary date

Retiree Health Care

- Coverage will be subject to the provisions of the 2008 P&M Agreement unless altered by a Health Care Trust (HCT)

Pension

- Any employee hired on or after the effective date of this agreement will contribute one dollar (\$1.00) per hour worked toward the existing defined benefit plan effective January 1, 2010
- Pension credited service is capped at a maximum of 30 years for employees hired on or after the effective date of this agreement

All other contractual rights and benefit entitlement will be consistent with the 2008 Agreement.

**MEMORANDUM OF UNDERSTANDING
RE: SUPPLEMENTAL AGREEMENT TEMPORARY PART-
TIME EMPLOYEES**

Notwithstanding all agreement provisions and past practices pertaining to the usage of Temporary Part-Time Employees (TPT's), the parties agree to expand the usage of TPT's to cover absences anytime during the workweek that include contractual, casual and LOA. This expanded use of TPT's will be contingent upon no permanent, full-time production

employees on indefinite lay-off. The daily number of TPT's that may be utilized under this expanded concept will be limited to 7 at the National Parts Distribution Centre.

**MEMORANDUM OF UNDERSTANDING
RE: TEMPORARY PART-TIME (TPT) EMPLOYEES-
OVERTIME PREMIUM PAY**

Notwithstanding the Supplemental Agreement Temporary Part-Time Employees outlined in the 2008 National Parts Distribution Centre Hourly Agreement, the parties agree that TPT employees hired on or after the effective date of this agreement will be paid overtime premium only after forty (40) hours have been worked in any scheduled work week.

This understanding does not apply to full time employees exercising their right to become a TPT employee.

**MEMORANDUM OF UNDERSTANDING
RE: EXHIBIT AND PENSION AMENDMENTS**

The parties agree to incorporate and make part of the National Parts Distribution Addendum Agreement amendments to the Exhibit and Pension Agreements consistent with the 2009 Production and Maintenance Addendum Agreement.

The amended changes are reflected in the following:

Health Care

- Amendments identified in Exhibit G

- Memorandum of Understanding- Life Insurance
- Memorandum of Understanding Re: Monthly Health Care Contributions for Temporary Part-Time (TPT) Employees
- Memorandum of Understanding Re: Sickness and Accident Waiting Period
- Memorandum of Understanding Re: Semi-Private Hospital Accommodation Expense Benefits
- Memorandum of Understanding Re: Dispensing Fee Coverage for Prescription Drugs
- Memorandum of Understanding Re: Employment Insurance Benefit Reimbursement
- Memorandum of Understanding Re: SUB Credit Unit Exception

Pension

- Amendments to the Pension Agreement reflecting the elimination of future quarterly COLA adjustments (PCOLA)