

MEMORANDUM OF AGREEMENT

entered into at
Vancouver, British Columbia
as of the 10th day of May, 1997.

BY AND BETWEEN:

CHRYSLER CANADA LTD. for its
VANCOUVER PARTS DISTRIBUTION CENTRE
hereinafter called the "**COMPANY**"

- and -

**NATIONAL AUTOMOBILE, AEROSPACE,
TRANSPORTATION AND
GENERAL WORKERS UNION
OF CANADA (CAW CANADA)
AND CAW LOCAL 432**
(hereinafter called the "**UNION**")

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between

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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 Vancouver Parts Distribution Centre, except supervisor and those above the rank of supervisors, office staff, sales staff, plant protection staff and office janitors.

Section (2) Reservations to Management

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)

The Company has the exclusive right 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 the employees, which rules and regulations shall not be inconsistent with the provisions of this Agreement, and any changes in such rules and regulations will be discussed with the Union Negotiating Committee before being put into effect.

Section (4) No Discrimination

(a) The Corporation and the Union, in their respective fields, have been leaders in adopting and effectuating policies against discrimination because of race, colour, religion, age, sex, national origin, sexual orientation, or disability. The terms and conditions of agreements between the Corporation 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 Corporation 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 Provincial 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 Corporation which may be made the subject of a grievance under the contract.

(b) 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 Ltd. to ensure a harassment-free workplace as required under the Provincial 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 Ltd. Employees who feel that they are being harassed are encouraged to seek protection under this policy.

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: sex, disability, race, colour, sexual orientation or other prohibited grounds. At Chrysler Canada Ltd. 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, and parking lots.

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 or ethnic background.
- Backlash or retaliation for the lodging of a complaint or participation in an investigation.

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 Ltd. 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.

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, Depot Manager, or designate of the Vice President - Human Resources.

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 Depot Manager, or such higher authority as may be appropriate, who will arrange an interview with the complaint as soon as possible. This interview and the subsequent

investigation will be carried out jointly by the Union and the Company. The investigation team, if possible, will 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 Union representative of the employee being interviewed will be present with Union members during the interview. Interview timing and location will recognize the need to maintain confidentiality.

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 Vice President - Human Resources.

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 Depot Manager, in consultation with the local Plant Chairperson, will attempt to resolve the conflict in a manner that is agreeable to all parties.

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 Safety and Conduct 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 Ltd. 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 Ltd. Staff.

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

The Union shall hold harmless Chrysler Canada Ltd. 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 Manager, Labour Relations and Safety.

REPRESENTATION

Section (5)

- (a) The Union may appoint and the Company shall recognize a Committee comprised of not more than two (2) employees, one (1) of whom shall be designated as chairperson of the Committee.
- (b) Each Committeeperson at the time of appointment shall have at least twelve (12) months' seniority with the Company. The Union shall notify the Company in writing from time to time of the names of the Committeepersons, the respective effective dates of their appointment and the names, if any, of those former Committeepersons whom they are replacing or discontinuing, and also the name of the chairperson of the committee.

Section (6)

- (a) It is understood and agreed that Committeepersons as well as other employees have regular Company duties to perform. The Committeepersons, with the approval of the foreman, shall be permitted, during their working hours without loss of pay, to leave their regular duties for a reasonable length of time to investigate and settle grievances.
- (b) The chairperson of the committee as such shall call and preside at meetings of the committee with the Plant Manager, answer inquiries from other members of the committee and be available as may be required for discussions with the Plant Manager on matters pertaining to the operation of the plant affecting working conditions of employees.

Section (7)

The Union may appoint and the Company shall recognize a negotiating committee consisting of the chairperson referred to in Section (5) and two (2) other members and in addition may include the National

Representative of the Union designated to the Company by the Union from time to time for the purpose.

Section (8)

The provisions of Section (5) shall apply to the employee members of the negotiating committee. Conferences between the Company representatives and the negotiating committee shall be called when agreed upon. Matter 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. Members of the negotiating committee when acting as such will not receive pay from the Company.

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.

GRIEVANCE PROCEDURE

Section (9)

- (a) Any employee having a grievance may present it in writing to the employee's Supervisor or the Committeeperson on forms to be supplied by the Company. Provided that it shall be optional to the Company to decline to consider any grievance the alleged circumstances of which originated or occurred more than five (5) regular working days prior to its presentation.
- (b) The Supervisor shall deal with the grievance and render a decision in writing to the employee or the Committeeperson, as the case may be, not later than the second (2nd) regular working day next following the day upon which the Supervisor received the grievance.
- (c) If the decision of the Supervisor be not satisfactory to the employee concerned, the employee may appeal

therefrom by lodging an appeal in writing with the Plant Manager, either direct or through the Chairperson of the committee within two (2) regular working days of the delivery of the Supervisor's decision.

- (d) The Plant Manager shall deal with the appeal and render a decision in writing to the employee or the Chairperson of the committee as the case may be, not later than the third (3rd) regular working day next following the day upon which the appeal is received.
- (e) The grievance procedure equally shall apply to a grievance lodged by a group of employees.

Section (10)

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

- (a) The discharged employee or the steward may present the grievance in writing either direct or through the chairperson of the plant committee to the Plant Manager within two (2) regular working days of the discharge and if the grievance has been presented through such chairperson, the Plant Manager will review the discharge with that committee within two (2) regular working days of the filing of the grievance. Every effort shall be made to render management's decision thereon forthwith.
- (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 discharge is not for just cause or unless the employee alleges that the employee has been discriminated against in such termination of employment by reason of Union activity, and the Umpire shall not reverse said termination of employment on any other ground. This shall not prevent a probationary employee from lodging a grievance on any other working condition.

Section (11)

- (a) The Company will notify the Committee person of an employee's discharge or indefinite suspension and the Company will provide a reasonable opportunity for the employee to interview the Committee person before the employee leaves the plant.
- (b) The Company will notify the plant Chairperson of an employee's discharge or indefinite suspension when such employee is discharged or suspended after having left the plant.

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

Section (13)

In the absence or inability to act of the Company representatives referred to in this article, the Company may act through nominees of the respective representatives with power to act.

Section (14)

- (a) If the decision of the Plant Manager be not satisfactory to the employee concerned, the employee may appeal therefrom by lodging an appeal in writing with the Plant Manager either direct or through the committee Chairperson within three (3) regular working days of delivery of the decision.
- (b) Thereupon if the appeal has been lodged through the committee Chairperson it shall be taken up for consideration at the conference next following between the Plant Manager and the Committee. A conference shall be called when agreed upon for the consideration of appeals so appearing on the agenda for that conference. The National Representative of the Union

designated to the Company by the Union from time to time for the purpose, may be present and take part in any such conference. The agenda, if any, shall be supplied to the Plant Manager at least twenty-four (24) hours before the conference at which the appeals thereon are listed for discussion. Every effort shall be made to render decision on such appeals at the conference at which the appeals are considered or promptly thereafter.

ARBITRATION

Section (15)

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 five (5) regular work days (excluding Sundays and holidays or days observed therefor) from the date of the decision in the preceding step be referred to arbitration in a manner and under conditions hereinafter set forth.

Section (16)

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 a jurist of repute in British Columbia and 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 British Columbia. If the Union requests the arbitration and fails within ninety (90) 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 (17)

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) from the date of the appointment of the umpire sign a joint stipulation of the dispute or question which is to be arbitrated. Such stipulation shall contain a statement of the issue in dispute and in addition may include a brief 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 (18)

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

Section (19)

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 vary or set aside any penalty imposed by the Company relating to the grievance then before the umpire.

Section (20)

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 (21)

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 (22)

(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 Committeeperson.

(b) New employees of the plant hired as vacation replacements shall be considered as probationary employees for the first one hundred and 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).

Section (23)

Seniority shall cease for any one of the following reasons:

- (a) If the employee quits;
- (b) If the employee is discharged and such discharge be not reversed through the grievance procedure;
- (c) If the employee is absent for five (5) regular working days without advising the Plant Manager giving satisfactory reasons;
- (d) If the employee fails to return to work within five (5) regular working days 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 for a period equal to the employee's seniority at the date when the employee last performed work for the Company, whichever shall be greater;
- (f) If the employee retires or receives a pension under the pension plan. If the employee receives a pension for permanent total disability and recovers and has said pension discontinued, the employee's seniority, including that which the employee otherwise would have acquired during the period of the employee's disability, shall be restored; provided, however, if the period of the employee's disability retirement was for a period longer than the seniority the employee had on the date said pension for permanent total disability began, the employee shall upon the discontinuance of the employee's permanent total disability pension be given seniority equal to the amount of seniority the employee had on the date such pension began;
- (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 receives a permanent total disability benefit under a group life insurance policy held by the Company. If such employee recovers and either (a) said permanent total disability benefit is discontinued or (b) said permanent total disability benefit has been fully paid,

the employee's seniority, including that which the employee otherwise would have acquired during the period of disability, shall be restored. Provided, however, if the period of disability was for a period longer than the seniority the employee had on the date the employee was approved for a permanent total disability benefit the employee shall upon the restoration of the employee's seniority as provided above be given seniority equal to the amount of the seniority the employee had on the date such permanent total disability benefit was approved. However, as to an employee who received such benefit prior to the date of this Agreement, the employee's seniority will continue to accumulate and, should the employee recover, the employee's total accumulated seniority will be credited.

Section (24)

The Company will accept as a satisfactory reason under Section (23) (c) and (23) (d), for absence up to one year an employee's conviction for an offence arising out of the operation of a motor vehicle.

Section (25)

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

Section (26)

The Company shall post a revised seniority list as required each six (6) months and copies of the same shall be supplied to the chairperson.

Section (27)

(a) An employee who transferred out of the bargaining unit or a position subsequently included in the bargaining unit at any time prior to July 30, 1980 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 accumulated as of July 30, 1980.

- (b) An employee transferred out of the bargaining unit on or after July 30, 1980 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.

Section (28)

Notwithstanding their seniority status grievance and negotiating Committeeperson 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 do the work being done at the time.

Section (29)

An employee hired or recalled for a period up to a maximum of five (5) days for the purpose of assisting in the taking of the annual physical inventory shall be excluded from the application of Exhibit C - The Group Insurance Program.

For purposes of recall under this section only, the employee will be given the option to refuse without loss of seniority.

Section (30)

- (a) In the event of a layoff all probationary employees shall be the first to be laid off; and thereafter, employees having the least seniority in the plant shall be laid off, provided those employees remaining are able to satisfactorily perform the work to be done.
- (b) If there be an increase in force after a layoff, employees shall be recalled to work according to seniority.
- (c) When reasonably practicable the Company will give twenty-four (24) hours' notice of layoff to employees.

- (d) The term "layoff" when used in this Agreement means a reduction in the working force that begins upon the completion of the last scheduled day of work for the employee.

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 Section (30), 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.
- (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, 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 (30), Layoff Procedure - Indefinite Layoffs.

PROMOTIONS AND TRANSFERS

Section (32) Filling Vacancies

Supervisors in filling vacancies will give preference to employees with the greatest seniority who are able to satisfactorily perform the work to be done.

At the request of the relevant Committeeperson, the Supervisor shall discuss with the Committeeperson the filling of a vacancy under this Section.

Section (33) Transfer of Operations

- (a) If the Company removes from its Vancouver Parts Plant 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 Vancouver Parts Depot shall be subject to recall at the Depot from which they were

laid off for permanent openings. They will be bypassed on temporary openings.

- (c) When recalled to the Depot from which they were laid off, an employee who accepts the recall shall have his seniority terminated at the Vancouver Parts Distribution Centre. If the employee declines the recall to the Depot from which he was laid off, his seniority at that Depot shall terminate and he shall retain only the date of entry seniority at the Vancouver Parts Distribution Centre.
- (d) The termination of seniority of an employee from the Vancouver Parts Distribution Centre will result in the termination of seniority at all plants.

VACATION PLAN

Section (34)

The qualifying period shall be from March 1st to the following last day of February.

Section (35)

- (a) An employee qualifies for a vacation payment and a paid absence allowance if:
 - (1) the employee has one (1) year of seniority as of the end of the qualifying period, and
 - (2) the employee has worked during such period.
- (b) An employee is entitled to a full vacation payment and a full paid absence allowance if, in addition to (a) above:
 - (1) the employee is not laid off and/or on strike for more than a total of one hundred and twenty (120) calendar days during the vacation period;
 - (2) the employee is not on leave or leaves of absence for more than a total of one hundred and twenty (120) calendar days during the qualifying period;
 - (3) the employee is absent due to sickness or injury and would have qualified under subsection

(1) above except for such absence due to sickness or injury.

(c) An employee is entitled to a pro-rated vacation payment and a pro-rated paid absence allowance if, in addition to (a) above:

- (1) the employee is laid off and/or on strike, or on leave of absence for a period in excess of one hundred and twenty (120) calendar days during the qualifying period;
- (2) the employee retires or is deceased.

Section (36)

- (a) If an employee is laid off and takes sick after layoff has started, said sick days during layoff will be considered as layoff days.
- (b) If an employee who is laid off and (when called back to work) is not able to report for work because of sickness, said sick days after notice to return to work will be considered as sick days off, not as layoff days.
- (c) If an employee is subject to a notice of layoff and takes sick before the day of his layoff, said layoff time will be computed from actual time of layoff.

Section (37)

(a) Any employee qualifying for vacation payment will be paid a vacation payment on the basis of the employee's hourly rate (exclusive of overtime premium but including shift premium) as of January 31st of the qualifying period or as of the last day on which the employee performed work during the qualifying period if prior to January 31st, in accordance with the following schedule:

| Seniority End of the Qualifying | Paid Vacation | Absence |
|--|--------------------------|----------------|
|--|--------------------------|----------------|

| Period | Pay | Allowance |
|---------------------------|------------|------------------|
| 1 but less than 2 years | 40 hours | 36 hours |
| 2 but less than 3 years | 40 hours | 44 hours |
| 3 but less than 5 years | 60 hours | 52 hours |
| 5 but less than 10 years | 80 hours | 52 hours |
| 10 but less than 15 years | 100 hours | 52 hours |
| 15 but less than 20 years | 120 hours | 52 hours |
| 20 years or more | 160 hours | 52 hours |

- (b) Vacation pay shall be paid to eligible employees in March of each year, provided, however, that an employee may elect to be paid all or part of said vacation pay at the time the employee takes a vacation leave of absence, computed as set forth above by indicating this election on the employee's vacation request form.

Section (38)

- (a) 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 at the time of an approved leave of absence as an extension to his vacation.
- (b) 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 management from considering such absence as the basis, in whole or in part, for disciplinary action.
- (c) 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

premium, and the amount of any cost-of-living allowance then in effect.

- (d) Payment of that portion of any employee's paid absence allowance earned during a qualifying period and not used before the end of the subsequent qualifying period shall be computed in the same manner as the employee's vacation payment for the year in which the payment is made.
- (e) Within thirty (30) days after the Company receives notification of the termination of the employee's employment by death, retirement or otherwise, the Company will pay to the employee or said employee's estate (computed pursuant to (c) above), the portion of the employee's paid absence allowance that the employee has not used. Any portion of an employee's paid absence allowance that the employee does not use in the form of paid absences during the twelve (12) month period following the last day of February will be paid to the employee (computed as provided in Section 36) at the time the Company makes the vacation payment in the following year.
- (f) Employees who submit a written request, 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.

Section (39) Scheduled Paid Absence (SPA)

- (a) For the 1997 calendar year, on February 28, employees having at least one (1) year of seniority and having earned full vacation payment in the vacation eligibility year will become eligible for forty (40) hours of Scheduled Paid Absence (SPA) to be scheduled in the 1997 calendar year. The payment will include any applicable shift premium.
SPA weeks will be scheduled during the months of June, July and August, with the scheduling of SPA weeks to be done in seniority order, whereby

employees with the greatest seniority will schedule such SPA week first.

- (b) For the 1998 and 1999 calendar years, SPA weeks will be scheduled in two periods as follows:

| <u>SPA Eligibility Date</u> | <u>SPA Period</u> |
|-----------------------------|-------------------------------|
| February 2, 1998 | May 4, 1998 - August 30, 1998 |
| February 1, 1999 | May 3, 1999 - August 29, 1999 |

Employees 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 eighty (80) hours of SPA to be scheduled in the corresponding SPA period. The scheduling of SPA weeks will be done in seniority order, whereby employees with the greatest seniority will schedule such SPA week first. The payment of SPA will include any applicable shift premium.

- (c) 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.
- (d) Employees will not be eligible for overtime during the work week in which their SPA is scheduled.
- (e) 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 (38) of the Agreement.
- (f) An employee receiving Worker's 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 Section (38) of the Agreement.

(g) There shall be no trading or switching of SPA designated weeks.

Section (40)

Where reasonably possible, the vacation shall be granted between the 1st day of May and the 31st day of August.

PAID HOLIDAYS

Section (41)

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:

| | |
|---------------------|----------------------------|
| May 16, 1997 | Friday before Victoria Day |
| May 19, 1997 | Victoria Day |
| July 4 1997 | Canada Day |
| August 4, 1997 | British Columbia Day |
| August 29, 1997 | Friday before Labour Day |
| September 1, 1997 | Labour Day |
| October 13, 1997 | Thanksgiving Day |
| December 24, 1997) | |
| December 25, 1997) | |
| December 26, 1997) | |
| December 29, 1997) | Christmas Holiday Period |
| December 30, 1997) | |
| December 31, 1997) | |
| January 1, 1998) | |
| January 2, 1998) | |
| April 10, 1998 | Good Friday |
| April 13, 1998 | Monday after Easter |
| May 15, 1998 | Friday before Victoria Day |
| May 18, 1998 | Victoria Day |
| July 3, 1998 | Canada Day |
| August 3, 1998 | British Columbia Day |
| September 4, 1998 | Friday before Labour Day |

| | |
|---------------------|----------------------------|
| September 7, 1998 | Labour Day |
| October 12, 1998 | Thanksgiving Day |
| December 24, 1998) | |
| December 25, 1998) | |
| December 28, 1998) | |
| December 29, 1998) | Christmas Holiday Period |
| December 30, 1998) | |
| December 31, 1998) | |
| January 1, 1999) | |
| April 2, 1999 | Good Friday |
| April 5, 1999 | Monday after Easter |
| May 21, 1999 | Friday before Victoria Day |
| May 24, 1999 | Victoria Day |
| July 2, 1999 | Canada Day |
| August 2, 1999 | British Columbia Day |
| September 3, 1999 | Friday before Labour Day |
| September 6, 1999 | Labour Day |
| October 11, 1999 | Thanksgiving Day |
| December 24, 1999) | |
| December 27, 1999) | |
| December 28, 1999) | Christmas Holiday Period |
| December 29, 1999) | |
| December 30, 1999) | |
| December 31, 1999) | |
| April 21, 2000 | Good Friday |
| April 24, 2000 | Monday after Easter |

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 foreman for such absence, or
- (c) The employee is absent on vacation under the established vacation plan or is on a 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 said 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 Christmas holiday period, the employee must have worked the last scheduled working day prior to, and the next scheduled working day after such holiday period.
 - (h) When a holiday(s) defined in Section (41) 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.

Section (42)

Any employee who agrees to work on 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 the absence.

Section (43)

When any of the above-enumerated holidays fall 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 fall on a Saturday or Sunday this shall not preclude payment for same.

Section (44)

If the Government of British Columbia declares a holiday to be observed other than those specifically enumerated above, 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 (41).

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

Section (45)

The following agreements between the Corporation and the National Union (CAW-Canada) dated December 16, 1996 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 E - The Health Care Program

From the date of this Agreement until the expiration of this Agreement neither party shall demand any change in this Section of this Agreement, nor shall either party be required to bargain with respect to this Section or any modifications thereof or additions or supplement thereto, or with respect to any pension or retirement an arrangements or plan, nor shall a change in or addition to this Section be an object of or be a reason for any strike or lockout or other exercise of economic force or threat thereof by the Union or the Corporation.

WORKING HOURS

Section (46) Shifts

The Company's regular work week consists of five (5) eight (8) hour days Monday through Friday.

Section (47) Shift Hours and Premiums

- (a) The first (1st) shift is any shift that regularly starts on or after 4:00 a.m. but before 11:00 a.m. The second (2nd) shift is any shift that regularly starts on or after 11:00 a.m. but before 7:00 p.m. The third (3rd) 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 (2nd) or third (3rd) 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 (48) 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 (41)].

Section (49) 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 (41)].
- (b) For authorized time worked on any of those holidays designated in Section (41).

Section (50) Call-In Pay

An employee reporting for work on instructions of the Company, but for whom no work at the employee's regular job is available, will be offered at least four (4) hours' employment in other work at the employee's regular hourly rate or at the Company's option, will be paid for four (4) hours' time at the employee's regular hourly rate. This provision shall not be applied when such lack of work is due to a labour dispute, fire, flood, or other cause beyond the control of the Company.

Section (51) 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 (52)

- (a) An employee who receives Workers' Compensation will be paid by the Company for the balance of the shift on which the injury occurred.
- (b) An employee who is injured on the job will be paid for the balance of the shift on which the employee has been sent home or to an outside hospital or outside doctor by a medical officer of the Company or other member of management authorized to do so, because of such injury.

- (c) 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 (53) Cost-of-Living Allowance

- (a) Effective May 12, 1997, subject to ratification by that date, but after the application of the wage increases provided in Section (54), sixty-three (\$0.63) per hour shall be deducted from the eighty-one cents (\$0.81) per hour cost-of-living allowance in effect immediately prior to that date and shall be added to the full base rate for each classification.
- (b) Commencing May 12, 1997, subject to ratification, and thereafter during the period of this Agreement, all employees covered by this Agreement shall receive a cost-of-living allowance and cost-of-living allowance adjustments in accordance with the following. The amount of the cost-of-living allowance effective May 12, 1997 and ending June 1, 1997 shall be twenty-two cents (\$0.22) per hour. Thereafter, the cost-of-living allowance and cost-of-living allowance adjustments shall be computed and paid on the same basis as the cost-of-living allowance is computed and paid to CAW hourly employees of Chrysler Canada Ltd. covered by the National Parts Distribution Centre Agreement dated December 16, 1996.

| | |
|---|---|
| Effective at Beginning of First Pay Period <u>Commencing on or After</u> | Based on Three-Month Average of the Consumer Price Indexes <u>Published For:</u> |
|---|---|

June 1, 1997
 September 1, 1997
 December 1, 1997
 March 1, 1998

Feb., March, April 1997
 May, June, July 1997
 Aug., Sept., Oct. 1997
 Nov., Dec. 1997, Jan.
 1998

June 1, 1998
 September 1, 1998
 December 1, 1998
 March 1, 1999

Feb., March, April 1998
 May, June, July 1998
 Aug., Sept., Oct. 1998
 Nov., Dec. 1998, Jan.
 1999

June 1, 1999
 September 1, 1999
 December 1, 1999

Feb., March, April 1999
 May, June, July 1999
 Aug., Sept., Oct. 1999

Section (54) Wage Increase

- (a) Effective the beginning of the pay period commencing on or after receipt of notice of ratification, each employee covered by this Agreement shall receive an increase in the employee's straight time hourly wage rate (exclusive of cost-of-living allowance, and shift premium, seven-day operations premium, and any other premiums), in accordance with the following Table I:

TABLE I

Straight Time Hourly

| <u>Wage Rate</u> | <u>Wage Increase</u> |
|-------------------|----------------------|
| Less than \$20.75 | 41¢ per hour |
| \$ 20.75 - 21.24 | 42¢ per hour |
| 21.25 - 21.74 | 43¢ per hour |
| 21.75 - 22.24 | 44¢ per hour |
| 22.25 - 22.74 | 45¢ per hour |

The increase in base rates provided for in this Section (54) (a) will be added to the full base hourly rate for each classification.

- (b) Improvement Factor. The improvement factor provided herein recognizes the principle that a continuing improvement in the standard of living of employees depends upon technological progress, better tools, methods, processes and equipment and a cooperative attitude on the part of all parties in such progress. It further recognizes the principle that to produce more with the same amount of human effort is a sound economic and social objective. Accordingly, effective December 15, 1997, each employee covered by this Agreement shall receive an improvement factor increase in straight time hourly wage rate (exclusive of cost-of-living allowance, and shift premium, seven-day operations premium, and any other premiums), in accordance with the following Table II:

TABLE II

| Straight Time Hourly | |
|-----------------------------|----------------------|
| <u>Wage Rate</u> | <u>Wage Increase</u> |
| Less than \$21.75 | 43¢ per hour |
| \$ 21.75 - 22.24 | 44¢ per hour |
| 22.25 - 22.74 | 45¢ per hour |
| 22.75 - 23.24 | 46¢ per hour |
| 23.25 - 23.74 | 47¢ per hour |

The increase in base rates provided for in this Subsection will be added to the full base hourly rate for each classification.

- (c) Improvement Factor. Effective December 21, 1998, each employee covered by this Agreement shall receive an improvement factor increase in straight time hourly wage rate (exclusive of cost-of-living allowance, and shift premium, seven-day operations premium, and any other premiums), in accordance with the following Table III:

TABLE III

Straight Time Hourly

| <u>Wage Rate</u> | <u>Wage Increase</u> |
|-------------------|----------------------|
| Less than \$22.25 | 44¢ per hour |
| \$ 22.25 - 22.74 | 45¢ per hour |
| 22.75 - 23.24 | 46¢ per hour |
| 23.25 - 23.74 | 47¢ per hour |
| 23.75 - 24.24 | 48¢ per hour |

The increase in base rates provided for in this Subsection will be added to the full base hourly rate for each classification.

Section (55) 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 eighty-five percent (85%) of the full base rate of the job classification.
 - (ii) At the expiration of two hundred and seventy (270) days of employment, such employee shall receive an increase to ninety two and one half percent (92.5%) of the full base rate of the job classification.
 - (iii) At the expiration of five hundred and forty-five (545) days 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 compensable injury, sickness 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.

LEAVE OF ABSENCE

Section (56) Leave For Good Cause

- (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 Warehouse Manager by the President or the Financial Secretary-Treasurer of Local 432.
- (b) A leave of absence for a period not to exceed one (1) year without loss of seniority may be granted an employee 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 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.
- (c) 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 British Columbia to service primarily Chrysler employees. Such leave of absence may be extended for additional periods not to exceed one (1) year each.

- (d) Any employee with at least one (1) year's seniority who is elected to public office (municipal, provincial or federal) shall, upon written application to the Warehouse Manager, be granted a leave of absence for the period of time necessary to fulfil the duties of said office during the employee's first term. Additional leave(s) of absence for service in elective public office may be granted upon written application by the employee. While on such leave(s) of absence an employee shall accumulate seniority.
- (e) The President and the Financial Secretary-Treasurer of Local 432 of the Union and any National representative of the Union, being employees of the Company, so long as Union offices held by them are full time positions, shall be granted leave of absence by the Company for a period of two (2) years, subject to renewal on application to the Company for further successive periods of two (2) years each, and while on such leave of absence shall accumulate seniority.

Section (57) Bereavement Pay

- (a) (i) When death occurs in the employee's immediate 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) within the ten (10) calendar day period immediately following the date of death, provided the employee attends the funeral.
3 Days - step parent 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

- (iii) 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).
- (iii) An employee who returns to work on or after the date of the funeral will not be eligible for Bereavement Pay for any subsequent absence in connection with that bereavement.
- (iv) Payment shall be made at his straight-time hourly rate on the last day worked exclusive of overtime premiums but inclusive of shift 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.
- (v) In the event the body of a member of an employee's immediate family is not buried in continental North America solely because the cause of death has physically destroyed the body, or the body is donated to an accredited North American hospital or medical center for research purposes, the requirement that the employee attend the funeral will be waived.
- (vi) 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 (58) Jury Duty

Any employee with seniority who is called to and reports for jury duty (including coroner's juries) will be paid the difference between the employee's straight-time hourly rate

and the jury duty fee paid by the court (excluding travel allowance or reimbursement of expenses) for the straight-time hours lost due to serving on jury duty.

In order to qualify for 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.

Section (59) Overtime Distribution

Overtime will be evenly distributed when reasonably possible among the employees provided they are able to satisfactorily 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 said turn insofar as distribution of such overtime is concerned.

Section (60) Disabled Employees

In the event of an employee suffering a major disability, exception may be made to the seniority provisions of this Agreement in favour of such employee, but when a layoff occurs the employee who suffered a major disability shall take the employee's respective place on the seniority list.

Section (61) New Jobs

- (a) When a new job is placed in the depot and cannot be properly placed in an existing classification, the Corporation 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 (9) 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 (15) 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 Corporation 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 notices does not file a written grievance as provided in Subsection (c) above, such classification and rate of pay shall be deemed satisfactory to the Union and not subject to the grievance procedure.

- (f) The Corporation has a responsibility and a duty to properly classify. Accordingly, from time to time during the term of this Agreement, the Corporation 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 Corporation in carrying out its obligations in this respect, notwithstanding the fact that employees may have been assigned to another classification.

Section (62) Bulletin Board

- (a) The Company extends to the Union the privilege of using one (1) bulletin board in its Vancouver Plant to be prepared by the Company and to be located as agreed upon.
- (b) Provided and it is agreed that such bulletin board shall be used by the Union for the posting thereon by the chairperson of the committee such notices only as have received the prior approval of the Plant Manager, 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 432 of the Union, and which notices shall be further 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 (63) No Strike – No Lockout

During the term of this Agreement or any extension thereof mutually agreed upon, there shall be no strike or stoppage of work or interference with plant operation on the part of the members of the Union nor any lockout of the employees on the part of the Company.

UNION SECURITY

Section (64) - Requirement of Union Membership

- (a) Employees covered by this Agreement at the time it became 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 became 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 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 such effective date 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 (65) Payment of Initiation Fee by
Check-off or Direct to Union**

- (a) Employees may tender the initiation fee by signing the Authorization form, or may pay the same directly to the Union.
- (b) The initiation fee for membership in the Union shall not exceed the limits of the Constitution of the National Union prescribed at the time the employee becomes a member.

- (c) Any dispute arising as to an employee's membership in the Union shall be reviewed by the Vice-President - Human Resources and the President of the Local Union, and if not resolved may be submitted directly to the arbitrator through the arbitration provisions.

Section (66) Check-off of Union Dues

- (a) The parties agree that there shall be continued 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 cases 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, refunds 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 employees' 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 provisions of this check-off section shall be matter for the grievance procedure and shall be submitted direct to the Umpire.

NOTICES PURSUANT TO AGREEMENT

Section (67)

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:

The National Representative,
Western Canada,
National Automobile, Aerospace, Transportation and
General Workers Union of Canada - CAW Canada,
326 12th Street
New Westminster, B.C.

LOCAL 432

The Chairperson - Chrysler Unit,
Local 432,
National Automobile, Aerospace, Transportation and
General Workers Union of Canada - CAW Canada,
Unit 14, 14877 58th Ave.
Surrey, British Columbia.
V3S 8Y9

THE COMPANY

Vice-President - Human Resources
Chrysler Canada Ltd.,
P. O. Box 1621

Windsor, Ontario.
N9A 4H6

TERMINATION

Section (68)

Subject to any provision of law or any regulation having the force of law, this Agreement shall become effective on the 16th day of May, 1997, and continue until 11:59 p.m. on the 15th day of May, 2000, 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 Vancouver, British Columbia, this 10th day of May, 1997.

CHRYSLER CANADA LTD.
VANCOUVER PARTS DEPOT
Bob Czilok
Alex Eliopoulos
Bob Fast
Tom Introcaso
Mike Spoons

NATIONAL AUTOMOBILE, AEROSPACE,
TRANSPORTATION AND GENERAL WORKERS UNION
OF CANADA - (CAW CANADA,)
Ron Pellerin
Art Fraser
Trung Ngo
Peter Cooper
Manjit Basran

**MEMORANDUM OF UNDERSTANDING
COVERING SPECIAL CONTINGENCY FUND**

The Company and the Union agree that:

1. The Special Contingency (SC) Fund will be continued for the term of this Collective Agreement.
2. Such SC Fund will equal an accrual by the Company of \$2.35 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 at this Agreement - calculated on a twelve month rolling average.
2. 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.)
 - iv) research, leadership and development activities of the Union
 - v) programs covered under the National Training Committee Letter (16.1)

and to finance the negotiated Child Care Programs, and then only if needed. At any point in time the special Contingency Fund Balance shall be equal to the cumulative accrual calculated in Section 2 above, less the cumulative utilization in this Section 3. The cumulative accrual and utilization shall include balances carried forward from prior Agreements and then only if needed.

4. 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 Corporation 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 Corporation 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.

5. 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 4 above
 - ii) funding for the Legal Services Plan will be made available pursuant to the provisions of P&M letter (10.7)
 - iii) funding for the C.A.W. Leadership Training Program (P.E.L.) will be provided in the amount of \$0.02 per hour worked
 - iv) funding for research, leadership and development activities of the Union will be provided in the amount of \$0.03 per hour worked.
 - v) funding for programs and activities of the National Training Committee will be provided pursuant to letter (16.1)
6. 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 5, the balance of training, as developed for this location by the National Training Committee, will only be provided once funding from other sources has been determined and agreed upon by both parties.

7. As of the end of this Collective Agreement period, the parties would negotiate the usage of any balance then remaining in the Special Contingency Fund.

LETTERS

(1) HEALTH AND SAFETY

The Chrysler Canada-CAW Production and Maintenance Memorandum of Understanding - Health and Safety and Related Safety Programs - will have application as it applies to the Vancouver Parts Distribution Centre.

In addition to the recognition of Chrysler Canada Ltd. Safety Programs the following letters from Chrysler Canada Ltd. - CAW Production and Maintenance Agreement will be recognized as having application in our agreement based upon local past practices:

- Journeyman/Woman Safety Training
- New Employee Health and Safety Training
- Periodic Safety Talks
- Protective Clothing
- Lockout/Tagout Program
- New or Relocated Equipment
- Heat
- Heat Stress Index
- Medical Surveillance Programs
- Confidential Medical Information
- Infectious Communicable Diseases
- Liquid and Air Supply Systems
- Noise Abatement Program
- Chemical Information
- Chemical Data Link CCOHS
- Records of Breathing Zone Exposure
- Canadian Health Research

Preventive Maintenance
Health and Safety - Use of Camera
Contact Procedure of Health and Safety
Representative for Work Refusal
Official Safety Complaint Form
Joint National Environmental Committee
Lift Truck/Vertalift Driving Training
Joint Health and Safety Committee -
Duties and Responsibilities
Joint Statement on Health and Safety Work Refusals
Substance Abuse Drug Testing

(2) PRESCRIPTION GLASSES

The Company will provide prescription safety glasses to seniority 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 invisible line bi-focal and tri-focal lenses 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 a doctor or optometrist. The Company will establish the standards and specifications for the frames and lenses and will select the manufacturing source.

(3) SAFETY SHOES

The Company has agreed to pay seniority employees actively at work up to eighty-five dollars (\$85.00) for the purchase of safety footwear from approved Company sources not more often than once each year through the payroll deduction program. It is understood that if the shoes are purchased for less than \$85.00 the amount paid will be the actual cost of the shoes. An employee who elects to purchase safety footwear in accordance with this understanding will be required to wear such footwear on the job.

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.

(4) 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 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.

(5) HEALTH & SAFETY - 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. The local Health and Safety Committee shall assess the work activities in the depot to determine those specific work activities it considers 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 where necessary, necessary 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, will develop guidelines for implementing Working Alone procedures at the local levels.

**(6) 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 3.0 cents (\$0.03) per hour worked during the term of this Agreement.

(7) 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.

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

**(8) MINUTE OF SILENCE
- INDUSTRIAL ACCIDENT**

During the course of these negotiations the Union requested minute of silence be observed in the depot in memory of those persons who have died in industrial accidents. Such moment 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 least impact on depot operations.

To mark the observance flags will be lowered to half staff.

(9) EMPLOYMENT EQUITY

The Chrysler Canada-CAW Production and Maintenance Memorandum of Understanding - Employment Equity will be recognized as having application as it applies to the Vancouver Parts Distribution Centre.

(10) MINUTE OF SILENCE - ACTS OF VIOLENCE

During these negotiations, the Union requested a minute of silence be observed in the plants covered by this Agreement in memory of women who have died due to acts of violence. The moment of silence will be observed each year on December 6, at 11:00 a.m. or when local plant management determines the observance will have the least impact on plant operations.

Flags will be flown at half staff to mark this occasion.

(11) WAGE PROGRESSION

This will confirm the Corporation's practice with respect to the application of Section (55)(a) to certain employees laid off due to a reduction in force.

A probationary employee 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 whose seniority was broken pursuant to Section (23)(e) and is rehired shall continue progression to the full base rate of the job classification from the same relative position in the rate range the employee had attained prior to layoff.

(12) CHRISTMAS HOLIDAY - ELIGIBILITY

This will confirm the fact that with respect to the application of the eligibility rules applicable to the Christmas Holiday Period holidays, the Company will follow the following practice with respect to the application of the provisions of Sections (41), (42) and (43) of the current Vancouver Parts Distribution Centre Agreement.

1. 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.

2. A seniority employee excused by the 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.
3. A seniority employee on sick leave of absence who is released by the 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 present satisfactory medical evidence of the employee's availability to work on such day upon the employee's return to work.
4. 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.
5. 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.
6. A seniority employee who is temporarily or indefinitely 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.

(13) CHRISTMAS BONUS

During these negotiations it was agreed by the Company and the Union that employees who are eligible for payment-in-lieu of vacation in accordance with the provisions of Section (35) will receive a special payment of \$900.00 in 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 (35) 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.

(14) RETROACTIVITY

This letter will confirm the understanding reached during the recent contract negotiations regarding the retroactive application of the 2% General Increase to base rates.

The Company has agreed to apply the 2% General Increase, plus or minus the Cost-of-Living adjustments detailed below, to all hours compensated from December 16, 1996, through the Sunday prior to the effective date of the General Increase. The Cost-of-Living adjustments which will be added or deducted from the retroactive General Increase amounts are as follows: \$0.09 per hour will be deducted for all hours compensated from December 16, 1996, through March 2, 1997; \$0.04 per hour will be added for all compensated hours from March 3, 1997, through the Sunday prior to the effective date of the General Increase. The retroactive adjustment will be provided to all employees on the roll as of the date of this Agreement.

(15) E.I. PREMIUM REBATE

This will confirm our understanding first reached during the 1991 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 June, 1991, and continuing through the term of the current Agreement the Corporation will cease sharing the premium reduction with employees in the form of a cash rebate and will instead apply his share of the Employment Insurance premium reduction to improvements in current benefits or to provide new benefits.

(16) SHIFT HOURS AND PREMIUMS

Section (47), Shift Hours and Premiums provides:

- (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.

Hourly employees who are scheduled to work and work a shift other than their regularly scheduled shift, will receive the premium provided in Section (47).

For example, an employee is normally scheduled to work 7:00 a.m. to 3:30 p.m. On Friday he is scheduled to work and works a shift from 3:30 p.m. to 12:00 midnight. He will receive second shift premium for those hours on Friday.

First shift employees who are scheduled to work and who do work additional hours in advance of their regular shift starting time will receive the shift premium applicable to their advance starting time for all hours worked on such shift.

For example, a first shift employee is normally scheduled to work 7:00 a.m. to 3:30 p.m. On Friday said employee is scheduled to work and works a shift from 3:00 a.m. to 3:30 p.m. Said employee will receive third shift premium for those hours on Friday.

(17) 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 employees 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 \$19,696.64 (representing the value of up to 16 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, ongoing administrative costs and labour costs associated with employees attending approved training.

(18) 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 five cents (\$.05) for each hour worked in the preceding thirteen (13) week period. Two cents (\$.02) of such quarterly contributions will be made available 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> |
|---------------------|---------------------|
| 05/12/97 - 06/29/97 | 07/31/97 |
| 06/30/97 - 09/28/97 | 10/31/97 |
| 09/29/97 - 12/28/97 | 01/30/98 |
| 12/29/97 - 03/29/98 | 04/30/98 |
| 03/30/98 - 06/28/98 | 07/31/98 |
| 06/29/98 - 09/27/98 | 10/30/98 |
| 09/28/98 - 12/27/98 | 01/29/99 |
| 12/28/98 - 03/28/99 | 04/30/99 |
| 03/29/99 - 06/27/99 | 07/30/99 |
| 06/28/99 - 09/26/99 | 10/29/99 |
| 09/27/99 - 12/26/99 | 01/31/00 |
| 12/27/99 - 03/26/00 | 04/30/00 |

The Union will co-operate 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.

An educational leave of absence for participation in the Union's program will be granted by the Company in accordance with Section (11.2) of the Production and Maintenance Agreement (and similar sections of other agreements which incorporate this program) to seniority employees designated by the President of the National Union to the Vice-President - Human Resources for the Company on four (4) weeks' advance written notice specifying the employee's name and dates of requested absence, provided no such absence will result in any loss of efficiency or disruption of operations at the Company's plants.

Employees granted such leaves will be excused from work without pay for up to twenty (20) days of class time, plus travel time where necessary, said leaves of absence to be intermittent over a twelve (12) month period from the first day of leave during the term of the applicable collective bargaining agreement.

(19) TUITION REFUND PROGRAM

The Company offers and administers a tuition refund program under which employees will, under such terms and conditions as the Company may from time to time establish, receive a tuition refund not to exceed \$1,500 a calendar year (\$2,000 for the calendar year for approved courses taken at an accredited college) upon completion of an approved job-related course at an approved educational or training institution during non-working hours while on the active roll of the Company. Any refund made to an eligible employee will relate to the calendar year of completion of the approved course or courses.

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

- (a) Courses which will improve his skill on the employee's present job. This includes courses designed to update employees in the technology of their trade or occupation.
- (b) Courses which relate to the next job in the logical development of an employee's career.
- (c) Courses which will 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) 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 with the Company.

The Umpire shall have no jurisdiction over any matter involving the establishment, administration or terms and provisions of such a tuition refund program.

(20) TUITION REFUND - LABOUR STUDIES

During our recent negotiations the Union inquired about the application of Chrysler's Tuition Refund Program to an Associate Degree in Labour Studies.

This is to advise you that subject to the provisions of the Tuition Refund Program, the Company will approve for tuition refund 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.

(21) EMPLOYEE-RETIREE NEW VEHICLE PURCHASE PROGRAM

This will confirm my advice to you that Chrysler 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-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 Corporation 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.

(22) LEGAL SERVICES PLAN

During the course of negotiations of the Vancouver Parts Distribution Centre Agreement the parties discussed the Legal Services Plan and its continued application to hourly employees covered by this Agreement.

The Union was informed that represented hourly employees in the Vancouver Parts Distribution Centre will continue to be included in the plan covering CAW represented employees in the Windsor area plants.

(23) MATERNITY, PARENTAL AND ADOPTION LEAVES

It is the Company's intent to establish a new maternity leave allowance which will provide seniority employees with up to 16 weeks of benefits at 75% of Weekly Straight Time Pay less Employment Insurance benefits. In addition, it is the Company's intent to establish new parental and adoption leave allowances which will provide seniority employees with 10

weeks of benefits, or for duration of the leave, if shorter, at 65% of Weekly Straight Time Pay less Employment Insurance benefits.

It is the intent of the Company to implement this new procedure no later than April 1, 1997.

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.

**(24) ADMINISTRATIVE PROCEDURES
OF THE SPA PROGRAM & PAA**

1. 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 paragraph (g) of Section (39), in the event that there are significant employee transfers into or out of a department which because of the scheduled SPA time would adversely impact the operations, the Personnel Manager and the Shop Chairperson will modify the designated weeks off in order to protect skill levels and quality.
2. Any discipline assessed which would be scheduled during the SPA weeks shall not otherwise disqualify the employee for payment of the day in which the discipline 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 their SPA week, the discipline record would reflect a three (3) day disciplinary layoff, however the employee would receive SPA payments for those two (2) days.
3. Notwithstanding the provisions of paragraph (f) of Section (39), the Company and 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.

(25) SOCIAL JUSTICE FUND

During 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 one cent (1¢) for each straight time hour worked in the preceding thirteen (13) week period on the following dates:

| <u>Hours Worked</u> | <u>Payment Date</u> |
|---------------------|---------------------|
| 03/31/97 - 06/29/97 | 07/31/97 |
| 06/30/97 - 09/28/97 | 10/31/97 |
| 09/29/97 - 12/28/97 | 01/30/98 |
| 12/29/97 - 03/29/98 | 04/30/98 |
| 03/30/98 - 06/28/98 | 07/31/98 |
| 06/29/98 - 09/27/98 | 10/30/98 |
| 09/28/98 - 12/27/98 | 01/29/99 |
| 12/28/98 - 03/28/99 | 04/30/99 |
| 03/29/99 - 06/27/99 | 07/30/99 |
| 06/28/99 - 09/26/99 | 10/29/99 |
| 09/27/99 - 12/26/99 | 01/31/00 |
| 12/27/99 - 03/26/00 | 04/30/00 |

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 subsequent quarterly contribution as set forth above, as long as the requirements of points (a) to (d) above continue to be met by the Union.

(26) PENSION CREDITED SERVICE - WCB

In resolution of the interpretation of the Credited Service provisions of the Non-Contributory Pension Plans regarding Employees represented by the CAW who are in

receipt of Workers' Compensation benefits, the parties agree such Employees may accrue Credited Service during any period in which the Employee is in receipt of any Workers' Compensation benefit, for a period equal to but not greater than the length of his seniority or Credited Service, whichever is less.

In addition, it is further understood the Corporation will no longer offset any Workers' Compensation supplement against any monthly pension benefit payable on or after January 1, 1990.

(27) RESOLUTION OF DISPUTES - BENEFIT PLANS AND PENSION AGREEMENT

No matter respecting the provisions of the plans or agreements references in Section (45) S.U.B.P.; Income Maintenance/Voluntary Termination; Life and Disability Insurance; Relocation Allowance; and Health Care; or the Pension Agreement between Chrysler Canada Ltd. and the CAW, shall be subject to the grievance procedure established under this agreements, 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.

(28) PENSION BENEFIT REDUCTION

The parties agree that if any employee's or surviving spouse'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 supplementary pension for employees retiring after December 31, 1991"), then the Corporation agrees to pay to such employee or surviving spouse in one lump sum payment the Actuarial Equivalent of the amount of the required reductions. 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 Actuarial Equivalent of the reductions shall be made at the time the employee's seniority ceases (or at the earliest of the date of death or age 65 for an employee who is occupationally disabled as defined in Section (1)(c) of Article V) 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).

(29) PENSION - SIB

The surviving spouses of employees who elect to take a lump sum pension payment in accordance with the British Columbia 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.

(30) BRITISH COLUMBIA LEGISLATION

During negotiations, discussion took place regarding the potential for change to British Columbia legislation dealing with employment standards and health and safety issues. Management advised the Union that should problems arise during the life of the agreement that are related to changes in these legislated areas, the Union may raise these issues with the Chrysler Canada Labour Relations and Safety Department.

Should changes to the Workplace Safety and Health Act amend the worker's right to refuse work that he or she believes to be unsafe within the context of the legislation as

of the date of this agreement, the parties agree to meet and develop a mechanism for maintaining said right.

(31) SUPERVISORS WORKING

This letter is written to advise you of the Company's policy with respect to Supervisors working.

Supervisory employees shall not perform the regular work of bargaining unit employees, except in emergencies when the regular employees are not immediately available or for the purpose of investigation, experimentation, information, or instruction, provided that an act of performing the aforementioned operations in itself does not reduce the pay of any employee.

(32) 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.

(33) 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 Ltd. location as a productive manufacturer of world class quality products in the North American automotive market and to ensure that Chrysler Canada Ltd. employees, who contribute to the success of the Corporation, 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 Corporation. For example, outsourcing, the introduction of new technology, sale of part of the Corporation, 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.

(34) RESTRUCTURING - JOB AND INCOME PROTECTION

During the current 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 36, 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 36 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 36 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, at the date of layoff, of Seniority at layoff or because the employee meets 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 Corporation 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 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 36; 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 36; 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 36 upon retirement; and
- (5) Offering the opportunity to 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 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 Corporation 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 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 36; 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 2 (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 36; 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 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 36 upon retirement. If the number of Employees separated or scheduled for separation under the three preceding steps, exceeds the number of job 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 requirement 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:

- be eligible for Regular Benefits under the SUB Plan;
- be offered employment at other Corporation 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
- 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 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 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 Corporation 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.

(35) RIGHTS UNDER JOB AND 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 (34) - 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 Corporation 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 (34), Job and Income Protection available to them at the time of the original layoff.

(36) RETIREMENT ALLOWANCE OPTION

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 (34) - Restructuring - Job and Income Protection.

Accordingly, after May 12, 1997 any employee who is retirement eligible under the provisions of Letter (34) on the date of the closure or permanent job loss, will be given the option of taking a Retirement Allowance of \$42,500.

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 (34) 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%.

(37) PAYMENTS UPON PLANT CLOSURE

During the current negotiations the parties agreed that upon a stand alone plant closure as defined in Letter (34) 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 60% 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 either Special Early or Regular 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 October 1, 1993.

- (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 (36).

(38) CONTENT

During the course of the 1994 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 Agreement. This would include, where feasible, replacement of jobs lost by outsourcing.

In addition, Chrysler Canada Ltd. 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 Ltd. 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.

(39) 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 1996 negotiations the company and the union focused on the impact of outsourcing decisions and their impact on individual workers, their families and their communities.

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 this concept, the Company commits there will be no reduction in Vancouver Parts Distribution Centre employment levels as a result of outsourcing during the term of this agreement.

Furthermore, during these negotiations, we reviewed our plans with the Union for the Vancouver Parts Distribution Centre (VPDC) in Vancouver and indicated that studies are in progress to determine the best role for Chrysler Canada in a global parts supply operation. In this respect we committed to review on an on-going basis information concerning globalization as it becomes available and its effect on the VPDC. We further advised the union that the present operating plan is expected to continue for the life of this agreement provided the demand for parts continues at current levels.

The parties agree this commitment should serve to alleviate the real sense of insecurity prevalent among workers in today's business setting. With this new sense of security, the parties believe workers may apply them selves to pursuits that are in the best interest of themselves, the company, the Union, and their communities.

**(40) JOB SECURITY AND WORK OWNERSHIP -
INFORMATION**

During the term of the Agreement Chrysler Canada will advise the National Union on a bi-annual basis of

announced outsourcing actions planned for units covered by this agreement. Information concerning replacement work will be similarly provided.

(41) 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 May 16, 2000, the Company will not close or sell the Vancouver 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.

(42) COMPUTER AND PRINTER

During the course of these negotiations the company agreed to provide a computer and printer to the union office.

(43) SHIFT EXCHANGE

In the course of current negotiations, the Company and the Union had lengthy discussions concerning seniority employees who were desirous of exchange shifts for a limited period of known duration not to be less than four (4) months.

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 Operations 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.

(44) SHIFT PREFERENCE

This will confirm our discussion during recent negotiations concerning shift preference.

When hiring permanent employees the Company agrees that those employees assigned to the day shift will be re-assigned to an off shift, as soon as reasonably possible, and in any event no later than one (1) month after their date of hire.

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

HOURLY BASE RATES
VANCOUVER PARTS DISTRIBUTION CENTRE

| <u>Dec. 15,</u> | <u>Class No.</u> | <u>Classification</u> | <u>May 12,</u> | |
|-----------------|------------------|----------------------------------|----------------|-------------|
| | | <u>Dec. 21,</u> | | <u>1997</u> |
| <u>1997</u> | <u>1998</u> | | | |
| | 0622 | Parts Plant Clerk | 22.39 | 22.84 |
| | 3557 | Stock Attendant - Parts Plant | 22.32 | 22.77 |
| | 4960 | Maintenance Worker | 22.97 | 23.43 |

NO DISCRIMINATION

Section (4)

(a) The Corporation and the Union, in their respective fields, have been leaders in adopting and effectuating policies against discrimination because of race, colour, religion, age, sex, national origin, sexual orientation, or disability. The terms and conditions of agreements between the Corporation 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 Corporation 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 Provincial 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 Corporation which may be made the subject of a grievance under the contract.

(b) **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 Ltd. to ensure a harassment-free

workplace as required under the Provincial 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 Ltd. Employees who feel that they are being harassed are encouraged to seek protection under this policy.

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: sex, disability, race, colour, sexual orientation or other prohibited grounds. At Chrysler Canada Ltd. 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, and parking lots.

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 or ethnic background.
- Backlash or retaliation for the lodging of a complaint or participation in an investigation.

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 Ltd. 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.

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, Depot Manager, or designate of the Vice President - Human Resources.

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 Depot Manager, or such higher authority as may be appropriate, who will arrange an interview with the complaint as soon as possible. This interview and the subsequent investigation will be carried out jointly by the Union and the Company. The investigation team, if possible, will 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 Union representative of the employee being interviewed will be present with Union members during the interview. Interview timing and location will recognize the need to maintain confidentiality.

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 Vice President - Human Resources.

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 Depot Manager, in consultation with the local Plant Chairperson, will attempt to resolve the conflict in a manner that is agreeable to all parties.

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 Safety and Conduct 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 Ltd. 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 Ltd. Staff.

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

The Union shall hold harmless Chrysler Canada Ltd. 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 Manager, Labour Relations and Safety.

REPRESENTATION

Section (5)

- (a) The Union may appoint and the Company shall recognize a Committee comprised of not more than two (2) employees, one (1) of whom shall be designated as chairperson of the Committee.
- (b) Each committeeperson at the time of appointment shall have at least twelve (12) months' seniority with the Company. The Union shall notify the Company in writing from time to time of the names of the committeepersons, the respective effective dates of their appointment and the names, if any, of those former committeepersons whom they are replacing or discontinuing, and also the name of the chairperson of the committee.

Section (6)

- (a) It is understood and agreed that Committeepersons as well as other employees have regular Company duties to perform. The committeepersons, with the approval of the foreman, shall be permitted, during their working hours without loss of pay, to leave their regular duties for a reasonable length of time to investigate and settle grievances.
- (b) The chairperson of the committee as such shall call and preside at meetings of the committee with the

Plant Manager, answer inquiries from other members of the committee and be available as may be required for discussions with the Plant Manager on matters pertaining to the operation of the plant affecting working conditions of employees.

Section (7)

The Union may appoint and the Company shall recognize a negotiating committee consisting of the chairperson referred to in Section (5) and two (2) other members and in addition may include the National Representative of the Union designated to the Company by the Union from time to time for the purpose.

Section (8)

The provisions of Section (5) shall apply to the employee members of the negotiating committee. Conferences between the Company representatives and the negotiating committee shall be called when agreed upon. Matter 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. Members of the negotiating committee when acting as such will not receive pay from the Company.

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.

GRIEVANCE PROCEDURE

Section (9)

(a) Any employee having a grievance may present it in writing to the employee's Supervisor or the Committeeperson on forms to be supplied by the Company. Provided that it shall be optional to the

Company to decline to consider any grievance the alleged circumstances of which originated or occurred more than five (5) regular working days prior to its presentation.

- (b) The Supervisor shall deal with the grievance and render a decision in writing to the employee or the Committeeperson, as the case may be, not later than the second (2nd) regular working day next following the day upon which the Supervisor received the grievance.
- (c) If the decision of the Supervisor be not satisfactory to the employee concerned, the employee may appeal therefrom by lodging an appeal in writing with the Plant Manager, either direct or through the Chairperson of the committee within two (2) regular working days of the delivery of the Supervisor's decision.
- (d) The Plant Manager shall deal with the appeal and render a decision in writing to the employee or the Chairperson of the committee as the case may be, not later than the third (3rd) regular working day next following the day upon which the appeal is received.
- (e) The grievance procedure equally shall apply to a grievance lodged by a group of employees.

Section (10)

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

- (a) The discharged employee or the steward may present the grievance in writing either direct or through the chairperson of the plant committee to the Plant Manager within two (2) regular working days of the

discharge and if the grievance has been presented through such chairperson, the Plant Manager will review the discharge with that committee within two (2) regular working days of the filing of the grievance. Every effort shall be made to render management's decision thereon forthwith.

- (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 discharge is not for just cause or unless the employee alleges that the employee has been discriminated against in such termination of employment by reason of Union activity, and the Umpire shall not reverse said termination of employment on any other ground. This shall not prevent a probationary employee from lodging a grievance on any other working condition.

Section (11)

- (a) The Company will notify the Committeeperson of an employee's discharge or indefinite suspension and the Company will provide a reasonable opportunity for the employee to interview the Committeeperson before the employee leaves the plant.
- (b) The Company will notify the plant Chairperson of an employee's discharge or indefinite suspension when such employee is discharged or suspended after having left the plant.

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

Section (13)

In the absence or inability to act of the Company representatives referred to in this article, the Company may act through nominees of the respective representatives with power to act.

Section (14)

- (a) If the decision of the Plant Manager be not satisfactory to the employee concerned, the employee may appeal therefrom by lodging an appeal in writing with the Plant Manager either direct or through the committee Chairperson within three (3) regular working days of delivery of the decision.
- (b) Thereupon if the appeal has been lodged through the committee Chairperson it shall be taken up for consideration at the conference next following between the Plant Manager and the Committee. A conference shall be called when agreed upon for the consideration of appeals so appearing on the agenda for that conference. The National Representative of the Union designated to the Company by the Union from time to time for the purpose, may be present and take part in any such conference. The agenda, if any, shall be supplied to the Plant Manager at least twenty-four (24) hours before the conference at which the appeals thereon are listed for discussion. Every effort shall be made to render decision on such appeals at the conference at which the appeals are considered or promptly thereafter.

ARBITRATION

Section (15)

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 five (5) regular work days (excluding Sundays and holidays or days observed therefor) from the date of the decision in the preceding step be referred to arbitration in a manner and under conditions hereinafter set forth.

Section (16)

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 a jurist of repute in British Columbia and 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 British Columbia. If the Union requests the arbitration and fails within ninety (90) 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 (17)

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) from the date of the appointment of the umpire sign a joint stipulation of the dispute or question which is to be arbitrated. Such stipulation shall contain a statement of the issue in dispute and in addition may include a brief 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 (18)

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

Section (19)

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 vary or set aside any penalty imposed by the Company relating to the grievance then before the umpire.

Section (20)

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 (21)

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 (22)

- (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 Committeeperson.

- (b) New employees of the plant hired as vacation replacements shall be considered as probationary employees for the first one hundred and 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).

Section (23)

Seniority shall cease for any one of the following reasons:

- (a) If the employee quits;
- (b) If the employee is discharged and such discharge be not reversed through the grievance procedure;
- (c) If the employee is absent for five (5) regular working days without advising the Plant Manager giving satisfactory reasons;
- (d) If the employee fails to return to work within five (5) regular working days 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 for a period equal to the employee's seniority at the date when the employee last performed work for the Company, whichever shall be greater;
- (f) If the employee retires or receives a pension under the pension plan. If the employee receives a pension for permanent total disability and recovers and has said pension discontinued, the employee's seniority, including that which the employee otherwise would have acquired during the period of the employee's disability, shall be restored; provided, however, if the period of the employee's disability retirement was for a period longer than the seniority the employee had on the date said pension for permanent total disability began, the employee shall upon the discontinuance of the employee's permanent total disability pension be given seniority equal to the amount of seniority the employee had on the date such pension began;
- (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 receives a permanent total disability benefit under a group life insurance policy held by the Company. If such employee recovers and either (a) said permanent total disability benefit is discontinued or (b) said permanent total disability benefit has been fully paid, the employee's seniority, including that which the employee otherwise would have acquired during the period of disability, shall be restored. Provided, however, if the period of disability was for a period longer than the seniority the employee had on the date the employee was approved for a permanent total disability benefit the employee shall upon the

restoration of the employee's seniority as provided above be given seniority equal to the amount of the seniority the employee had on the date such permanent total disability benefit was approved. However, as to an employee who received such benefit prior to the date of this Agreement, the employee's seniority will continue to accumulate and, should the employee recover, the employee's total accumulated seniority will be credited.

Section (24)

The Company will accept as a satisfactory reason under Section (23) (c) and (23) (d), for absence up to one year an employee's conviction for an offence arising out of the operation of a motor vehicle.

Section (25)

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

Section (26)

The Company shall post a revised seniority list as required each six (6) months and copies of the same shall be supplied to the chairperson.

Section (27)

- (a) An employee who transferred out of the bargaining unit or a position subsequently included in the bargaining unit at any time prior to July 30, 1980 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 accumulated as of July 30, 1980.
- (b) An employee transferred out of the bargaining unit on or after July 30, 1980 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.

Section (28)

Notwithstanding their seniority status grievance and negotiating committee person 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 do the work being done at the time.

Section (29)

An employee hired or recalled for a period up to a maximum of five (5) days for the purpose of assisting in the taking of the annual physical inventory shall be excluded from the application of Exhibit C - The Group Insurance Program.

For purposes of recall under this section only, the employee will be given the option to refuse without loss of seniority.

Section (30)

- (a) In the event of a layoff all probationary employees shall be the first to be laid off; and thereafter, employees having the least seniority in the plant shall be laid off, provided those employees remaining are able to satisfactorily perform the work to be done.
- (b) If there be an increase in force after a layoff, employees shall be recalled to work according to seniority.
- (c) When reasonably practicable the Company will give twenty-four (24) hours' notice of layoff to employees.
- (d) The term "layoff" when used in this Agreement means a reduction in the working force that begins upon the completion of the last scheduled day of work for the employee.

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 Section (30), 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.
- (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, 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 (30), Layoff Procedure - Indefinite Layoffs.

PROMOTIONS AND TRANSFERS

Section (32) - Filling Vacancies

Supervisors in filling vacancies will give preference to employees with the greatest seniority who are able to satisfactorily perform the work to be done.

At the request of the relevant Committeeperson, the Supervisor shall discuss with the Committeeperson the filling of a vacancy under this Section.

Section (33) - Transfer of Operations

- (a) If the Company removes from its Vancouver Parts Plant 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 Vancouver Parts Depot shall be subject to recall at the Depot from which they were laid off for permanent openings. They will be bypassed on temporary openings.
- (c) When recalled to the Depot from which they were laid off, an employee who accepts the recall shall have his seniority terminated at the Vancouver Parts

Distribution Centre. If the employee declines the recall to the Depot from which he was laid off, his seniority at that Depot shall terminate and he shall retain only the date of entry seniority at the Vancouver Parts Distribution Centre.

- (d) The termination of seniority of an employee from the Vancouver Parts Distribution Centre will result in the termination of seniority at all plants.

VACATION PLAN

Section (34)

The qualifying period shall be from March 1st to the following last day of February.

Section (35)

- (a) An employee qualifies for a vacation payment and a paid absence allowance if:
 - (1) the employee has one (1) year of seniority as of the end of the qualifying period, and
 - (2) the employee has worked during such period.
- (b) An employee is entitled to a full vacation payment and a full paid absence allowance if, in addition to (a) above
 - (1) the employee is not laid off and/or on strike for more than a total of one hundred and twenty (120) calendar days during the vacation period;
 - (2) the employee is not on leave or leaves of absence for more than a total of one hundred and twenty (120) calendar days during the qualifying period;
 - (3) the employee is absent due to sickness or injury and would have qualified under subsection (1) above except for such absence due to sickness or injury.

- (c) An employee is entitled to a pro-rated vacation payment and a pro-rated paid absence allowance if, in addition to (a) above:
 - (1) the employee is laid off and/or on strike, or on leave of absence for a period in excess of one hundred and twenty (120) calendar days during the qualifying period;
 - (2) the employee retires or is deceased.

Section (36)

- (a) If an employee is laid off and takes sick after layoff has started, said sick days during layoff will be considered as layoff days.
- (b) If an employee who is laid off and (when called back to work) is not able to report for work because of sickness, said sick days after notice to return to work will be considered as sick days off, not as layoff days.
- (c) If an employee is subject to a notice of layoff and takes sick before the day of his layoff, said layoff time will be computed from actual time of layoff.

Section (37)

- (a) Any employee qualifying for vacation payment will be paid a vacation payment on the basis of the employee's hourly rate (exclusive of overtime premium but including shift premium) as of January 31st of the qualifying period or as of the last day on which the employee performed work during the qualifying period if prior to January 31st, in accordance with the following schedule:

| Seniority End of the Qualifying | Paid Vacation | Absence |
|--|--------------------------|----------------|
|--|--------------------------|----------------|

| Period | Pay | Allowance |
|---------------------------|------------|------------------|
| 1 but less than 2 years | 40 hours | 36 hours |
| 2 but less than 3 years | 40 hours | 44 hours |
| 3 but less than 5 years | 60 hours | 52 hours |
| 5 but less than 10 years | 80 hours | 52 hours |
| 10 but less than 15 years | 100 hours | 52 hours |
| 15 but less than 20 years | 120 hours | 52 hours |
| 20 years or more | 160 hours | 52 hours |

Vacation pay shall be paid to eligible employees in March of each year, provided, however, that an employee may elect to be paid all or part of said vacation pay at the time the employee takes a vacation leave of absence, computed as set forth above by indicating this election on the employee's vacation request form.

Section (38)

- (a) 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 at the time of an approved leave of absence as an extension to his vacation.
- (b) 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 management from considering such absence as the basis, in whole or in part, for disciplinary action.
- (c) 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

premium, and the amount of any cost-of-living allowance then in effect.

- (d) Payment of that portion of any employee's paid absence allowance earned during a qualifying period and not used before the end of the subsequent qualifying period shall be computed in the same manner as the employee's vacation payment for the year in which the payment is made.
- (e) Within thirty (30) days after the Company receives notification of the termination of the employee's employment by death, retirement or otherwise, the Company will pay to the employee or said employee's estate (computed pursuant to (c) above), the portion of the employee's paid absence allowance that the employee has not used. Any portion of an employee's paid absence allowance that the employee does not use in the form of paid absences during the twelve (12) month period following the last day of February will be paid to the employee (computed as provided in Section 36) at the time the Company makes the vacation payment in the following year.
- (f) Employees who submit a written request, 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.

SCHEDULE PAID ABSENCE (SPA)

Section (39) Scheduled Paid Absence (SPA)

- (a) For the 1997 calendar year, on February 28, employees having at least one (1) year of seniority and having earned full vacation payment in the vacation eligibility year will become eligible for forty (40) hours of Scheduled Paid Absence (SPA) to be scheduled in the 1997 calendar year. The payment will include any applicable shift premium.
SPA weeks will be scheduled during the months of June, July and August, with the scheduling of SPA

weeks to be done in seniority order, whereby employees with the greatest seniority will schedule such SPA week first.

- (b) For the 1998 and 1999 calendar years, SPA weeks will be scheduled in two periods as follows:

| <u>SPA Eligibility Date</u> | <u>SPA Period</u> |
|-----------------------------|-------------------------------|
| February 2, 1998 | May 4, 1998 - August 30, 1998 |
| February 1, 1999 | May 3, 1999 - August 29, 1999 |

Employees 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 eighty (80) hours of SPA to be scheduled in the corresponding SPA period. The scheduling of SPA weeks will be done in seniority order, whereby employees with the greatest seniority will schedule such SPA week first. The payment of SPA will include any applicable shift premium.

- (c) 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.
- (d) Employees will not be eligible for overtime during the work week in which their SPA is scheduled.
- (e) 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 (38) of the Agreement.
- (f) An employee receiving Worker's 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 Section (38) of the Agreement.

(g) There shall be no trading or switching of SPA designated weeks.

Section (40)

Where reasonably possible, the vacation shall be granted between the 1st day of May and the 31st day of August.

PAID HOLIDAYS

Section (41)

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:

| | |
|---------------------|----------------------------|
| May 16, 1997 | Friday before Victoria Day |
| May 19, 1997 | Victoria Day |
| July 4, 1997 | Canada Day |
| August 4, 1997 | British Columbia Day |
| August 29, 1997 | Friday before Labour Day |
| September 1, 1997 | Labour Day |
| October 13, 1997 | Thanksgiving Day |
| December 24, 1997) | |
| December 25, 1997) | |
| December 26, 1997) | |
| December 29, 1997) | Christmas Holiday Period |
| December 30, 1997) | |
| December 31, 1997) | |
| January 1, 1998) | |
| January 2, 1998) | |
| April 10, 1998 | Good Friday |
| April 13, 1998 | Monday after Easter |
| May 15, 1998 | Friday before Victoria Day |
| May 18, 1998 | Victoria Day |
| July 3, 1998 | Canada Day |
| August 3, 1998 | British Columbia Day |
| September 4, 1998 | Friday before Labour Day |
| September 7, 1998 | Labour Day |
| October 12, 1998 | Thanksgiving Day |

| | |
|---------------------|----------------------------|
| December 24, 1998) | |
| December 25, 1998) | |
| December 28, 1998) | |
| December 29, 1998) | Christmas Holiday Period |
| December 30, 1998) | |
| December 31, 1998) | |
| January 1, 1999) | |
| April 2, 1999 | Good Friday |
| April 5, 1999 | Monday after Easter |
| May 21, 1999 | Friday before Victoria Day |
| May 24, 1999 | Victoria Day |
| July 2, 1999 | Canada Day |
| August 2, 1999 | British Columbia Day |
| September 3, 1999 | Friday before Labour Day |
| September 6, 1999 | Labour Day |
| October 11, 1999 | Thanksgiving Day |
| December 24, 1999) | |
| December 27, 1999) | |
| December 28, 1999) | Christmas Holiday Period |
| December 29, 1999) | |
| December 30, 1999) | |
| December 31, 1999) | |
| April 21, 2000 | Good Friday |
| April 24, 2000 | Monday after Easter |

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 foreman for such absence, or

- (c) The employee is absent on vacation under the established vacation plan or is on a 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 said 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 Christmas holiday period, the employee must have worked the last scheduled working day prior to, and the next scheduled working day after such holiday period.
- (h) When a holiday(s) defined in Section (41) 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.

Section (42)

Any employee who agrees to work on 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 the absence.

Section (43)

When any of the above-enumerated holidays fall 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 fall on a Saturday or Sunday this shall not preclude payment for same.

Section (44)

If the Government of British Columbia declares a holiday to be observed other than those specifically enumerated above, 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 (41).

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

Section (45)

The following agreements between the Corporation and the National Union (CAW-Canada) dated December 16, 1996 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 E - The Health Care Program

From the date of this Agreement until the expiration of this Agreement neither party shall demand any change in this Section of this Agreement, nor shall either party be required to bargain with respect to this Section or any modifications thereof or additions or supplement thereto, or with respect to any pension or retirement an arrangements or plan, nor shall a change in or addition to this Section be an object of or be a reason for any strike or lockout or other exercise of economic force or threat thereof by the Union or the Corporation.

WORKING HOURS

Section (46) - Shifts

The Company's regular work week consists of five (5) eight (8) hour days Monday through Friday.

Section (47) - Shift Hours and Premiums

- (a) The first (1st) shift is any shift that regularly starts on or after 4:00 a.m. but before 11:00 a.m. The second (2nd) shift is any shift that regularly starts on or after 11:00 a.m. but before 7:00 p.m. The third (3rd) 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 (2nd) or third (3rd) 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 (48) - 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 (41)].

Section (49) - 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 (41)].
- (b) For authorized time worked on any of those holidays designated in Section (41).

Section (50)

An employee reporting for work on instructions of the Company, but for whom no work at the employee's regular job is available, will be offered at least four (4) hours' employment in other work at the employee's regular hourly rate or at the Company's option, will be paid for four (4) hours' time at the employee's regular hourly rate. This provision shall not be applied when such lack of work is due to a labour dispute, fire, flood, or other cause beyond the control of the Company.

Section (51) - 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 (52)

- (a) An employee who receives Workers' Compensation will be paid by the Company for the balance of the shift on which the injury occurred.
- (b) An employee who is injured on the job will be paid for the balance of the shift on which the employee has been sent home or to an outside hospital or outside doctor by a medical officer of the Company or other member of management authorized to do so, because of such injury.
- (c) 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.

COST-OF-LIVING ALLOWANCE

Section (53)

- (a) Effective May 12, 1997, subject to ratification by that date, but after the application of the wage increases provided in Section (54), sixty-three (\$0.63) per hour shall be deducted from the eighty-one cents (\$0.81) per hour cost-of-living allowance in effect immediately prior to that date and shall be added to the full base rate for each classification.
- (b) Commencing May 12, 1997, subject to ratification, and thereafter during the period of this Agreement, all employees covered by this Agreement shall receive a cost-of-living allowance and cost-of-living allowance adjustments in accordance with the following. The amount of the cost-of-living allowance effective May 12, 1997 and ending June 1, 1997 shall be twenty-two cents (\$0.22) per hour. Thereafter, the cost-of-living allowance and cost-of-living allowance adjustments shall be computed and paid on the same basis as the

cost-of-living allowance is computed and paid to CAW hourly employees of Chrysler Canada Ltd. covered by the National Parts Distribution Centre Agreement dated December 16, 1996.

| <u>Based on Three-Month Effective at Beginning of First Pay Period Commencing on or After</u> | <u>Average of the Consumer Price Indexes Published For:</u> |
|--|--|
| June 1, 1997 | Feb., March, April 1997 |
| September 1, 1997 | May, June, July 1997 |
| December 1, 1997 | Aug., Sept., Oct. 1997 |
| March 1, 1998 | Nov., Dec. 1997, Jan. 1998 |
| June 1, 1998 | Feb., March, April 1998 |
| September 1, 1998 | May, June, July 1998 |
| December 1, 1998 | Aug., Sept., Oct. 1998 |
| March 1, 1999 | Nov., Dec. 1998, Jan. 1999 |
| June 1, 1999 | Feb., March, April 1999 |
| September 1, 1999 | May, June, July 1999 |
| December 1, 1999 | Aug., Sept., Oct. 1999 |

Section (54) Wage Increase

- (a) Effective the beginning of the pay period commencing on or after receipt of notice of ratification, each employee covered by this Agreement shall receive an increase in the employee's straight time hourly wage rate (exclusive of cost-of-living allowance, and shift premium, seven-day operations premium, and any other premiums), in accordance with the following Table I:

TABLE I

| <u>Straight Time Hourly Wage Rate</u> | <u>Wage Increase</u> |
|--|-----------------------------|
|--|-----------------------------|

| | |
|-------------------|--------------|
| Less than \$20.75 | 41¢ per hour |
| \$ 20.75 - 21.24 | 42¢ per hour |
| 21.25 - 21.74 | 43¢ per hour |
| 21.75 - 22.24 | 44¢ per hour |
| 22.25 - 22.74 | 45¢ per hour |

The increase in base rates provided for in this Section (54) (a) will be added to the full base hourly rate for each classification.

- (b) Improvement Factor. The improvement factor provided herein recognizes the principle that a continuing improvement in the standard of living of employees depends upon technological progress, better tools, methods, processes and equipment and a cooperative attitude on the part of all parties in such progress. It further recognizes the principle that to produce more with the same amount of human effort is a sound economic and social objective. Accordingly, effective December 15, 1997, each employee covered by this Agreement shall receive an improvement factor increase in straight time hourly wage rate (exclusive of cost-of-living allowance, and shift premium, seven-day operations premium, and any other premiums), in accordance with the following Table II:

TABLE II

Straight Time Hourly

| <u>Wage Rate</u> | <u>Wage Increase</u> |
|-------------------|----------------------|
| Less than \$21.75 | 43¢ per hour |
| \$ 21.75 - 22.24 | 44¢ per hour |
| 22.25 - 22.74 | 45¢ per hour |
| 22.75 - 23.24 | 46¢ per hour |
| 23.25 - 23.74 | 47¢ per hour |

The increase in base rates provided for in this Subsection will be added to the full base hourly rate for each classification.

- (c) Improvement Factor. Effective December 21, 1998, each employee covered by this Agreement shall receive an improvement factor increase in straight time hourly wage rate (exclusive of cost-of-living allowance, and shift premium, seven-day operations premium, and any other premiums), in accordance with the following Table III:

TABLE III

| Straight Time Hourly | |
|-----------------------------|----------------------|
| <u>Wage Rate</u> | <u>Wage Increase</u> |
| Less than \$22.25 | 44¢ per hour |
| \$ 22.25 - 22.74 | 45¢ per hour |
| 22.75 - 23.24 | 46¢ per hour |
| 23.25 - 23.74 | 47¢ per hour |
| 23.75 - 24.24 | 48¢ per hour |

The increase in base rates provided for in this Subsection will be added to the full base hourly rate for each classification.

WAGE PROGRESSION

Section (55)

- (a) (i) A new employee hired on or after the effective date of this Agreement shall be hired at a rate equal to eighty-five percent (85%) of the full base rate of the job classification.
- (ii) At the expiration of two hundred and seventy (270) days of employment, such employee shall receive an increase to ninety two and one half percent (92.5%) of the full base rate of the job classification.

- (iii) At the expiration of five hundred and forty-five (545) days 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 compensable injury, sickness 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.

LEAVE OF ABSENCE

Section (56)

- (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 Warehouse Manager by the President or the Financial Secretary-Treasurer of Local 432.
- (b) A leave of absence for a period not to exceed one (1) year without loss of seniority may be granted an employee 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 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.
- (c) 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 British Columbia to service primarily Chrysler employees. Such leave of absence may be extended for additional periods not to exceed one (1) year each.
- (d) Any employee with at least one (1) year's seniority who is elected to public office (municipal, provincial or federal) shall, upon written application to the Warehouse Manager, be granted a leave of absence

for the period of time necessary to fulfil the duties of said office during the employee's first term. Additional leave(s) of absence for service in elective public office may be granted upon written application by the employee. While on such leave(s) of absence an employee shall accumulate seniority.

- (e) The President and the Financial Secretary-Treasurer of Local 432 of the Union and any National representative of the Union, being employees of the Company, so long as Union offices held by them are full time positions, shall be granted leave of absence by the Company for a period of two (2) years, subject to renewal on application to the Company for further successive periods of two (2) years each, and while on such leave of absence shall accumulate seniority.

BEREAVEMENT PAY

Section (57)

- (a) (i) When death occurs in the employee's immediate 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) within the ten (10) calendar day period immediately following the date of death, provided the employee attends the funeral.

3 Days - step parent 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

- (ii) 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).
- (iii) An employee who returns to work on or after the date of the funeral will not be eligible for Bereavement Pay for any subsequent absence in connection with that bereavement.
- (iv) Payment shall be made at his straight-time hourly rate on the last day worked exclusive of overtime premiums but inclusive of shift 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.
- (v) In the event the body of a member of an employee's immediate family is not buried in continental North America solely because the cause of death has physically destroyed the body, or the body is donated to an accredited North American hospital or medical center for research purposes, the requirement that the employee attend the funeral will be waived.
- (vi) 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.

JURY DUTY

Section (58)

Any employee with seniority who is called to and reports for jury duty (including coroner's juries) will be paid the difference between the employee's straight-time hourly rate and the jury duty fee paid by the court (excluding travel

allowance or reimbursement of expenses) for the straight-time hours lost due to serving on jury duty.

In order to qualify for 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.

OVERTIME

Section (59)

Overtime will be evenly distributed when reasonably possible among the employees provided they are able to satisfactorily 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 said turn insofar as distribution of such overtime is concerned.

DISABLED EMPLOYEES

Section (60)

In the event of an employee suffering a major disability, exception may be made to the seniority provisions of this Agreement in favour of such employee, but when a layoff occurs the employee who suffered a major disability shall take the employee's respective place on the seniority list.

NEW JOBS

Section (61)

- (a) When a new job is placed in the depot and cannot be properly placed in an existing classification, the Corporation 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 (9) 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 (15) 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 Corporation 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 notices does not file a written grievance as provided in Subsection (c) above, such classification and rate of pay shall be deemed satisfactory to the Union and not subject to the grievance procedure.
- (f) The Corporation has a responsibility and a duty to properly classify. Accordingly, from time to time during the term of this Agreement, the Corporation 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 Corporation in carrying out its obligations in this respect, notwithstanding the fact that employees may have been assigned to another classification.

BULLETIN BOARD

Section (62)

- (a) The Company extends to the Union the privilege of using one (1) bulletin board in its Vancouver Plant to be prepared by the Company and to be located as agreed upon.
- (b) Provided and it is agreed that such bulletin board shall be used by the Union for the posting thereon by the chairperson of the committee such notices only as have received the prior approval of the Plant Manager, 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 432 of the Union, and which notices shall be further 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.

NO STRIKE - NO LOCKOUT

Section (63)

During the term of this Agreement or any extension thereof mutually agreed upon, there shall be no strike or stoppage of work or interference with plant operation on the part of the members of the Union nor any lockout of the employees on the part of the Company.

UNION SECURITY

Section (64) - Requirement of Union Membership

- (a) Employees covered by this Agreement at the time it became 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 became 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 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 such effective date 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 (65) - Payment of Initiation Fee by Check-off or Direct to Union

- (a) Employees may tender the initiation fee by signing the Authorization form, or may pay the same directly to the Union.
- (b) The initiation fee for membership in the Union shall not exceed the limits of the Constitution of the National

Union prescribed at the time the employee becomes a member.

- (c) Any dispute arising as to an employee's membership in the Union shall be reviewed by the Vice-President - Human Resources and the President of the Local Union, and if not resolved may be submitted directly to the arbitrator through the arbitration provisions.

Section (66) - Check-off of Union Dues

- (a) The parties agree that there shall be continued 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 cases 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, refunds 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 employees' 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 provisions of this check-off section shall be matter for the grievance procedure and shall be submitted direct to the Umpire.

NOTICES PURSUANT TO AGREEMENT

Section (67)

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:

The National Representative,
Western Canada,
National Automobile, Aerospace, Transportation and
General Workers Union of Canada - CAW Canada,
326 12th Street
New Westminster, B.C.

LOCAL 432

The Chairperson - Chrysler Unit,
Local 432,
National Automobile, Aerospace, Transportation and
General Workers Union of Canada - CAW Canada,
#303 2960 Princess Crescent
Coquitlam, British Columbia.
V3B 7P2

THE COMPANY

Vice-President - Human Resources

Chrysler Canada Ltd.,
P. O. Box 1621
Windsor, Ontario.
N9A 4H6

TERMINATION

Section (68)

Subject to any provision of law or any regulation having the force of law, this Agreement shall become effective on the 16th day of May, 1997, and continue until 11:59 p.m. on the 15th day of May, 2000, 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 Vancouver, British Columbia, this 10th day of May, 1997.

CHRYSLER CANADA LTD.
VANCOUVER PARTS DEPOT

Bob Czilok
Alex Eliopoulos
Bob Fast
Tom Introcaso
Mike Spoons

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

Ron Pellerin
Art Fraser
Trung Ngo
Peter Cooper
Manjit Basran

MEMORANDUM OF UNDERSTANDING

COVERING SPECIAL CONTINGENCY FUND

The Company and the Union agree that:

1. The Special Contingency (SC) Fund will be continued for the term of this Collective Agreement.
2. Such SC Fund will equal an accrual by the Company of \$2.35 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 at this Agreement - calculated on a twelve month rolling average.
3. 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.)
 - iv) research, leadership and development activities of the Union
 - v) programs covered under the National Training Committee Letter (16.1)

and to finance the negotiated Child Care Programs, and then only if needed. At any point in time the special Contingency Fund Balance shall be equal to the cumulative accrual calculated in Section 2 above, less the cumulative utilization in this Section 3. The cumulative accrual and utilization shall include balances carried forward from prior Agreements and then only if needed.

4. 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 Corporation 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 Corporation 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.

5. 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 4 above
 - ii) funding for the Legal Services Plan will be made available pursuant to the provisions of P&M letter (10.7)
 - iii) funding for the C.A.W. Leadership Training Program (P.E.L.) will be provided in the amount of \$0.02 per hour worked
 - iv) funding for research, leadership and development activities of the Union will be provided in the amount of \$0.03 per hour worked.
 - v) funding for programs and activities of the National Training Committee will be provided pursuant to letter (16.1)

6. 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 5, the balance of training, as developed for this location by the National Training Committee, will only be provided once funding from other sources has been determined and agreed upon by both parties.
7. As of the end of this Collective Agreement period, the parties would negotiate the usage of any balance then remaining in the Special Contingency Fund.

LETTERS

(1) HEALTH AND SAFETY

The Chrysler Canada-CAW Production and Maintenance Memorandum of Understanding - Health and Safety and Related Safety Programs - will have application as it applies to the Vancouver Parts Distribution Centre.

In addition to the recognition of Chrysler Canada Ltd. Safety Programs the following letters from Chrysler Canada Ltd. - CAW Production and Maintenance Agreement will be recognized as having application in our agreement based upon local past practices:

- Journeyman/Woman Safety Training
- New Employee Health and Safety Training
- Periodic Safety Talks
- Protective Clothing
- Lockout/Tagout Program
- New or Relocated Equipment
- Heat
- Heat Stress Index
- Medical Surveillance Programs
- Confidential Medical Information
- Infectious Communicable Diseases
- Liquid and Air Supply Systems
- Noise Abatement Program
- Chemical Information
- Chemical Data Link CCOHS
- Records of Breathing Zone Exposure
- Canadian Health Research
- Preventive Maintenance
- Health and Safety - Use of Camera
- Contact Procedure of Health and Safety
- Representative for Work Refusal
- Official Safety Complaint Form
- Joint National Environmental Committee
- Lift Truck/Vertical Driving Training
- Joint Health and Safety Committee -

Duties and Responsibilities
Joint Statement on Health and Safety Work Refusals
Substance Abuse Drug Testing

(2) PRESCRIPTION GLASSES

The Company will provide prescription safety glasses to seniority 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 invisible line bi-focal and tri-focal lenses 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 a doctor or optometrist. The Company will establish the standards and specifications for the frames and lenses and will select the manufacturing source.

(3) SAFETY SHOES

The Company has agreed to pay seniority employees actively at work up to eighty-five dollars (\$85.00) for the purchase of safety footwear from approved Company sources not more often than once each year through the payroll deduction program. It is understood that if the shoes are purchased for less than \$85.00 the amount paid will be the actual cost of the shoes. An employee who elects to purchase safety footwear in accordance with this understanding will be required to wear such footwear on the job.

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.

(4) 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 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.

(5) HEALTH & SAFETY - 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. The local Health and Safety Committee shall assess the work activities in the depot to determine those specific work activities it considers 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 where necessary, necessary 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, will develop guidelines for implementing Working Alone procedures at the local levels.

(6) 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 3.0 cents (\$0.03) per hour worked during the term of this Agreement.

(7) 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.

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

(8) MINUTE OF SILENCE

- INDUSTRIAL ACCIDENT

During the course of these negotiations the Union requested minute of silence be observed in the depot in memory of those persons who have died in industrial accidents. Such moment 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 least impact on depot operations.

To mark the observance flags will be lowered to half staff.

(9) EMPLOYMENT EQUITY

The Chrysler Canada-CAW Production and Maintenance Memorandum of Understanding - Employment Equity will be recognized as having application as it applies to the Vancouver Parts Distribution Centre.

(10) MINUTE OF SILENCE - ACTS OF VIOLENCE

During these negotiations, the Union requested a minute of silence be observed in the plants covered by this Agreement in memory of women who have died due to acts of violence. The moment of silence will be observed each year on December 6, at 11:00 a.m. or when local plant management determines the observance will have the least impact on plant operations.

Flags will be flown at half staff to mark this occasion.

(11) WAGE PROGRESSION

This will confirm the Corporation's practice with respect to the application of Section (55)(a) to certain employees laid off due to a reduction in force.

A probationary employee 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 whose seniority was broken pursuant to Section (23)(e) and is rehired shall continue progression to the full base rate of the job classification from the same relative position in the rate range the employee had attained prior to layoff.

(12) CHRISTMAS HOLIDAY - ELIGIBILITY

This will confirm the fact that with respect to the application of the eligibility rules applicable to the Christmas Holiday Period holidays, the Company will follow the following practice with respect to the application of the provisions of Sections (41), (42) and (43) of the current Vancouver Parts Distribution Centre Agreement.

1. 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.

2. A seniority employee excused by the 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.
3. A seniority employee on sick leave of absence who is released by the 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 present satisfactory medical evidence of the employee's availability to work on such day upon the employee's return to work.
4. 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.
5. 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.
6. A seniority employee who is temporarily or indefinitely 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.

(13) CHRISTMAS BONUS

During these negotiations it was agreed by the Company and the Union that employees who are eligible for payment-in-lieu of vacation in accordance with the provisions of Section (35) will receive a special payment of \$900.00 in 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 (35) 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.

(14) RETROACTIVITY

This letter will confirm the understanding reached during the recent contract negotiations regarding the retroactive application of the 2% General Increase to base rates.

The Company has agreed to apply the 2% General Increase, plus or minus the Cost-of-Living adjustments detailed below, to all hours compensated from December 16, 1996, through the Sunday prior to the effective date of the General Increase. The Cost-of-Living adjustments which will be added or deducted from the retroactive General Increase amounts are as follows: \$0.09 per hour will be deducted for all hours compensated from December 16, 1996, through March 2, 1997; \$0.04 per hour will be added for all compensated hours from March 3, 1997, through the Sunday prior to the effective date of the General Increase. The retroactive adjustment will be provided to all employees on the roll as of the date of this Agreement.

(15) E.I. PREMIUM REBATE

This will confirm our understanding first reached during the 1991 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 June, 1991, and continuing through the term of the current Agreement the Corporation will cease sharing the premium reduction with employees in the form of a cash rebate and will instead apply his share of the Employment Insurance premium reduction to improvements in current benefits or to provide new benefits.

(16) SHIFT HOURS AND PREMIUMS

Section (47), Shift Hours and Premiums provides:

- (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.

Hourly employees who are scheduled to work and work a shift other than their regularly scheduled shift, will receive the premium provided in Section (47).

For example, an employee is normally scheduled to work 7:00 a.m. to 3:30 p.m. On Friday he is scheduled to work and works a shift from 3:30 p.m. to 12:00 midnight. He will receive second shift premium for those hours on Friday.

First shift employees who are scheduled to work and who do work additional hours in advance of their regular shift starting time will receive the shift premium applicable to their advance starting time for all hours worked on such shift.

For example, a first shift employee is normally scheduled to work 7:00 a.m. to 3:30 p.m. On Friday said employee is scheduled to work and works a shift from 3:00 a.m. to 3:30 p.m. Said employee will receive third shift premium for those hours on Friday.

(17) 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 employees 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 \$19,696.64 (representing the value of up to 16 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, ongoing administrative costs and labour costs associated with employees attending approved training.

(18) 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 five cents (\$.05) for each hour worked in the preceding thirteen (13) week period. Two cents (\$.02) of such quarterly contributions will be made available 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> |
|---------------------|---------------------|
| 05/12/97 - 06/29/97 | 07/31/97 |
| 06/30/97 - 09/28/97 | 10/31/97 |
| 09/29/97 - 12/28/97 | 01/30/98 |
| 12/29/97 - 03/29/98 | 04/30/98 |
| 03/30/98 - 06/28/98 | 07/31/98 |
| 06/29/98 - 09/27/98 | 10/30/98 |
| 09/28/98 - 12/27/98 | 01/29/99 |
| 12/28/98 - 03/28/99 | 04/30/99 |
| 03/29/99 - 06/27/99 | 07/30/99 |
| 06/28/99 - 09/26/99 | 10/29/99 |
| 09/27/99 - 12/26/99 | 01/31/00 |
| 12/27/99 - 03/26/00 | 04/30/00 |

The Union will co-operate 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.

An educational leave of absence for participation in the Union's program will be granted by the Company in accordance with Section (11.2) of the Production and Maintenance Agreement (and similar sections of other agreements which incorporate this program) to seniority employees designated by the President of the National Union to the Vice-President - Human Resources for the Company on four (4) weeks' advance written notice specifying the employee's name and dates of requested absence, provided no such absence will result in any loss of efficiency or disruption of operations at the Company's plants.

Employees granted such leaves will be excused from work without pay for up to twenty (20) days of class time, plus travel time where necessary, said leaves of absence to be intermittent over a twelve (12) month period from the first day of leave during the term of the applicable collective bargaining agreement.

(19) TUITION REFUND PROGRAM

The Company offers and administers a tuition refund program under which employees will, under such terms and conditions as the Company may from time to time establish, receive a tuition refund not to exceed \$1,500 a calendar year (\$2,000 for the calendar year for approved courses taken at an accredited college) upon completion of an approved job-related course at an approved educational or training institution during non-working hours while on the active roll of the Company. Any refund made to an eligible

employee will relate to the calendar year of completion of the approved course or courses.

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

- (a) Courses which will improve his skill on the employee's present job. This includes courses designed to update employees in the technology of their trade or occupation.
- (b) Courses which relate to the next job in the logical development of an employee's career.
- (c) Courses which will 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) 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 with the Company.

The Umpire shall have no jurisdiction over any matter involving the establishment, administration or terms and provisions of such a tuition refund program.

(20) TUITION REFUND - LABOUR STUDIES

During our recent negotiations the Union inquired about the application of Chrysler's Tuition Refund Program to an Associate Degree in Labour Studies.

This is to advise you that subject to the provisions of the Tuition Refund Program, the Company will approve for tuition refund 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.

(21) EMPLOYEE-RETIREE NEW VEHICLE PURCHASE PROGRAM

This will confirm my advice to you that Chrysler 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-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 Corporation 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.

(22) LEGAL SERVICES PLAN

During the course of negotiations of the Vancouver Parts Distribution Centre Agreement the parties discussed the Legal Services Plan and its continued application to hourly employees covered by this Agreement.

The Union was informed that represented hourly employees in the Vancouver Parts Distribution Centre will continue to be included in the plan covering CAW represented employees in the Windsor area plants.

(23) MATERNITY, PARENTAL AND ADOPTION LEAVES

It is the Company's intent to establish a new maternity leave allowance which will provide seniority employees with up to 16 weeks of benefits at 75% of Weekly Straight Time Pay less Employment Insurance benefits. In addition, it is the Company's intent to establish new parental and adoption leave allowances which will provide seniority employees with 10 weeks of benefits, or for duration of the leave, if shorter, at 65% of Weekly Straight Time Pay less Employment Insurance benefits.

It is the intent of the Company to implement this new procedure no later than April 1, 1997.

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.

**(24) ADMINISTRATIVE PROCEDURES
OF THE SPA PROGRAM & PAA**

1. 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 paragraph (g) of Section (39), in the event that there are significant employee transfers into or out of a department which because of the scheduled SPA time would adversely impact the operations, the Personnel Manager and the Shop Chairperson will modify the designated weeks off in order to protect skill levels and quality.
2. Any discipline assessed which would be scheduled during the SPA weeks shall not otherwise disqualify the employee for payment of the day in which the discipline 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 their SPA week, the discipline record would reflect a three (3) day

disciplinary layoff, however the employee would receive SPA payments for those two (2) days.

3. Notwithstanding the provisions of paragraph (f) of Section (39), the Company and 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.

(25) SOCIAL JUSTICE FUND

During 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 one cent (1¢) for each straight time hour worked in the preceding thirteen (13) week period on the following dates:

| <u>Hours Worked</u> | <u>Payment Date</u> |
|---------------------|---------------------|
| 03/31/97 - 06/29/97 | 07/31/97 |
| 06/30/97 - 09/28/97 | 10/31/97 |
| 09/29/97 - 12/28/97 | 01/30/98 |
| 12/29/97 - 03/29/97 | 04/30/98 |
| 03/30/97 - 06/28/98 | 07/31/98 |
| 06/29/98 - 09/27/98 | 10/30/98 |
| 09/28/98 - 12/27/98 | 01/29/99 |

| | |
|---------------------|----------|
| 12/28/98 - 03/28/99 | 04/30/99 |
| 03/29/99 - 06/27/99 | 07/30/99 |
| 06/28/99 - 09/26/99 | 10/29/99 |
| 09/27/99 - 12/26/99 | 01/31/00 |
| 12/27/99 - 03/26/00 | 04/30/00 |

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 subsequent quarterly contribution as set forth above,

as long as the requirements of points (a) to (d) above continue to be met by the Union.

(26) PENSION CREDITED SERVICE - WCB

In resolution of the interpretation of the Credited Service provisions of the Non-Contributory Pension Plans regarding Employees represented by the CAW who are in receipt of Workers' Compensation benefits, the parties agree such Employees may accrue Credited Service during any period in which the Employee is in receipt of any Workers' Compensation benefit, for a period equal to but not greater than the length of his seniority or Credited Service, whichever is less.

In addition, it is further understood the Corporation will no longer offset any Workers' Compensation supplement against any monthly pension benefit payable on or after January 1, 1990.

(27) RESOLUTION OF DISPUTES - BENEFIT PLANS AND PENSION AGREEMENT

No matter respecting the provisions of the plans or agreements references in Section (45) S.U.B.P.; Income Maintenance/Voluntary Termination; Life and Disability Insurance; Relocation Allowance; and Health Care; or the Pension Agreement between Chrysler Canada Ltd. and the CAW, shall be subject to the grievance procedure established under this agreements, 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.

(28) PENSION BENEFIT REDUCTION

The parties agree that if any employee's or surviving spouse'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 supplementary pension for employees retiring after December 31, 1991"), then the Corporation agrees to pay to such employee or surviving spouse in one lump sum payment the Actuarial Equivalent of the amount of the required reductions. 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 Actuarial Equivalent of the reductions shall be made at the time the employee's seniority ceases (or at the earliest of the date of death or age 65 for an employee who is occupationally disabled as defined in Section (1)(c) of Article V) 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).

(29) PENSION - SIB

The surviving spouses of employees who elect to take a lump sum pension payment in accordance with the British Columbia 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.

(30) BRITISH COLUMBIA LEGISLATION

During negotiations, discussion took place regarding the potential for change to British Columbia legislation dealing with employment standards and health and safety issues. Management advised the Union that should problems arise

during the life of the agreement that are related to changes in these legislated areas, the Union may raise these issues with the Chrysler Canada Labour Relations and Safety Department.

Should changes to the Workplace Safety and Health Act amend the worker's right to refuse work that he or she believes to be unsafe within the context of the legislation as of the date of this agreement, the parties agree to meet and develop a mechanism for maintaining said right.

(31) SUPERVISORS WORKING

This letter is written to advise you of the Company's policy with respect to Supervisors working.

Supervisory employees shall not perform the regular work of bargaining unit employees, except in emergencies when the regular employees are not immediately available or for the purpose of investigation, experimentation, information, or instruction, provided that an act of performing the aforementioned operations in itself does not reduce the pay of any employee.

(32) 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.

(33) 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 Ltd. location as a productive manufacturer of world class quality products in the North American automotive market and to ensure that Chrysler Canada Ltd. employees, who contribute to the success of the Corporation, 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 Corporation. For example, outsourcing, the introduction of new technology, sale of part of the Corporation, 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.

(34) RESTRUCTURING - JOB AND INCOME PROTECTION

During the current 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 36, 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 36 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 36 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, at the date of layoff, of Seniority at layoff or because the employee meets 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 Corporation 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 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 36; 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 36; 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 36 upon retirement; and
- (5) Offering the opportunity to 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 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 Corporation 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 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 36; 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 2 (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 36; 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 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 36 upon retirement. If the number of Employees separated or scheduled for separation under the three preceding steps, exceeds the number of job 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 off 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 requirement 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:

- be eligible for Regular Benefits under the SUB Plan;
- be offered employment at other Corporation 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
- 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 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 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 Corporation 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.

(35) RIGHTS UNDER JOB AND 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 (34) - 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 Corporation 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 (34), Job and Income Protection available to them at the time of the original layoff.

(36) RETIREMENT ALLOWANCE OPTION

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 (34) - Restructuring - Job and Income Protection.

Accordingly, after May 12, 1997 any employee who is retirement eligible under the provisions of Letter (34) on the date of the closure or permanent job loss, will be given the option of taking a Retirement Allowance of \$42,500.

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 (34) 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%.

(37) PAYMENTS UPON PLANT CLOSURE

During the current negotiations the parties agreed that upon a stand alone plant closure as defined in Letter (34) 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 60% 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 either Special Early or Regular 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 October 1, 1993.
- (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 (36).

(38) CONTENT

During the course of the 1994 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 Agreement. This would include, where feasible, replacement of jobs lost by outsourcing.

In addition, Chrysler Canada Ltd. 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 Ltd. 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.

(39) 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 1996 negotiations the company and the union focused on the impact of outsourcing decisions and their

impact on individual workers, their families and their communities.

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 this concept, the Company commits there will be no reduction in Vancouver Parts Distribution Centre employment levels as a result of outsourcing during the term of this agreement.

Furthermore, during these negotiations, we reviewed our plans with the Union for the Vancouver Parts Distribution Centre (VPDC) in Vancouver and indicated that studies are in progress to determine the best role for Chrysler Canada in a global parts supply operation. In this respect we committed to review on an on-going basis information concerning globalization as it becomes available and its effect on the VPDC. We further advised the union that the present operating plan is expected to continue for the life of this agreement provided the demand for parts continues at current levels.

The parties agree this commitment should serve to alleviate the real sense of insecurity prevalent among workers in today's business setting. With this new sense of security, the parties believe workers may apply themselves to pursuits that are in the best interest of themselves, the company, the Union, and their communities.

(40) JOB SECURITY AND WORK OWNERSHIP - INFORMATION

During the term of the Agreement Chrysler Canada will advise the National Union on a bi-annual basis of announced outsourcing actions planned for units covered

by this agreement. Information concerning replacement work will be similarly provided.

(41) 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 May 16, 2000, the Company will not close or sell the Vancouver 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.

(42) COMPUTER AND PRINTER

During the course of these negotiations the company agreed to provide a computer and printer to the union office.

(43) SHIFT EXCHANGE

In the course of current negotiations, the Company and the Union had lengthy discussions concerning seniority employees who were desirous of exchange shifts for a limited period of known duration not to be less than four (4) months.

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 Operations 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.

(44) SHIFT PREFERENCE

This will confirm our discussion during recent negotiations concerning shift preference.

When hiring permanent employees the Company agrees that those employees assigned to the day shift will be re-assigned to an off shift, as soon as reasonably possible, and in any event no later than one (1) month after their date of hire.

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

HOURLY BASE RATES

VANCOUVER PARTS DISTRIBUTION CENTRE

| <u>Dec. 15,</u> | <u>Class No.</u> | <u>Classification</u> | <u>May 12,</u> | |
|-----------------|------------------|----------------------------------|----------------|-------|
| <u>1997</u> | <u>1998</u> | <u>Dec. 21,</u> | <u>1997</u> | |
| | 0622 | Parts Plant Clerk | 22.39 | 22.84 |
| | 3557 | Stock Attendant - Parts Plant | 22.32 | 22.77 |
| | 4960 | Maintenance Worker | 22.97 | 23.43 |