

Agreement

between

CHRYSLER CANADA LTD.



and the

CAW  TCA
CANADA

SEPTEMBER 15, 1996

**OFFICE AND CLERICAL
AND ENGINEERING**

096 - 0 1997

01939 (05)

To Chrysler Canada employees represented by the C.A.W.

When Chrysler Canada opened negotiations with the C.A.W. in July 1996, our objective was to reach an agreement that addressed the safety and morale of our employees without compromising the company's ability to deliver quality products to our customers at a competitive price.



We believe this agreement meets that objective.

The agreement is tangible evidence of the ability of the CAW and Chrysler Canada to work together toward a common goal. It also represents a "threepeat" in the sense that this is the third consecutive agreement negotiated without a strike. As a result, wages and benefits for employees and momentum in the marketplace for the company have continued in an uninterrupted fashion, important not only to each of us individually, but also to our communities.

Any labour agreement is only as effective as the on-going willingness of the parties to jointly address problems as they arise. At Chrysler Canada, we are committed to this process, and we appreciate the efforts of the C.A.W. and each of you in supporting our goal to produce quality cars and trucks that people want to buy, enjoy driving, and want to buy again.

Remember that challenges and obstacles don't just happen every three years, Just as in our family relationships, issues can surface at any time and *when* they do they must be addressed. The solution has always been for both parties to balance the legitimate needs of employees against the company's need to maintain its competitive position in the marketplace. As you are aware, the competition is fierce and improvements are required just to stay even.

This agreement then, becomes a solid foundation upon which to build. We enter the next period in our history in a sound financial position with fresh and exciting products and a major *commitment* to spend billions of dollars in the next few years to continue new product development. Together, we can all make a difference as we support the common interests of Chrysler Canada and the C.A.W. – secure, good paying jobs based on delighted customers and inspired people.



Ken Francese
Vice President Human Resources
Chrysler Canada Ltd.



Brothers and Sisters,

In the past, in order to make a living, workers sold the only thing they had that was marketable -- their labour. As technology changes our workplaces through increased automation and computerization, corporations now value our input and ideas as well as our labour. We take pride in our work and want to produce quality products in exchange for fair compensation.

In addition to fair compensation, however, we have earned the right to a workplace that treats us with dignity and respect. We exercise that right through our unions, and specifically through collective bargaining.

This collective agreement represents the cumulative achievements of workers and their unions over the past half century. The language in this contract represents much more than the typed print. Stories of collective determination and individual sacrifice, of shared frustrations and proud victories, of friendships made in struggle, of an organization built by workers and for workers, of a union that defends its members and also plays a leading role in society, the community and trade union history in the making is, in total, what this agreement is all about.

In 1996 bargaining we not only improved wages and benefits, but continued to reduce work time -- giving workers back some of their time and opening up jobs for new people -- and won a limit on the outsourcing of decent jobs, keeping them in our workplaces and in our communities. These are great victories, but like all working class gains they are partial victories that add to the history established by our predecessors at the bargaining table and are a tribute to the efforts of the C.A.W. Bargaining Committee who worked on your behalf.

While we can take great pride in these victories, we cannot forget that our continued success at the bargaining table rests in our ability to work with the Corporation to satisfy the customer who buys and drives the products of Chrysler Canada.

With continued attention to the customer's requirements, and continued determination to improve life for workers, we can expect to build on this agreement and, I'm sure, add new stories to the history of this document.

CAW  TCA
CANADA

In Solidarity,

Ken Lewenza
Chairperson - Chrysler CAW
Master Bargaining Committee

The numbering system used to identify the subject matter of Office, Clerical and Engineering Sections and Letters, remains constant throughout the Agreement as follows:

SUBJECT MATTER	NUMBERING SYSTEM
RECOGNITION	1.1, 1.2, etc.
REPRESENTATION	2.1, 2.2, etc.
GRIEVANCE PROCEDURE	3.1, 3.2, etc.
SALARY CONTINUATION	4.1, 4.2, etc.
SENIORITY	5.1, 5.2, etc.
LAYOFF AND RECALL	6.1, 6.2, etc.
TRANSFER AND PROMOTION	7.1, 7.2, etc.
WORKING HOURS	8.1, 8.2, etc.
WAGES	9.1, 9.2, etc.
BENEFITS	10.1, 10.2, etc.
LEAVE OF ABSENCES	11.1, 11.2, etc.
HOLIDAY PAY	12.1, 12.2, etc.
VACATION	13.1, 13.2, etc.
ENGINEERING	14.1, 14.2, etc.
HEALTH AND SAFETY	15.1, 15.2, etc.
TRAINING	16.1, 16.2, etc.
JOB SECURITY	17.1, 17.2, etc.
GENERAL	18.1, 18.2, etc.

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2. Bramalea Assembly Plant -- Local 1285
3. Etobicoke Casting Plant -- Local 1459
4. Windsor Area -- Local 1498

**Agreement Entered Into on This
Fifteenth Day of
September, 1996**

Between Chrysler Canada Ltd.
(Hereinafter referred to as the "Corporation")
and the following Local Unions

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

1090 1285 1459 1498

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

(The said Local Unions and the National
Union being hereinafter referred to
collectively as the "Union.")

(Note: The headings used in this Agreement and
exhibits neither add to nor subtract from
the meaning but are for reference only.)

PURPOSE AND INTENT

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

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

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

RECOGNITION

(1.1) Employees Covered

(a) Pursuant to and in accordance with all applicable provisions of the Ontario Labour Relations Act, Chrysler Canada Ltd., (herein called the Corporation) does hereby recognize the Union as the exclusive representative for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, and other conditions of employment for the term of this Agreement of all employees of the Corporation included in the bargaining units described in Schedule "A".

(b) If the Corporation builds a new facility and transfers to it a significant portion of work performed exclusively by employees covered by this Agreement, this Agreement shall automatically cover employees working in the same or similar classifications at the new facility if the parties agree, or in the absence of agreement, if the Ontario Labour Relations board shall determine, that such facility or any part thereof constitutes an accretion to the bargaining unit this Agreement covers, excluding such employees as the parties agree, or the Board decides, should be excluded.

RECOGNITION

SCHEDULE "A"

BARGAINING UNIT DESCRIPTIONS

referred to in Section (1.1)
of the following Agreement:

**Office and Clerical
and Engineering**

between
Chrysler Canada Ltd.
and the

CAW

1996

**APPENDIX
SCHEDULE "A"**

Bargaining Units referred to in Section (1.1) of the Office and Clerical and Engineering Agreement between Chrysler Canada Ltd., and the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) and certain of its Local Unions dated September 15, 1996.

1. All office and clerical employees of Chrysler Canada Ltd. and Grand Marais Road Facility in its offices in the City of Windsor save and except Supervisors and those above the rank of Supervisor. Private Secretaries to Supervisors and above, and employees employed within the following classifications: Management Trainee, Photographer Technician, Tax Analyst, E.D.P. Analyst, E.D.P. Technician, Systems Analyst, Marketing and Distribution Analyst, Program Planning Coordinator, Buyer, Coordinator of Vendor Tooling, Parts Marketing Specialist, Industrial Engine Technician, Parts Remanufacturing Development Technician, Staff Person — Sales

- - - - - RECOGNITION

Administration, Staff Person — Sales Operations, Staff Person-Production Control, Product Engineer, Confidential Clerk to Plant Management, Credit Manager, and all employees in the following divisions, departments or sections: Personnel Division, Plant Labour Relations Dept., Manufacturing Budget Dept., Salary Payroll and Benefits Dept., Systems and G. & A. Budget Dept., Profit Planning and Analysis Dept., Product Analysis Dept., Budget and Financial Analysis Section of the Parts Accounting Dept., General Ledgers Dept., Industrial Engineering Dept., Quality Engineering Dept., and the Manufacturing Engineering Dept., with the exception of employees on the Engineering Detail classification. The foregoing description of the bargaining unit shall be construed to exclude from the bargaining unit all employees in the following departments except Clerks, Typists and Stenographers unless acting as Private Secretaries to Supervisors and above: Market Representation Dept., (including Dealer Development Dept., Dealer Enterprise Dept., Dealer Planning Dept., Business Management Dept.), Marketing Services Dept., (including Truck Sales Dept., Fleet Sales Dept., Service Engineering Section and Service Promotion Section of the Service Dept.), Banking and Credit Dept., and Advertising and Sales Promotion Dept.

All office and clerical employees of Chrysler Canada Ltd. at the Pillette Road Truck Assembly Plant, excluding Supervisors and those above the rank of Supervisor, Private Secretaries to Supervisors and above, Bookkeepers, Financial Analysts, Product and Quality Engineers, Industrial Engineers, employees in the Personnel Department and all employees covered by any other collective agreements with the Corporation.

2. All office and clerical employees of Chrysler Canada Ltd., Ajax Trim Plant at Ajax, save and except supervisors and those above the rank of supervisor, secretary to the plant manager, secretary to the manufacturing manager, bookkeeping clerk, budget and financial analyst, programmer, plant engineer B, all

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employees in the personnel department and employees engaged in industrial engineering.

3. All office and clerical employees of Chrysler Canada Ltd. Etobicoke Casting Plant in the Township of Etobicoke, save and except supervisors, persons above the rank of supervisor, plant nurse, security guards, private secretary to the plant manager, secretary to the manager of industrial engineering, secretary to the plant comptroller, secretary to the personnel manager, budget clerk, and analyst — method and standards. All Tool Engineers "A" employed by Chrysler Canada Ltd. at its Etobicoke Casting Plant, Etobicoke, Ontario.

4. All employees of Chrysler Canada Ltd. in its office at Windsor employed in the following engineering and technical classifications: Tool Engineer "A", Senior Tool Engineer, Plant Engineer "A", Senior Plant Engineer, Material Handling Engineer, Drafting Person — Tool and Plant Engineering, Tool Engineer "B", Tool and Die Designer "A", Trouble Person — Tool Engineering "B" and Trouble Person -- Tool Engineering "A".

5. All employees of Chrysler Canada Ltd. at the Pillette Road Truck Assembly Plant in the following Engineering and Technical Classification: Tool Engineer "A", Plant Engineer "A", Material Handling Engineer, Drafting Person — Tool & Plant Engineer, Tool Engineer "B", Plant Engineer "B", Designer — Tool & Die.

6. All employees of Chrysler Service Contract Company Inc. in Windsor, Ontario, save and except Supervisors, persons above the rank of Supervisor, Systems Development Analyst, Secretary to Manager of Operations and persons covered by subsisting collective agreements.

7. All office, clerical and engineering employees of Chrysler Canada Ltd. in Brampton, Ontario save and

- - - - - RECOGNITION

except supervisors, persons above the rank of supervisor, secretary to the Plant Manager, secretary to the Manufacturing Engineer Manager, secretary to the Product Engineering and Quality Control Manager, management trainee, supplier quality assurance engineers, statistical process control engineers, plant environmental control administrator, manufacturing engineer control coordinator, network analysts, industrial engineers, stamping shift control coordinators, and all employees in the following departments: personnel, finance, factory information system, product engineering and quality control, distribution, manufacturing group accounting and plant engineering.

If it is considered that the above descriptions differ from the original Ontario Labour Relations Board certification or the initial Agreement between the parties concerning the bargaining unit, the Board certification of the initial Agreement shall govern. By agreeing to the foregoing descriptions, neither party hereto waives the right to move to amend or clarify any certification by the Ontario Labour Relations Board.

(1.2) Management Rights

The Corporation has the exclusive right to manage its plants and offices and direct its affairs and working forces, except as limited by the terms of this Agreement and any Memorandums, Letter Agreements or Supplementary Agreements that by their terms modify this Agreement.

(1.3) Excluded Personnel

The Union will not represent anyone in a supervisory capacity or other representatives of management.

RECOGNITION

(1.4) Equal Application of Agreement

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 Ontario Human Rights Code, may complain as provided in the grievance procedure. Any such claim, when presented in writing, pursuant to Step 1 (d) of the grievance procedure, must contain a full statement of the facts giving rise to the claim and the reasons why the employee believes the employee has been **discriminated** against.

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

(1.5) Workplace Harassment

(A) 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 Ontario Human Rights Code and will act as a guide to employees in adhering to legal and social guidelines regarding the recognition and prevention of harassment.

This policy exists to underline the seriousness of workplace harassment and to establish that there is no acceptable level of harassment at Chrysler Canada Ltd. Employees who feel that they are being harassed are encouraged to seek protection under this policy.

(B) 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.

RECOGNITION

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

(C) 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.

(D) 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, Personnel Manager, or designate of the Vice President - Human Resources.

(E) 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 Personnel Manager, or such higher authority as may be appropriate, who will arrange an interview with the complainant as soon as possible. This interview and the subsequent investigation will be carried out jointly by the

Union and the Company. The investigation team, 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.

(F) 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 Personnel 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.

RECOGNITION

(G) 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. This training was completed by June 30, 1994.

(H) 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 Ontario 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.

(I) 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.

**(1.6) Memorandum of Understanding Employment
Equity**

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

Whereas, the parties affirm the policy of the Company and the CAW as outlined in Sections (1.4) and (1.5) of the Agreement, the Company reaffirmed its commitment to extend equal opportunity for employment to all people despite differences in gender, race, ethnicity or disability.

Whereas, the parties recognize that it is the right of Management to hire, promote and assign qualified candidates subject to the terms and conditions of the Agreement, the parties agree to undertake certain joint activities to further implement these and other nondiscriminatory policies following ratification of this Agreement.

Therefore, it is hereby agreed as followed:

A Local Employment Equity Committee, hereinafter referred to as the Local Committee, has been established at each plant or office location. The Local Committee consists of two (2) representatives selected by the CAW President from within the existing representation structure and two (2) Management representatives. The Local President will act as an ex-officio member of the Committee. The Local President shall select a woman from among the active membership if there are no women in the existing representation structure.

Women selected by the Local President for this purpose will be excused from regular work assignments when required and will be paid by the Company at their regular straight time rate up to the number of hours listed in the following schedule:

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Local	Number of Employment Equity Committee Members	Maximum number of straight time hours paid per week when excused from regular work assignments
Local 1498 Windsor Office	1	6

Ajax Local 1090 and Etobicoke Local 1459 will incorporate Equity matters within their representation structure.

The hours listed above are available Monday and/or Friday. The committee members may be replaced by a Temporary Part-Time Employee if a replacement is required in areas where the TPT Program is in place.

It is recognized that Local Committees will require ongoing assistance and direction. Accordingly, a Master Employment Equity Committee, consisting of two National Union representatives, the CAW Chrysler Master Bargaining Committee Chairperson, the National Employment Equity Coordinator and four Company representatives, has been established. The Master Committee will meet quarterly to review local committee activity.

The local committee shall:

- (a) Devote attention to the designated groups.
- (b) Play a role in the development and implementation of the joint Employment Equity Plan. This role could include information gathering, barrier identification, the development of goals and timetables, and other elements of the plan that require local input.
- (c) Develop a communication strategy to educate and update employees on equity issues.

- (d) Conduct harassment complaint investigations as outlined in the workplace harassment policy and procedure.
- (e) Attend the annual three-day meeting designed to update committee members on the latest developments and strategies in the field. The Company will be responsible for wages and meal expenses to a maximum of \$35 per day, if meals are not provided during the three-day meeting. The Union will be responsible for transportation and lodging expenses.

Members of the Local Committees may:

- (a) Participate in community and/or school career awareness programs designed to inform people about potential employment opportunities at Chrysler Canada Ltd.
- (b) Establish and maintain working relationships with local designated group organizations.
- (c) Develop informational communiques to encourage designated group members to apply for technical and skilled positions.
- (d) Identify the type(s) of technical jobs which would require training. Make recommendations to the local parties after considering the availability of community resources.
- (e) Consult with the Master Employment Equity committee and the local apprentice committee to develop and implement a pre-apprenticeship training program for designated group members.

(A) Communication of Workplace Harassment Policy and Procedure

The Company has agreed to review, update and reprint the joint Workplace Harassment Policy and Procedure in the Employee Handbook.

Further, media coverage of the policy and procedure will be incorporated in the equity plan communication strategy.

**(E) Union Leadership/
Management Harassment Training**

The Company agrees to a three (3) day jointly developed and delivered harassment and human rights program for Union Representatives and designated Management employees, with the content, timing, location(s) and trainers to be determined by the Master Employment Equity Committee. Travel time, if required, is to be included in the three (3) day period.

The Master Employment Equity Committee will update the one (1) day Employment Equity program for the individuals detailed above.

(C) Violence Against Women

The parties recognize that women sometimes face situations of violence or abuse in their personal life that may affect their attendance or performance at work. The parties agree that when there is adequate verification from a recognized professional (i.e. doctor, lawyer, professional counsellor), a woman who is in an abusive or violent personal situation will not be subjected to discipline without giving full consideration to the facts in the case of each individual and the circumstances surrounding the incident otherwise supportive of discipline. This statement of intent is subject to a standard of good faith on the part of the Company, the Union and affected employees, and will not be utilized by the Union or employees to subvert the application of otherwise appropriate disciplinary measures.

(D) Minute of Silence

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.

(E) Women's Advocate

The parties recognize that female employees may sometimes need to discuss with another woman matters such as violence or abuse at home or workplace harassment. They may also need to find out about specialized resources in the community such as counsellors or women's shelters to assist them in dealing with these and other issues.

For this reason the parties agree to recognize that the role of women's advocate in the workplace will be served by the CAW female member of the Local Union Employment Equity Committees, in addition to her other duties relating to employment equity. The trained female Employment Equity Representative will meet with female members as required, discuss problems with them and refer them to the appropriate agency when necessary.

The Company agrees to establish a confidential phone line that female employees can use to contact the female Employment Equity Representatives. As well, the company will provide access to a private office so that confidentiality can be maintained when a female employee is meeting with a female Employment Equity Representative.

The Local Employment Equity Committees will develop appropriate communications to inform female employees about the advocacy role that the female Employment Equity Committee members play.

The Women's Advocates will participate in an annual training program. The two-day training program includes travel and will be held at the end of the Annual three-day Employment Equity Meeting.

The Company will be responsible for wages and meal expenses to a maximum of \$35 per day. The Union will be responsible for transportation and lodging expenses.

(F) Employment Equity Programs

During current negotiations, the Company and the Union reaffirmed their commitment to Employment Equity.

While the parties recognize that there is increasing representation of the four designated groups within the hourly workforce, the Corporation and the Union agreed that they must increase special efforts aimed at achieving a representative number of women, visible minorities, persons with disabilities and aboriginal persons throughout the workforce of Chrysler Canada Ltd.

The parties agreed that a diverse workforce is beneficial and desirable, and that their proactive efforts on employment equity are fundamental to the Company. The parties are committed to jointly develop an Employment Equity Plan on behalf of CAW bargaining units at Chrysler Canada Ltd. by year end 1998. This plan will include the following:

- an up-to-date census
- a workforce analysis and review of employment systems
- the identification of systemic barriers to the designated groups
- a review of current recruitment, promotion and training practices
- goals and timetables for hiring the designated groups
- goals and timetables for reducing or eliminating systemic barriers to the designated groups
- accommodation for people with disabilities
- a clear and ongoing commitment to a workplace free of harassment
- identification of positive measures such as work and family measures, skills updating, pre-apprenticeship training, etc. that could help retain and advance the designated groups in the Chrysler workforce.

- an annual review procedure to monitor the progress of the program.

The Company has developed an Employment Equity Plan for the Federal Contractor's Program. Elements of this plan may form the basis for the new Joint Employment Equity Plan when the parties are in agreement.

(G) Women's Committee Understanding

The Women's Committee Chairpersons are seeking an avenue to voice issues of concern. The Company has agreed to provide the Women's Committee Chairperson(s) the opportunity to present issues at Master Employment Equity Committee meetings as they arise. This representation is in no way an effort to increase the Master Committee membership or its scope of responsibility.

(1.7) Strikes and Lockouts Prohibited

(a) The Union will not cause or permit its members to cause, nor will any member of the Union take part in any sitdown, **stay-in**, or slow-down in any plant of the Corporation or any curtailment of work or restriction of or interference with production of the Corporation. The Union will not cause or permit its members to cause nor will any member of the Union take part in any strike or stoppage of any of the Corporation's operations or picket any of the Corporation's plants or premises until all of the grievance procedure outlined herein has been exhausted and not even then unless authorized by the National Executive Board of the CAW and a copy of such authorization has been delivered to the Corporation. In case a strike shall occur this Agreement at the option of the Corporation shall terminate immediately. The Corporation reserves the right to discharge any employee who violates any provision of this Section. Such discharged employee shall have recourse to the grievance procedure. The Corporation will not cause or sanction a lockout until all of the grievance procedure outlined herein has been exhausted.

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(b) In the event of the occurrence of a dispute between the Corporation and employees, the Union agrees that it will at all times during the currency of this Agreement take such steps as may be necessary to ensure that employees employed in the power-house and any substation of the Corporation shall be permitted free and unobstructed entrance into and exit from the premises and plants of the Corporation in order that such employees may at all times be enabled to perform the regular duties therein to which they are assigned.

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

(d) If and when employees are permitted to conduct a legal strike by a change in the provincial laws, governmental decree, or binding judicial interpretation during the term of this Agreement, Section (1.7) (b) shall become null and void and Section (1.7) (a), (1.8), (1.10) and (2.1) of this Office and Clerical and Engineering Agreement shall apply.

(1.8) Requirement of Union Membership

(a) Employees covered by this Agreement at the time it becomes effective and who are members of the Union at that time shall be required as a condition of continued employment to continue membership in the Union for the duration of this agreement.

(b) Employees covered by this Agreement who are not members of the Union at the time it becomes effective shall be required as a condition of continued employment to become members of the Union for the duration of this Agreement, on or before the fortieth (40th) day following such effective date.

(c) Employees hired, rehired, reinstated or transferred into a bargaining unit after the effective date of this Agreement and covered by this Agreement shall be required as a condition of continued employment to become members of the Union for the duration of this Agreement, on or before the fortieth (40th) day following the beginning of their employment in the unit.

(d) An employee who shall tender an initiation fee (if not already a member) and the periodic dues uniformly required as a condition of acquiring or retaining membership shall be deemed to meet the conditions of this section.

(e) Employees shall be deemed to be members of the Union within the meaning of this section if they are members and are not more than thirty (30) days in arrears in payment of membership dues.

(1.9) Check-Off

(a) The Corporation will deduct the Union initiation fee from the pay of an employee hired, rehired, reinstated or transferred into the bargaining unit after the effective date of this Agreement. The initiation fee shall not exceed the maximum prescribed by the Constitution of the National Union at the time of the employee's hire, rehire, reinstatement or transfer.

(b) Check-off of Union dues will be compulsory for 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.

(1.10) Deductions

(a) Deductions 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, together with the provisions of this Agreement and the provisions of the Memorandum of Understanding (Union Dues Deductions), a supplement to this Agreement.

(b) The deduction on the records of the Corporation shall constitute the sums so deducted as money held by the Corporation in trust for the Local.

(1.11) Indemnification

The Union shall indemnify and hold harmless the Corporation against any and all liability which may arise by reason of the deduction by the Corporation of money as Union initiation fee and membership dues from employees' wages, or by the Trustee of money as Union membership dues from employees' Regular Benefits under the Supplemental Unemployment Benefit Plan.

**(1.12) Memorandum Of Understanding
Union Dues Deductions**

This Memorandum of Understanding between CHRYSLER CANADA LTD. for its Etobicoke Casting Plant, Ajax Trim Plant, Windsor Assembly Plant, Pilette Road Truck Assembly Plant, Grand Marais Road Facility and Bramalea Assembly Plant (hereinafter referred to as the "Corporation") and the NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION AND GENERAL

WORKERS UNION OF CANADA (CAW-Canada) for its Local Unions No. 1459, 1090, 1285 and 1498 (hereinafter referred to as the "Union") supplements the current Office and Clerical and Engineering Agreement.

WHEREAS, the Corporation and the Union wish to set forth certain understandings with respect to the deduction and remittance of Union membership dues (which term, as used herein, shall include, where appropriate, Union initiation fees);

NOW THEREFORE, pursuant to Section (1.10) of the above-mentioned Office and Clerical and Engineering Agreement, it is hereby agreed as follows:

(a) Time of Deductions.

(i) The initiation fee will be deducted from the pay of an employee at any time within thirty (30) days after the employee becomes a member of the Union as provided in Section (1.8) of the above-mentioned Office and Clerical and Engineering Agreement. (ii) Check-Off deductions for Union membership dues will begin in the month in which the employee becomes a member of the Union. Thereafter, in each succeeding month, Union membership dues then due and owing will be deducted in the calendar month.

(b) Pay Periods In Which Deductions Are Made.

Union membership dues for the current calendar month will be deducted from the pay received by the employee for the first full pay period falling in the month. If an employee does not have sufficient net earnings in the first full pay period falling in the month, a Union membership dues deduction will be made in the next subsequent pay period ending in the month in which the employee has sufficient net earnings to cover such deduction, and not thereafter,

(c) Other Dues Deductions.

If an employee does not have sufficient net earnings in a pay period in a calendar month for the

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deduction of dues as provided in Paragraph (b) of this Memorandum of Understanding, such dues will be deducted in a later calendar month, provided the employee has sufficient net earnings to cover such deduction, and provided the designated financial officer of the Local Union gives notice in writing to the Salary Payroll Department, specifying the employee, the employee's Social Insurance number, the amount to be deducted and the month or months for which the deductions are to be made. The designated financial officer of the Union may submit a similar notice in writing specifying the employee and the month or months for which it is certified (i) that the employee did not earn forty (40) hours pay in the specified month but did receive Supplemental Unemployment Benefits equivalent to forty (40) hours pay for that month, and (ii) that Union membership dues were due and owing for that month and were not paid. Union membership dues deductions as per the Constitution may be established as dues for such employee and will be deducted from a subsequent Regular Supplemental Unemployment Benefit cheque issued to such employee for a pay period ending in the month the notice in writing is received, but not thereafter, or at the option of the designated financial officer, will be deducted from the regular pay of such employee in a subsequent pay period ending in the month in which the notice in writing is received, provided the employee has sufficient net earnings to cover such deduction, but not thereafter.

(d) Refunds.

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) Remittance Of Dues To Financial Officer.

At the end of each calendar month and prior to the 10th of the following month, the Corporation shall remit by

by cheque the total of the deductions to the Union. The Corporation will also furnish to the designated financial officer of the Local Union a list of the names of employees for whom Union membership dues have and have not been deducted and the employee's Social Insurance number.

(f) Disputes Concerning Check-Off.

Except as otherwise specifically provided or dealt with, any dispute as to a violation or interpretation of any provision respecting Check-Off shall be matter for the grievance procedure and shall be submitted direct to the Impartial Chairperson.

(g) Limit of Corporation's Liability.

The Corporation shall not be liable to the National Union or its Locals by reason of the requirements of the Office and Clerical and Engineering Agreement of this Memorandum of Understanding for the remittance or payment of any sum other than that constituting actual deductions made from wages earned by employees or from Regular Supplemental Unemployment Benefits payable to employees,

(h) Disputes Concerning Membership.

Any dispute arising as to an employee's membership in the Union shall be reviewed by the Salaried Labour Relations Specialist and the President of the Local Union and if not resolved may be submitted directly to the Impartial Chairperson through the grievance procedure.

Letter (1.13) Excluded Jobs

During these negotiations the parties discussed at great length Union claims of jobs which may be excluded from a bargaining unit under Schedule "A" of the Collective Agreement.

The parties agree the Union may request information relevant to a job, supervisor or employee so that it may conclude its investigation of the claim. The Corporation will

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provide such relevant information and its position on the matter within 30 days. The Union and the Corporation will meet as necessary and attempt to resolve any remaining disputes between them.

Within 30 days after receipt by the Union of the information and positions provided by the Corporation, the Union shall submit any unresolved claim to an adjudicator, as per the attached letter to Mr. Vic Pathe, Assistant Deputy Minister of Labour re O.L.R.B. appointee.

Letter (1.14) Excluded Job - Joint Committee

Mr. Vic Pathe,
Assistant Deputy Minister of Labour
400 University Avenue, 16th Floor,
Toronto, Ontario.

Dear Mr. Pathe:

During our recent negotiations between CAW and Chrysler Canada Ltd., the parties discussed the potential problem with future positions that are not included in the bargaining units and which the Union believes should be included.

The Union and the Corporation agree to address this matter, if necessary, by establishing a Joint Committee to attempt to work out an agreement on any position in question.

We recognize there may be certain areas when no agreement may be possible and where both parties could use the assistance of someone experienced in the area of Office and Technical bargaining unit work.

The parties are requesting that you select someone who has had experience in this field at the Ontario Labour Relations Board and whom we could call in to settle any unresolved issue.

The Corporation and Union have agreed that both parties would accept the decision of the individual selected by the Board as final and binding.

We realize the parties would have to work out any remuneration arrangement with such a person if and when they are needed.

Letter (1.15) Management Positions

During the course of the Office and Clerical and Engineering negotiations your Union requested the Corporation to notify the Local Unit President when the Corporation intends to establish new management positions.

The Company will arrange a meeting to explain the duties and responsibilities of any newly created position not included in a bargaining unit. Such meeting shall be between two representatives of the Corporation (the Manager of Salary Personnel Administration and the Salary Labour Relations Specialist) and two members of the Unit. The parties may agree that a third representative of the Union and/or Corporation may attend the meeting.

If the Unit President is not satisfied with the results of the meeting the Unit President may refer the matter to the Second Step of the Grievance Procedure.

Letter (1.16) Non-Bargaining Unit Employees Performing Bargaining Unit Work

During our recent negotiations, the Union requested a statement from Management relative to the Corporation's practices and policies in connection with the performance of work by supervisors and excluded personnel normally performed by represented general salaried employees now included in the bargaining units.

We wish to confirm our assurance to you that the Corporation does not intend that supervisors or excluded personnel will perform the work regularly done by employees in the bargaining unit.

It is understood that the provisions of this letter are not intended to alter or limit normal working relationships nor is it

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intended that the provisions hereof be construed to affect the composition of the bargaining unit.

Certain misunderstandings have occurred in the past with respect to this matter. In order to reduce to a minimum any misunderstandings in this regard in the future, all alleged departures from this policy shall immediately be taken up in the following order:

1. With the supervisor involved.
2. With the Salaried Labour Relations Department, if necessary.

In the event the complaint is not resolved to the Union's satisfaction, they may present such complaint in the grievance procedure.

(1.17) Union Bulletin Boards

(a) Placing of Bulletin Boards

A bulletin board shall be placed in each district by the Corporation which may be used by the Union for posting notices of the following types:

- (1) Notices of recreational and social events.
- (2) Notices of elections.
- (3) Notices of results of elections.
- (4) Notices of meetings.
- (5) Notices of General Health and Safety matters

that are educational or informational, provided such notices have prior approval for posting by the Union Member of the Local Joint Health and Safety Committee.

(b) Limit on Use of Bulletin Board

The bulletin board shall not be used by the Union for disseminating propaganda of any kind whatsoever; and among other things shall not be used by the Union for posting or distributing pamphlets or political matter of any kind whatsoever, or for advertising.

(1.18) Withdrawal of Demands and Separability of Provisions

(a) Withdrawal of Demands

This Agreement replaces all previous Agreements between the parties.

Prior to and during the negotiation of this Agreement, each party made certain proposals to the other. Each **party** hereto agrees that it has withdrawn all proposals made to the other that are not incorporated in or covered by this Agreement, in whole or in part. The withdrawal of those proposals, in whole or in part, is as much a consideration for this Agreement as is the incorporation therein of matters agreed on. Each party hereto hereby waives any right to require the other to bargain on the subject matter of those proposals, or on any similar proposals or on any other matter that might have been included in or covered by this Agreement, but was not. It is the intention of the parties that this Agreement during its term shall cover all arrangements between the parties concerning wages, hours and conditions of employment that are to be in effect during the term and that nothing shall be added to the Agreement or subtracted from it by amendment supplemental Agreement or otherwise.

(b) Separability of Provisions

(i) In the event that any of the provisions of this Agreement are or become invalid or unenforceable, the remaining, unaffected provisions shall remain in full force and effect.

(ii) Should the parties hereafter agree that applicable law makes, or probably makes, any of the provisions of this Agreement or of any of its supplements, memoranda of understanding or letters relating thereto invalid or unenforceable, the parties may agree on a replacement for the affected provision(s). Such



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replacement provision(s) shall become effective immediately upon agreement, and remain in effect for the duration of the Agreement, without the need for further ratification by the Union membership.

(1.19) Termination and Modification

This Agreement shall continue in full force and effect until 11:59 p.m. September 14, 1999, or until the end of the last regularly scheduled shift beginning prior to 11:59 p.m. September 14, 1999, whichever is later,

(a) If either party desires to modify, amend or terminate this Agreement, it shall, sixty (60) days prior to September 14, 1999, give written notice of its intention as provided in Section (1.17). Notice to modify or amend shall set forth the nature of the changes desired. Any amendments that may be agreed upon shall become and be a part of this Agreement without modifying or changing any of the other terms of this Agreement. The giving by either party of such a notice to modify, amend or terminate shall terminate this Agreement at 11:59 p.m. September 14, 1999.

(b) If neither party gives a notice to modify, amend or terminate as provided in Subsection (a), or if each party giving a notice to modify, amend or terminate withdraws such notice prior to 11:59 p.m. September 14, 1999, this Agreement shall continue in effect from year to year thereafter subject to sixty (60) days' written notice by either party to modify, amend or terminate this Agreement as provided herein prior to September 14, of any subsequent year.

(c) On September 17, 1996, Chrysler Canada Ltd. and the National Automobile Aerospace, Transportation, and General Workers Union of Canada (CAW-Canada) agreed on the terms for 36-month agreements terminating on September 14, 1999 (with a strike deadline no earlier than September 21, 1999), pertaining to represented hourly and salaried employees at plants and offices in Windsor, Bramalea, Etobicoke and Ajax, Ontario.

(1.20) Notice

Notice shall be in writing and shall be sufficient if sent by mail addressed, if to the Union, to National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada), 205 Placer Court, North York-Willowdale, Ontario M2H 3H9 or to such other address as National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) shall furnish to the Corporation, in writing, and if to the Corporation, addressed to Chrysler Canada Ltd., P.O. Box 1621, Windsor, Ontario, N9A 4H6, attention, Secretary, or to such other address as Chrysler Canada Ltd. shall furnish to National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada), in writing.

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

CAW
NATIONAL UNION
Buzz Hargrove
Ron Pellerin
Ken Lewenza
Manfred Furs
Wayne Boutette
Gary Taylor
Robert Pastorius

CHRYSLER
CANADA LTD.
Ken Francese
Phil Bezaire
Jim Dunn
Paul MacKenzie
Tom Introcaso
Steve Rose

REPRESENTATION

(2.1) Number of Districts

The number of districts in each office shall be the present number, unless the number is increased or decreased by agreement between Management and the Union. Management and the Union may redistrict the office from time to time by agreement.

It is mutually recognized that the principle of proportional representation which reflects the increase and decrease in the work force is a sound and sensible basis for implementing this Section of the Agreement.

(2.2) Committeepersons

(a) In each district employees in the district shall be represented by one Committeeperson or when the Committeeperson is absent from the office a permanent Alternate Committeeperson who in each case shall be a regular employee on the active roll having seniority and working in the district. The Unit President shall notify the Labour Relations Officer in writing of the name of the Alternate Committeeperson. The Alternate Committeeperson shall function only upon notification to the office by the Unit President of each instance the Committeeperson will be absent from the office. During overtime periods or weekend work the Committeeperson or if the Committeeperson is not working, the permanent Alternate Committeeperson shall be scheduled to work as long as there is work scheduled in the district the Alternate Committeeperson can do and any respective constituents are working. The Committeeperson will be notified of overtime or weekend work as far in advance as the circumstances in each case permit. The Committeeperson will, upon request, be advised of the nature of the scheduled work.

(b) Paragraph (a) is intended to provide the Committeeperson with the opportunity to represent employees in the district, provided the Committeeperson has the ability to perform the available work in a reasonably adequate manner.

(c) The employees on the second shift may choose a Committeeperson who will represent all of the employees on that shift. The employees on the third shift may choose a Committeeperson who will represent all of the employees on that shift. Management and the Union may provide for additional Committeepersons on the second and third shifts because of increased employment on these shifts or where the employees are in widely separated areas.

(d) Committeepersons during their working hours, without loss of time or pay, may in accordance with the terms of this Section present grievances to the management representatives and investigate grievances after first obtaining permission of their Supervisor to do so. The Supervisor will grant permission to Committeepersons to leave their work for these purposes. The privilege of Committeepersons to leave their work during working hours without loss of time or pay is subject to the understanding that the time will be devoted to the prompt handling of grievances and will not be abused, and that the Committeepersons will perform the work to which they are assigned at all times except when necessary to leave their work to handle grievances as provided herein.

(2.3) Consultation Conferences

(a) Regular Conferences will be arranged between the Unit President and the Labour Relations Department on an as required basis, but not less than every two months by either party. An agenda on work place matters, will be provided on the day proceeding the meeting.

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(b) Special conferences for workplace matters may be arranged between representatives of the Unit and Labour Relations. It is understood that special conferences will not be requested in order to circumvent the grievance procedure. Such meetings shall be between two representatives of the Corporation and two representatives of the Union, one of whom shall be the Unit President, provided, however, that at the request of either party, there may be a third representative of the Corporation and/or the Union. The third Union member at such conferences shall be an officer of the Local Union. By agreement between the parties, additional representatives of the Corporation and/or the Union, one of whom may be a representative of the National Union, may attend conferences under this Section. Arrangements for such special conferences shall be made in advance by the submission of a written agenda setting forth in reasonable detail the nature of the matters to be taken up at the meeting, and the names of the representatives of the Union who will attend, shall be presented to the Labour Relations Supervisor at the time the conference is requested. In the event a dispute arises between the parties as to the propriety of arranging the date and time or the additional representatives attending a special conference, such disputes will be referred to Staff Labour Relations and the National Union. Matters taken up in special conferences shall be confined to those included on the agenda.

(c) The Union representatives may meet at a place in the office designated by Management for one-half (1/2) hour immediately preceding a special conference. Members of the Union if working in the office in which such a meeting is held, shall not lose time or pay for time spent in such special conferences. If one of the members of the Union who attend such meetings is the Unit President, the Unit President shall not lose time or pay for time spent in such special conference.

(d) In the event an annual meeting is requested pursuant to Section (2.6) Consultation Conferences of the Production and Maintenance Agreement, appropriate Office and Clerical representatives will be invited to attend.

Letter (2.4) Benefit Plans Representative

During the recent negotiations, the Union expressed concern with respect to servicing its members at certain locations on matters relating to pension, insurance programs, and SUB local appeal matters.

Accordingly, it is agreed that, subject to the conditions set forth, the National Union, CAW may:

Appoint one (1) Part-Time Salary Benefit Plans Representative, who shall be a regular salary employee on the active roll having seniority and working in the Windsor area offices. Such representatives shall function only so long as the number of represented employees on the active roll at those locations listed above remains at 101 employees or more. A Benefit Plans Representative shall be allowed up to a maximum of eight (8) hours per week without loss of pay for time spent in handling such benefit matters.

Such aforementioned agreement is subject to the following conditions:

(a) If the Benefit Plans Representative wishes to leave work to handle one of the aforesated matters for an employee the Benefit Plans Representative shall so advise supervision and report to supervision after having disposed of the matter. Before talking to the employee, the Benefit Plans Representative shall also make prior arrangements with the employee's supervisor to do so;

If the Benefit Plans Representative has occasion to visit another office in relation to a benefit matter, the Benefit Plans Representative shall make arrangements in advance with the office Labour Relations Department and identify the specific problem and the area he wishes to visit. After arrangements are made, the Benefit Plans Representative shall notify supervision of destination and time of departure. Upon arrival

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at the other office, the Benefit Plans Representative shall contact the Labour Relations Department which will make arrangements for the Benefit Plans Representative to speak to the employee or visit the area involved. He shall notify the Labour Relations Department of his departure time from that Office;

The Benefit Plans Representative shall keep a daily log of such visits, noting destination and arrival and departure times. Such log will be submitted to supervision each day.

(b) The Benefit Plans Representative shall be restricted to non premium hours in handling such benefit matters and the time spent on them shall be compensated at the Benefit Plans Representative's regular salary rate.

(c) The privilege of the Benefit Plans Representative to leave work during regular working hours without loss of pay is subject to the condition that the time will be devoted to the prompt handling of benefit matters and will not be abused, and that the Benefit Plans Representative will perform assigned work at all times, except when necessary to leave work to handle matters as provided herein.

(d) Notwithstanding the Benefit Plans Representative's position on the seniority list, the Benefit Plans Representative shall in the event of a temporary layoff or an indefinite layoff be continued at work at all times when one or more departments or fractions thereof, of the Local, are at work, provided the Benefit Plans Representative has the ability to perform the work being done at the time.

(e) If the Corporation believes that the Benefit Plans Representative is abusing any of the provisions hereof, it may upon thirty (30) days' written notice to the National Union terminate this arrangement.

The Benefit Plans Representative shall perform only the duties of Union representatives as expressly set forth in the Pension Plan, the Insurance Program and the Supplemental Unemployment Benefit Plan. Other salary Union

representatives in the offices shall not participate in benefit plan matters except as any of them has been designated to act as the second member of a local committee pursuant to the Supplemental Unemployment Benefit Plan.

The Benefit Plans Representative shall not participate in the grievance procedure and those matters with which such Benefit Plans Representative deals shall not be subject to the grievance procedure but shall be subject to the review procedure specified in the appropriate Plan or Program.

A Benefit Plans Representative shall not function as provided herein unless and until the National Union (i) sends written notice to the Corporation of the employee's name, office location, department and social insurance number and (ii) until the Corporation advises the office of the designation and the effective date thereof.

A Benefit Plans Representative shall also cease to function as provided herein upon receipt of written notice from the National Union to the Corporation. Such notice shall include the same identification information as set forth above.

The Corporation further agrees it will, insofar as is reasonably practicable, cooperate with such employee in performing the duties of a Benefit Plans Representative.

**Letter (2.5) CAW National Employment
Equity Coordinator**

The parties agreed that the position of CAW National Employment Equity Coordinator will be established. The Coordinator will be appointed by the CAW National President.

The Coordinator's role will be to promote a planned, informed and consistent approach to employment equity on behalf of the CAW throughout Chrysler Canada Ltd.

Specifically the Coordinator will work closely with the Master Employment Equity Committee to help develop and implement the joint Employment Equity Plan at Chrysler Canada. The Coordinator will also conduct community

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outreach and other activities to promote employment equity on behalf of the Master Employment Equity Committee.

The Coordinator will work closely with the Local Employment Equity Committees and make recommendations to assist the committees in promoting equity in the workplace. This may involve advising with community outreach initiatives, assisting with local work to develop and implement the joint Employment Equity Plan, coordinating education and communications efforts, assisting with anti-harassment efforts or with the resolution of difficult complaints.

Workplace Management will cooperate in this regard and may meet with the Coordinator and the Local Employment Equity Committee to discuss recommendations. The Coordinator may visit all plants and offices, and access will be provided upon reasonable notice.

Letter (2.6) National Representative

During our recent contract negotiations, Subsections (3.2) Step 2 (f) and (3.2) Step 3 (a) of the Office and Clerical and Engineering Agreement were amended to provide that after the final second step answer, grievances will be referred to the National President or a designated representative for further action.

During these discussions your Union explained that in some cases the thirty (30) day period for appeal of grievances to the Appeal Board may be insufficient for a proper review. This could lead to the appeal of grievances which would not otherwise be appealed if an extension of the time limit could be obtained. In addition, we discussed a procedure permitting the National President or a designated representative to withdraw a grievance without prejudice.

In the interest of providing the National President sufficient time to review a grievance prior to its appeal to the Appeal Board, we will make arrangements whereby the National President may obtain an extension of the time to appeal a grievance involving a matter within the power and

authority of the Appeal Board up to a maximum of thirty (30) days. Such requests shall be made in writing to the Staff Labour Relations Department.

We will also make arrangements for the National President or a designated representative to withdraw without prejudice any such grievance. Requests for withdrawal of a grievance without prejudice shall be made in writing to the Staff Labour Relations Department. All financial liability on any grievance so withdrawn shall be cancelled. If the grievance is reinstated in the grievance procedure, the financial liability shall date only from the date of reinstatement. If the grievance is not reinstated within ninety (90) days from the date of withdrawal, it shall not be reinstated.

The Corporation may suspend or terminate all or part of the provisions of this letter by giving ten (10) days' written notice to the National Union.

Letter (2.7) Health and Safety Representative

The Corporation agrees to establish a Local Joint Committee on Health and Safety for the Windsor Area office consisting of two (2) Committee members appointed by management and two (2) Committee members appointed by the CAW President of the National Union, who will be referred to as the first and second members of the Committee. The first members will serve as co-chairmen/women of the Local Joint Committee on Health and Safety.

The CAW President of the National Union shall advise the Corporate Labour Relations Staff, in writing, of the appointee. No Union member shall function as such until the Corporation is so advised. The maximum number of hours per week in which the first Union member may perform Health and Safety functions shall be eight (8) hours per week.

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The second Union member of the Local Joint Committee on Health and Safety shall function as prescribed by Legislation.

The rights and duties of the Health and Safety Representative/Committee will parallel those found in the Production and Maintenance Memorandum of Understanding Health and Safety based on the past practices and amicable arrangements reached in the Office, Clerical and Engineering workplace.

Letter (2.8) Alternate Health and Safety Representative

During negotiations the parties discussed an alternate Health and Safety Representative for office workers.

It was agreed the alternate will serve as the second Union member of the Health and Safety Committee. The alternate will function in the event that the Health and Safety Representative is absent for one day or more. It is further agreed that the alternate as a member of the Health and Safety Committee may function only if the Health and Safety Representative has not already functioned for the eight (8) hours a week maximum and has provided management with advance notification of his/her absence. It is understood the alternate will be designated as the regular replacement for the Health and Safety Rep. by the National Union and may only function after management has received notification of his/her identity in writing.

At the earliest opportunity arrangements will be made to train the alternate by attending a 40 hour Journeyman/woman Health and Safety Training Course.

It is further understood the alternate will be entitled to Joint Health and Safety Committee Training when the subject matter is suitable for the requirements of the office Health and Safety Committee.

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(3.1) Time of Answers

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

(a) By the Department Head within three (3) working days,

(b) By the Labour Relations Supervisor within seven (7) working days from the date of the meeting at which the grievance was discussed.

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

(3.2) Presenting a Grievance

Any employee having a grievance in connection with the employee's working conditions shall present it to Management as follows:

Step 1

(a) The employee or one designated member of a group of employees may arrange an appointment to take the grievance up with the employee's Supervisor or after obtaining permission from the employee's Supervisor, submit the grievance to the Committeeperson for that shift.

(b) The Committeeperson shall, after having arranged the appointment, leave work and discuss the grievance with the Supervisor.

(c) If the matter is not disposed of verbally, the Committeeperson shall, after having arranged an appointment, leave work and discuss the grievance with the Department Head, or a designated representative.

(d) If the Committeeperson is unable to dispose of the grievance with the Supervisor or Department Head, the Committeeperson may then refer it to the Unit President who may, after having arranged an appointment, leave

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work to discuss the grievance with the Department Head, or a designated representative.

(e) If the matter is thereby not disposed of, it will be submitted in written form by the Committeeperson to the Department Head, or a designated representative. The written grievance shall set forth the nature of the grievance, the date of the matter complained of, identify the employee or employees involved by name, insofar as diligent effort will allow, and the provisions of this Agreement, if any, that the Union claims the Corporation has violated.

(f) The Department Head's answer shall set forth the facts taken into account in answering the grievance.

Step 2

(a) If the Department Head or a designated representative's answer is not satisfactory, the grievance may be referred to the Unit President who may submit the appeal on an agenda to the Labour Relations Supervisor. A meeting between two representatives of the Union and two representatives of Management, one of whom may be the Department Head, will be arranged, to discuss the grievance or grievances appearing on the agenda within five (5) working days from the date the agenda is received by the Labour -Relations Supervisor. Any claim of discrimination appealed to Step 2 of the procedure shall contain a full statement of the facts which give rise to the claim and the specific reason or reasons why the employee or employees believes they have been discriminated against. If a grievance involves the continuing refusal of Management to return an employee to work from a sick leave of absence, where the employee's personal physician has found, contrary to findings of a physician or physicians acting for the Corporation, that the employee is able to do a job to which the employee's seniority entitles the employee, such grievance may be presented directly to the Labour Relations Supervisor as part of the Second Step agenda.

(b) At such meeting each party, after diligent investigation, will endeavor in good faith to furnish the other all facts and information then available, with respect to the grievance.

(c) The Union representatives may meet at a place designated by Management on Corporation property for one-half (1/2) hour immediately preceding a meeting with the two representatives of management for which a written request has been made.

(d) One of the two Union representatives, provided the representative works in the Office at which the grievance arose or is the Unit President, shall be allowed time off the job without loss of time or pay to investigate a grievance which the Unit President has discussed or is to discuss with the Labour Relations Supervisor. The representative's Supervisor will grant permission to leave work for this purpose.

(e) In addition to the two (2) Union representatives specified in Section (3.2) Step 2 (a), the Local Union President or, if absent, the Local Union Vice-President, and the National President of the Union, or his regularly designated representative, will be permitted, upon proper notice to the Management concerned, to attend the scheduled grievance meeting provided for in this Section (3.2) Step 2.

(f) If the two representatives of Management and the two representatives of the Union do not dispose of the matter, the Labour Relations Supervisor or a designated representative shall prepare an answer setting forth the facts and arguments in support of the answer.

A copy of such answer will be given to the Unit of the Local Union, and copies of both the 1st and 2nd step answers and the grievance will be sent to the National Union.

step 3 -- Appeal to Appeal Board

(a) After receiving the answer of the Labour Relations Supervisor, or a designated representative, the National

Union representative will review the matter. If it is one on which the Appeal Board has power and authority to rule, and if it merits appeal, the National Union representative shall refer the matter within thirty (30) days of the answer of the Labour Relations Supervisor or a designated representative, to the Appeal Board.

If a grievance does not involve a matter within the power and authority of the Appeal Board, it will be referred back to the Local Union.

(b) If the National Union refers the matter to the Appeal Board, it shall prepare a record which shall consist of the original written grievance prepared by the Committeeperson, and the written answers to the grievance and such other written records as there may be in connection with the matter and forward the same to the Manager of Labour Relations of the Corporation, together with a notice that the answer of the Labour Relations Supervisor or a designated representative with respect to that grievance is not satisfactory to the Union. The matter, if within the power and authority of the Appeal Board as provided in Section (3.4), may then be submitted to the Appeal Board for final disposition, such disposition to be made as expeditiously as possible.

(3.3) Membership of Appeal Board

(a) The Appeal Board shall consist of two executives of the Corporation and two official representatives of the National Union, and, when necessary, an Impartial Chairperson. The Union and Corporation representatives of the Appeal Board shall attempt to settle all grievances properly referred to the Board.

(b) In addition to the two executives of the Corporation and two official representatives of the National Union as specified in Subsection (a), upon prior notice to the Corporation or the Union as the case may be, a Local Union officer or a representative of the office Management may attend Appeal Board meetings. The Appeal Board members may mutually agree to hold a meeting at the

office to discuss a grievance and the Union President, at the request of the Union members of the Appeal Board, may attend such meeting. Those in attendance under Subsection (b) shall not be considered a member of the Appeal Board as specified in Subsection (a).

(c) In the event that they are unable to settle a matter, it shall be determined by decision of an Impartial Chairperson selected by the parties, or in the event they cannot agree upon an Impartial Chairperson within five (5) days, by an Impartial Chairperson selected by the Ministry of Labour for Ontario and not by majority vote of the Board.

(d) Any Impartial Chairperson selected shall have only the functions herein. The fees and approved expenses of an Impartial Chairperson will be paid one-half by the Corporation and one-half by the Union.

(3.4) Authority of Appeal Board

The power and authority of the Appeal Board shall be limited to:

(a) Matters involving the correctness of the classification of employees, and in any such case the absence of a classification requested in a grievance from the list of classifications authorized for use at the office at which the grievance arose shall not preclude the application of the requested classification provided the requested classification is an established salaried classification under this Agreement, and provided further that the requested classification is a proper classification on the basis of the work performed, and

(b) Applying and interpreting the provisions of this Agreement and written memoranda and letters of understanding between the Corporation and the National Union that relate to and supplement the terms of this Agreement, and

(c) In proper cases, modifying penalties assessed by Management in disciplinary discharges and layoffs.

The Appeal Board shall not have authority to add to or subtract from or to modify any of the terms of the

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Agreement or to establish or change any wage or rate of pay.

Any case appealed to the Appeal Board on which it has no power to rule shall be referred back to the parties without decision.

(3.5) Time of Appeals

(a) Hereafter, a grievance not appealed from an answer at one step of the grievance procedure to the next step of the grievance procedure within five (5) working days after such answer or a grievance not appealed to the Appeal Board within thirty (30) days after the **answer** of the Labour Relations Supervisor or a designated representative shall be considered settled on the basis of the last answer and not subject to further review but shall not prejudice the position of either party with respect to a grievance involving the same issue at that or another office.

(b) A grievance may be withdrawn without prejudice by mutual agreement of the parties and, if so withdrawn, all financial liabilities shall be cancelled. If the grievance is reinstated, financial liability, if any, shall date only from the date of such reinstatement. If the grievance is not reinstated within three (3) months from the date of withdrawal, it shall not be reinstated. Where one or more grievances involve a similar issue, those grievances may be withdrawn without prejudice pending the disposition of the appeal of a representative case. In such event the withdrawal without prejudice will not affect financial liability.

(3.6) Time Limit on Claims

(a) No claims, including claims for back wages, by an employee covered by this Agreement, or by the Union, against the Corporation shall be valid for a period prior to the date the grievance was first filed in writing or the date, if any, that the grievance asserts (and the Supervisor acknowledges) the specific claim of back wages was orally

discussed with the Supervisor in the First Step of the Grievance Procedure, whichever date is earlier, unless the circumstances of the case made it impossible for the employee, or for the Union as the case may be, to know that the employee, or the Union, had grounds for such a claim prior to that date, in which case the claim shall be limited retroactively to a period of thirty (30) days prior to the applicable starting date as set forth above.

(b) Deduction from an employee's wages to recover overpayments made in error will not be made unless the employee is notified in writing prior to the end of the month following the month in which the payment in question was delivered to the employee. The notice will specify the amount of the overpayment, and deductions to recover such overpayment shall not commence until the pay period following the pay period in which the notice of overpayment was given to the employee. The requirements of this Subsection (b) shall not apply, however, in cases of pay advancements or payment of full salary made to an employee prior to submission of required evidence of eligibility of the employee for, but not limited to, such benefits as Salary Continuation, Sickness and Accident benefits, Bereavement Pay and Jury Duty. Recovery of such payment will be made within a reasonable time after the Corporation has determined the employee does not qualify for the payment. This provision with respect to recovery of overpayment shall in no way affect or change the Corporation's policies or procedures with respect to payment of such benefits.

(3.7) Payment of Back Pay Claims

If the Corporation fails to give an employee work to which the employee's seniority entitles the employee, and a written notice of the claim is filed within ten (10) working days of the time the Corporation first failed to give such work, the Corporation will reimburse the employee for the earnings lost through failure to give such work.

(3.8) Computation of Back Wages

No claim for back wages shall exceed the amount of wages the employee would otherwise have earned at the employee's regular rate less:

(a) Any unemployment compensation or supplemental unemployment benefit received, in which case the Corporation will pay to the appropriate agency the amount of the unemployment compensation received in order to restore the employee's entitlements for unemployment compensation benefits, provided the employee authorizes such payment if authorization is required; also, the employee's entitlement for supplemental unemployment benefit will be restored in accordance with the Supplemental Unemployment Benefit Plan; and

(b) Compensation for personal services that the employee was not receiving when the employee last worked for the Corporation. However, wages for total hours worked each week in other employment in excess of the total number of hours the employee would have worked for the Corporation during each corresponding week of the period covered by the claim, shall not be deducted. The Appeal Board shall have authority in its discretion to deduct such further amount as it may deem fair.

(3.9) Retroactive Adjustments

No decision of an Appeal Board or of Management in one case shall create a basis for retroactive adjustment in any other case.

(3.10) Withdrawal of Cases

After a case on which an Appeal Board is empowered to rule hereunder has been referred to the Appeal Board, the case may not be withdrawn by either party except by mutual consent.

(3.11) Finality of Decisions

There shall be no appeal from any Appeal Board's decision. Each such decision shall be final and binding on the Union and its members, the employee or employees involved, and the Corporation. The Union will discourage any attempt of its members, and will not encourage or cooperate with any of its members in any appeal to any Court or Labour Board from a decision of an Appeal Board.

(3.12) Appeal for Interpretation

Any issue involving the interpretation and/or the application of any term of this Agreement may be initiated by either party directly with the other party. Upon failure of the parties to agree with respect to the correct interpretation or application of the Agreement to the issue, it may then be appealed directly to the Appeal Board as provided in Section (3.2) Step 3.

(3.13) Law Suits

Any grievance that either (a) is not processed or (b) is disposed of in accordance with this Grievance Procedure shall be considered settled, and such settlement shall be final and binding upon the Corporation, the employee or employees involved, the Union and its members.

Except with respect to the right to present an individual grievance as expressly set forth in Section (3.2), the Union shall, in the redress of alleged violations by the Corporation of this Agreement or any local or other agreement supplementary hereto, be the exclusive representative of employees or groups of employees covered by this Agreement, and only the Union shall have the right to assert and press against the Corporation in any judicial or adjudicatory proceeding any claim or action asserting a violation of the Agreement.

No employee or former employee shall have any right of action under this Agreement on the basis of or by reason

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of any claim that the Union or any Union officer or representative has acted or failed to act relative to presentation, prosecution or settlement of any grievance or other matter as to which the Union or any Union representative has authority or discretion to act or not to act under the terms of this Agreement.

(3.14) Maintenance of Discipline

It is agreed that the maintenance of discipline for just cause is essential to the satisfactory operation of the plant and office.

(3.15) Notice of Suspension, Disciplinary Layoff or Discharge

Management agrees promptly upon the suspension, disciplinary layoff or discharge of an employee including a probationary employee to notify in writing the employee and the Committeeperson in the district of the suspension, disciplinary layoff or discharge, and the reason therefor. Such notice will be provided at a reasonable time where practicable prior to the end of the shift and will advise the employee that the employee has **the** right to request union representation.

If such an employee is absent from the office at the time the action is taken, or where it was not practicable to provide written notice prior to leaving the office, Management will send to the employee's last known address the notice of suspension, disciplinary layoff or discharge and notice that the employee has the right to request representation.

(3.16) Union Representation

The employee may ask to discuss any suspension, disciplinary layoff or discharge with the Committeeperson for the district, on the shift to which the employee is assigned and Management will designate an office where

- - - - - **GRIEVANCE PROCEDURE**

they may do so before the employee is required to leave the office. Upon request, the employee's supervisor or other designated representative of Management will discuss the suspension, disciplinary layoff or discharge with the employee and the Committeeperson, on the shift to which the employee is assigned. In proper cases, exceptions shall be made.

(3.17) Appeal of Discharge

Should the discharged employee or the Committeeperson consider the discharge to be improper, a complaint shall be presented in writing through the Committeeperson to Salary Labour Relations within two (2) regularly scheduled working days after the discharge. Management will review the discharge and give its answer within three (3) regularly scheduled working days after receiving the complaint. Management is authorized to settle such matters. If the decision is not satisfactory to the Union, it shall refer the matter directly to the second step of the grievance procedure within five (5) working days after receiving the answer.

(3.18) 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 application after a period of twelve (12) months from the date of hire.

Letter (3.19) Grievance Procedure-Timing

Both the Corporation and the Union acknowledge that the purpose and intent of the grievance procedure is to assure the prompt, fair and orderly resolution of grievances.

In the negotiations leading to the current Agreement, we assured the Union of our desire that each grievance receive

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prompt, fair and objective consideration. Similarly, the Union assured the Corporation that it will make a sincere effort to see that grievances are processed without undue delay.

To encourage the prompt handling of grievances, it is agreed that if the Union has not requested a Step 2 Meeting with Management on a grievance within a reasonable time after its appeal from the previous Step, the appropriate Management representative shall advise the Union in writing of its wish to have a Step 2 Meeting on that grievance. If the Union fails to arrange a meeting to discuss the grievance within seven (7) working days from the date of Management's letter, Staff Labour Relations will discuss the matter with the National Union, which in turn, will take appropriate action to ensure a Step 2 Meeting.

If the Union claims Management is unwilling to meet on a grievance in Step 2 of the grievance procedure within a reasonable time after its timely appeal, it will request a meeting in writing. If Management fails to schedule a meeting in response thereto, within seven (7) working days, the National Union will discuss the matter with Staff Labour Relations, which in turn, will take appropriate action to ensure a Step 2 Meeting.

The parties also discussed the problems that arise from the submission of arbitrable grievances with insufficient information and the insufficient exchange of information in Step 2 of the grievance procedure.

On a trial basis, all offices will use the approved grievance procedure checklist for arbitrable grievances. After a reasonable period of time, the procedure will be evaluated to determine its effectiveness in assisting the parties in resolving grievances.

The Unit President shall initiate and complete the checklist in the Step 2 Meeting and Management shall cooperate in its completion. The completed checklist will be forwarded to the National President with the grievance and answers as provided for in Section (3.2) Step 2 (f) of the Agreement.

It is understood and agreed that the checklist shall be used without prejudice to either party and will not be used or referred to in any arbitration proceeding.

Letter (3.20) Grievances Disciplinary Action

In response to your demand made during the current negotiations, we have agreed that during discussions as early as Step 2 of the grievance procedure of grievances over discipline, discharge and other terminations from employment, each party will present a statement of position reciting facts then known on which it relies, and a copy of a document or statement on which the party relies to support its position.

In the case of a document covering, or statement by, an employee who is not the grievant, the party relying on it may excise, block out, or otherwise remove, information on it that is not relevant or that would disclose the identity of the person who made the statement or concerning whom the document refers.

In cases where a prior disciplinary record is involved, the Corporation may present a written summary of the grievant's disciplinary record.

The statement of position and other statements and documents that a party has provided the other shall become part of the grievance file and may be referred to in subsequent steps of the grievance procedure, including the Appeal Board.

The failure or refusal of the Union to present a full oral explanation of its position shall relieve the Corporation from presenting any statement or document on which it relies. The failure or refusal of a party to make available to the other a copy of a document or statement which it has in its possession and on which the party relies shall preclude the party from using it before the Appeal Board.

The Corporation expressed its concern that its providing to Local Union representatives involved in processing grievances copies of employee statements and corporate documents relating to employees may lead to abuses unless

the statements and documents (i) are used solely in connection with the proper processing of a grievance, (ii) are otherwise kept confidential, and (iii) are not in any way used by any member of the bargaining unit to attempt to harass or intimidate an employee giving a statement or providing a document. The Union assured the Corporation that it will instruct its Local and National Representatives of these restrictions on the use of such material and the need to maintain confidentiality. The Union further represents that if a copy of a statement or document provided in accordance with this Letter Agreement is used by its representatives or those under their control for any purpose other than the proper processing of a grievance or is publicized outside of the grievance procedure, the Corporation would be relieved of any obligation under this Letter Agreement at the office where the abuse occurred.

Letter (3.21) Restricted Areas – Grievance Investigation

If, in connection with the investigation of a grievance under the Office and Clerical and Engineering Agreement, a dispute arises concerning access by a Committeeperson to an area that is restricted for security reasons or in which employees are not members of a bargaining unit, the Committeeperson shall refer the matter to the Unit President. The Unit President may discuss the matter with the Labour Relations Supervisor at the office. If the dispute is not satisfactorily resolved, it may be referred to Staff Labour Relations and the National Union.

If, in connection with the investigation of a grievance at Step 2 of the grievance procedure, by one of the two Union representatives specified in Section (3.2) Step 2 (d) in said Agreement, a dispute arises concerning access by such representative to an area restricted for security reasons or in which employees are not members of a bargaining unit, the Unit President may discuss the matter with the Labour Relations Supervisor at the office. If the dispute is not satisfactorily resolved, it may be referred to Staff Labour Relations and the National Union.

SALARY CONTINUATION PLAN

(4.1) Purpose!

This Salary Continuation Plan, Sections (4.1) through (4.8) provides for salary payments for absence due to personal injury or sickness. It is not the purpose to establish or sanction an annual period of absence to which an employee is entitled.

(4.2) Employees Covered

Employee means a salaried employee in a bargaining unit covered by the collective bargaining agreement of which this Plan is a part.

(4.3) Disability Absence

Necessary absence from work due to personal injury or sickness for at least the number of days required for Disability Benefits to become payable is referred to in this Plan as Disability Absence. The injury or sickness may be either occupational or non-occupational.

This Plan does not cover absences due to personal injury or sickness for fewer days than are required for Disability Benefits to become payable. The Corporation at its discretion will make salary payments for these latter absences outside this Plan in conformance with the Letter of Understanding concerning casual absences which is attached to this Agreement.

(4.4) Disability Benefits

Disability Benefits means the benefits payable to the employee (to compensate for loss of working time) due to injury, sickness or other disability (whether occupational or non-occupational) under any group sickness and accident insurance policy held by the Corporation and/or under the

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laws of any jurisdiction providing for such benefits, by whatever name called, including any benefits (in excess of those actually payable) that would have been payable to the employee under any such policy or under such laws if the employee had duly complied with all the provisions thereof, and, in the case of a group policy had been duly enrolled under such policy to the fullest extent for which the employee was eligible.

(4.5) Salary Continuation Payments

In case of a Disability Absence an employee will be paid for not longer than the Maximum Period salary payments which, together with Disability Benefits, will equal the full salary that the employee would have received if the Disability Absence had not occurred. Determination of the amount of these salary payments will be made upon a pay period basis.

(4.6) Maximum Period

The Maximum Period for each Disability Absence shall be determined at the beginning of such Disability Absence. The Maximum Period for any one Disability Absence is the number of days, based on the employee's continuous service, determined from the table below, reduced by the number of days for which the employee was paid for Disability Absences previously in the same calendar year. In no case may an employee receive payments in one calendar year for more than the number of days shown in the table as the Maximum Period. In addition, whenever an employee receives payments for the Maximum Period, the employee must work for at least thirty (30) days following the return before the employee will be eligible to receive any payments to which the employee may otherwise become entitled under this Plan. In addition, whenever the Disability Absence of an employee continues from one calendar year into another, the employee must work for at least thirty (30) days following the return before becoming

eligible for a new Maximum Period, provided, however, an employee shall be eligible for a new Maximum Period, if the employee has not exhausted the Maximum Period to which the employee was eligible in the prior year and is again disabled as a result of an unrelated disability or of a complication of the prior disability as distinguished from a continuation of the prior disability and the employee is otherwise eligible for Disability Benefits before the employee has worked the required thirty (30) days.

Table of Maximum Periods

<u>Continuous Service at Beginning of Disability Absence</u>	<u>Maximum Periods</u>
Less than 90 days	Not covered by Plan
90 days but less than one year	10 working days
1 year but less than 2 years	20 working days
2 years but less than 5 years	40 working days
5 years but less than 10 years	60 working days
10 years but less than 20 years	70 working days
20 years or more	80 working days

(4.7) Proof of Disability

The Corporation reserves the right to require due proof of personal injury or sickness and all payments under this Plan are contingent on the furnishing of such proof when required.

(4.8) Modification or Rescission

This Plan shall remain in effect during the term of the collective bargaining agreement of which it is a part, except that the Corporation reserves the right to modify or rescind this Plan whenever any federal, provincial, or other law affecting employees of the Corporation and relating to

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benefits for injury or sickness is changed, if any such change would increase the obligation of the Corporation under this Plan.

**Letter (4.9) Salary Continuation
S&A 5-Day Plan**

Certain questions have arisen regarding the payment or non-payment of Salary Continuation (SC) in situations where Sickness and Accident (S&A) benefits are not payable.

In order to resolve these questions, it is agreed that, if a clerical-engineering-technical employee covered by the Office and Clerical and Engineering Agreement is disabled into a weekend where, prior to March 1, 1971, Sickness and Accident benefits were payable, the period of disability will be regarded as a disability absence under the Salary Continuation Plan, and provided the employee is otherwise eligible under the Salary Continuation Plan, Salary Continuation payments will be made. Medical evidence required to qualify for Salary Continuation payments pursuant to this Understanding shall be the same as required under the Insurance Program, Exhibit C. In implementing this Understanding, when an employee is absent from work due to illness on Wednesday through Friday or Thursday and Friday and returns to work the following Monday with medical evidence necessary to substantiate the absence on Wednesday through Friday or Thursday and Friday, the employee will be considered to be on a Disability Absence for the respective period of absence.

The following examples illustrate the application of this Understanding.

EXAMPLE 1

W	T	F	S	S	M	
No	Work	N.W.	N.W.	N.W.	N.W.	R.T.W.
Sick	S	S				

- SALARY CONTINUATION PLAN

The employee returns work Monday with medical evidence substantiating a disability on Wednesday through Friday. The employee will be paid Salary Continuation for Wednesday, Thursday and Friday.

EXAMPLE 2

N.W.	N.W.	N.W.	N.W.	R.T.W.
S	S			

The employee returns to work Monday with medical evidence substantiating a disability on Thursday and Friday. The employee will be paid Salary Continuation for Thursday and Friday.

EXAMPLE 3

	W	T	F	S	S	M
	N.W.	N.W.	N.W.	N.W.	N.W.	R.T.W.
	S	S	S			

The employee returns to work on Monday without the medical evidence to substantiate a disability on Wednesday through Friday. The employee will not be paid Salary Continuation for Wednesday through Friday.

EXAMPLE 4

	T	F	S	S	M
	N.W.	N.W.	N.W.	N.W.	R.T.W.
	S	S			

The employee returns to work on Monday without the medical evidence to substantiate a disability for Thursday

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and Friday. The employee will not be paid Salary Continuation for Thursday and Friday.

The payment of Salary Continuation in the above examples resolves the questions you raised regarding the effect of the changes in the Insurance Program on the Salary Continuation Plan,

Letter (4.10) Salary Continuation Notice of Layoff

The Union has raised a problem in the administration of the Salary Continuation Plan, i.e. where a disability starts after an employee has been notified of the last day to be worked and Salary Continuation payments cease as of this last scheduled work day.

The Corporation agrees to meet with representatives of the National Union to discuss and work out a solution on individual cases to the mutual satisfaction of both parties.

Letter (4.11) Salary Continuation 3-Day Back Up

In administering the Salary Continuation Plan, the Corporation will apply the following procedure:

In each case where a totally disabled employee sees a licensed physician during such disability, full salary will be paid to the employee under the Salary Continuation Plan for days not worked up to three working days (excluding Saturday and Sunday) that the employee lost immediately prior to becoming eligible for sickness and accident benefits, Sickness and accident benefits that the employee could have received had the employee complied with the Salary Continuation Plan will not be subtracted from the working days for which the employee received full pay as set forth above.

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(5.1) Probationary Employees

(a) New employees hired in the unit shall be considered as probationary employees for the first ninety (90) days of their employment. The ninety (90) days probationary period shall be accumulated within not more than one (1) year unless the employee is on the active roll, vacation, or temporary layoff wherein the probationary accumulation period will continue. When an employee finishes the probationary period, they shall be entered on the seniority list of the unit and shall rank for seniority from the day ninety (90) days prior to the day the employee completed the probationary period.

The provisions of this Section shall not apply to temporary employees as defined in the Letter of Understanding "Temporary Hires".

(b) There shall be no seniority among probationary employees.

(c) An employee with seniority in one office of the Corporation who is hired as a new employee at another office of the Corporation will not be required to serve another probationary period but shall rank for seniority at the new office as of the date of entry into the new office.

(d) The Union shall represent probationary employees for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment and other conditions of employment as set forth in Section (1.1) of this Agreement. Any claim made by a probationary employee that the layoff or discharge is not for cause, or discriminatory under Section (1.4), may be taken up as a grievance provided, however, that (i) the employee shall be deemed to have continued to be on probation, and therefore the Corporation shall not be held to the same standards as in the case of seniority employees; and (ii) the Union shall upon filing a grievance concerning such an employee state in what respects the discharge is alleged to be arbitrary and, therefore, was not related to the

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employee's attitude, performance, conduct or potentiality as a satisfactory employee. The Appeal Board shall have jurisdiction over such case. A probationary employee who is discharged and later reinstated shall not be deemed to have served any part of a probationary period between the date of discharge and reinstatement.

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

(f) An employee who is separated during the probationary period for an occupational disability arising out of the employee's employment by the Corporation and who is subsequently reinstated shall be required to complete the probationary period, and upon doing so shall have a seniority date which includes the time the employee was separated due to such disability, plus ninety (90) days.

(5.2) Employee Defined

For the purpose of these Sections (5.1) through (5.9), (5.14), (6.1) through (6.3), (7.1) through (7.5), (8.1), (14.1) through (14.5), and (18.1), the word "employee" means an employee who has acquired {seniority.

(5.3) Seniority Defined

Seniority shall be by department unless negotiated locally by division or occupational group. When departments are combined in a division or classifications are combined in an occupational group, the work shall be substantially similar.

(5.4) Seniority Lists

(a) The seniority lists on the date of this Agreement show the names of all employees of the unit entitled to a ranking for seniority.

(b) Management will keep the seniority lists up to date at all times, and whenever a Committeeperson shall raise a question of seniority, shall make the seniority list available for inspection for the purpose of settling the question. Management will provide corrected seniority lists to the President upon request.

(c) In offices where such lists are typed three copies will be given to the Local Union or unit of an Amalgamated Local Union and will include the classifications of the employees on the list as of the date of the list. This will not require a change in any mutually satisfactory local practice now in effect and will not limit any local practice hereafter agreed upon.

(d) The Unit President may request and Management will include on the seniority lists, a notation alongside an employee's name that the employee has seniority rights in another seniority group and, where feasible, seniority rights in another unit.

(5.5) Loss of Seniority

An employee shall lose seniority for the following reasons only:

(a) The employee quits.

(b) The employee is discharged and the discharge is not reversed through the grievance procedure.

(c) The employee is absent for five (5) days without notifying the office, unless, for a reason beyond the employee's control, the employee is unable to comply with such notice requirements. In proper cases, exceptions shall be made. After such absence Management will send written notification to the employee at the employee's last known address that the employee has lost seniority. Such notice will include the name of the person to contact at the office in the event the employee has evidence to establish a claim that the employee did in fact notify the office of the absence or evidence that the employee's is a proper case in which an exception should be made. Such notice will also advise of the right to union representation, upon

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request, while in the employment office. If the disposition made of any such case is not satisfactory, the matter may be referred to the grievance procedure.

(d) If the employee does not return to work when called. In proper cases, exceptions shall be made if the employee can satisfactorily substantiate and had promptly informed the office that for a reason beyond control the employee was unable to comply with such call to return. If the disposition made of any such case is not satisfactory, the matter may be referred to the grievance procedure.

(e) If the employee is laid off during the term of this Agreement for a continuous period equal to the seniority the employee had acquired at the time of such layoff period, or for five (5) years, whichever is longer.

(f) The employee receives permanent total disability benefits under a group insurance policy held by the Corporation. If the employee ceases to receive such benefits and is reemployed, the employee's seniority, including that which otherwise would have acquired during the period of disability, shall be restored.

(g) The employee retires or receives a pension under the Pension Plan of this Agreement. If the employee receives a pension for permanent total disability and is reemployed, the seniority including that which otherwise would have acquired during the period of disability, shall be restored.

(h) The employee accepts a Separation Payment under the Supplemental Unemployment Benefit Plan incorporated in this Agreement in which event the seniority shall be broken at any and all offices and locations of the Corporation as of the date the application for the Separation Payment was received by the Corporation.

(i) In the event an employee loses seniority under Section (5.5) as a result of imprisonment for up to one year (1) in connection with an offence arising out of the operation of a motor vehicle, the incarceration shall be considered a proper exception under the provisions governing loss of seniority and the seniority shall be reinstated.

(5.6) Seniority of Committeepersons

Notwithstanding their position on the seniority list, Committeepersons shall, in the event of a layoff, or temporary adjustment, be continued at work on their current classification as long as there is work being performed in their district which they have the ability to perform and any of their respective constituents still are at work, and shall be recalled to work after the layoff as soon as there is work being performed in their district which they have the ability to perform and any of their respective constituents have been recalled to work. During temporary adjustments, Committeepersons shall investigate and present only grievances that arise during such adjustment.

(5.7) Seniority of Officers

(a) Notwithstanding their position on the seniority list, the President, Vice-President, Financial Secretary and Recording Secretary, of the unit; three Trustees, Sergeant-at-Arms, the Guide, Benefits Representative, Health & Safety Representative and Board Member-At-Large for the Engineers of a unit of 100 or more employees on the active payroll; the President, Vice-President, Financial Secretary and Recording Secretary of the Local Union; and three Trustees, the Sergeant-at-Arms, the Engineering Member-At-Large and the Guide of the Local shall in the event of an indefinite layoff and recall be continued at work in the order listed above at all times when one or more departments or fractions thereof are at work, provided that they have the ability to perform work being done at the time. It is understood that the Secretaries, Trustees, Sergeant-at-Arms, and Guides shall not participate in the grievance procedure.

(b) Notwithstanding their position on the seniority list, the Unit President and the President of the Local Union if working in the office, the Engineering Member-At-Large, and the Benefit Representative of a Unit or one or more employees on the active roll shall in the event of temporary

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layoff or temporary adjustment be continued at work at all times when one or more departments or fractions thereof are at work, provided each has the ability to perform the work being done at the time. The Unit President would be the last person affected in applying Sections (5.6) and (5.7).

(5.8) Medical Cases

(a) When an employee's absence from work is due solely to disability resulting from sickness or injury and due proof of disability is given to the office the employee will be returned to work in accordance with the employee's seniority and these rules as nearly as may be as if the employee had not suffered disability, provided the employee passes the required medical examination. If the disposition made as the result of any such medical examination is not satisfactory, the employee may ask to discuss the matter at the office with the Committeeperson or Unit President, and Management will arrange for the employee to do so. If a grievance on the matter is submitted, it may be referred to Step 2 of the grievance procedure. The Unit President may then take the grievance up with the Labour Relations Supervisor, or a designated representative. In proper cases, the parties may select an independent physician to resolve the conflicting medical findings of the employee's personal physician and the office physician with respect to determining the employee's ability to perform the duties of the available work to which the employee would be entitled by seniority. The selection of an independent physician by Management and the Local Union will be made within seven (7) working days from the date the matter was referred to the Labour Relations Supervisor or a designated representative. Costs will be paid by the Corporation. If the report of the independent physician places work restrictions or limitations on the employee equal to or greater than those previously placed on the employee by the Corporation physician, there shall be no retroactive pay. If the report or decision places work

restrictions or limitations on the employee which are less than those previously placed on the employee by the Corporation physician, retroactive pay, if any, shall be limited to the period beginning with the day of the final examination by the independent physician and shall be calculated as provided in Section (3.8).

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

(b) If an employee claims to be unable to perform the duties of the available work to which the employee would be entitled by seniority and Management disputes such claim, the issue shall be submitted to an independent physician, provided consultation between the employee's personal physician and the Corporation physician or physicians acting for the Corporation does not resolve the conflicting medical findings. The independent physician shall be selected by the Local Union and Management within seven (7) working days from the date the dispute arose. The employee shall submit to a physical examination by the independent physician who shall submit a written report of the findings and conclusions. Costs of such examination shall be paid by the Corporation. The decision of the independent physician shall be final and binding on the Corporation, the employee involved and the Union.

(5.9) Shift Preference Agreements

Provisions pertaining to shift preference shall, where applicable, be negotiated locally in the office. Any such agreements must have sufficient flexibility to give full protection to efficiency of operations at all times.

Letter (5.10) Preferential Hires - Office or Plant Closure

During negotiations, in conjunction with discussions regarding the Job and Income Security Program, the parties

discussed the application of the preferential placement guidelines.

The parties agree that in circumstances involving an Office or Plant closure exceptions will be made to the arrangements specified under Sections (6.2) and (6.3) of the Office and Clerical and Engineering Agreement such that employees who transfer to another location will receive an adjusted seniority date at the new location which will be the date that notice of closure was given to the Union. Employees would be canvassed for Preferential Hire considerations and offered the opportunity at any office or plant covered by the Office and Clerical and Engineering Agreement to which they would exercise hiring rights. As job opportunities occur at a receiving office or plant, employees will be contacted in seniority order and offered employment. Employment offers may be made prior to the actual office or plant closing. If an employee declines the employment opportunity, such employee shall be removed from the list for that office or plant after which the employee shall become eligible for normal preferential hire rights as specified under Sections (6.2) and (6.3). Such employees, when transferred to an opening at the new location, may displace employees hired at that location after the date the notice of closure was provided to the Union.

Letter (5.11) Continuous Service

For the purposes of Section (13.1) and (4.6) of the Office and Clerical and Engineering Agreement only, an employee will be deemed to have "continuous service" unless:

- (a) the employee quits, and does not have seniority at another Corporation office;
- (b) the employee is discharged and the discharge is not reversed through the grievance procedure;
- (c) the employee is absent for five (5) days without notifying the office and the employees seniority is not subsequently restored under Section (5.5) Paragraph (c) of this Agreement;

(d) the employee does not return to work when called; unless the failure to return was due to accepting employment at other offices of the Corporation and refusing recall to the office from which the employee was laid off;

(e) the employee loses seniority because the employee is laid off and not rehired by the Corporation for a continuous period equal to the seniority or continuous service the employee had acquired at the time of such layoff, or for five (5) years, whichever is longer, provided at the time the employee does not have seniority or is not working at another office of the Corporation;

(f) the employee receives permanent total disability benefits under a group insurance policy held by the Corporation and does not return to work with restored seniority;

(g) the employee retires or receives a pension under the Pension Plan of the Agreement and does not return to work with restored seniority.

(h) the employee accepts a Separation Payment under the Supplemental Unemployment Benefit Plan or the employee accepts final payment for which the employee may be eligible under any other separation benefit plan.

Nothing in the foregoing paragraphs will be construed to break an employee's continuous service if such employee has not lost seniority at all offices of the Corporation.

It is understood that this Agreement will not serve as a basis for any retroactive adjustments of service dates for vacation or salary continuation purposes, and nothing in this Agreement will be used to prejudice either party with respect to their positions on layoff, recall or other seniority rights.

Letter (5.12) Hiring Practice

In hiring new office, clerical and engineering employees it will be our practice to give serious consideration to the employment applications of qualified persons who have lost their seniority by reason of layoffs at offices of the Corporation.

**Letter (5.13) Correctional Services —
Temporary Absence Program**

In the course of current negotiations the Corporation and the Union had discussions concerning the loss of seniority by employees who had been approved by the Ministry of Correctional Services for release from jail under a Temporary Absence Work Release permit.

This letter is intended to clarify the understanding, agreed to during the course of negotiations, pertaining to such employees.

The Corporation agrees that in the situation in which the Ministry is prepared to release an employee from jail to attend work, the Corporation will not decline to participate in such a Temporary Absence Program provided the employee's seniority would not otherwise be lost.

(5.14) Local Agreements

Local supplementary seniority agreements shall be subject to approval by the Staff Labour Relations Department of the Corporation and the National Union.

**(5.15) Memorandum Of Understanding
Seniority Attainment**

Memorandum of Understanding between CHRYSLER CANADA LTD. and the NATIONAL UNION, CAW.

In interpreting Section (5.1) (a) of the current Office and Clerical and Engineering Agreement, a probationary employee acquires seniority at the completion of the employee's shift on the 90th day of employment, provided however:

1. If the employee works any part of the 90th day and is laid off on that day, the employee will be considered a seniority employee. If the employee is discharged before the end of the shift on the 90th day, the employee will be considered a probationary employee.

2. Days lost during the probationary period for the following reasons will not be considered as "days of employment".
 - a. Any period of five (5) or more consecutive normal days on which the employee does not work such as layoffs, temporary adjustments, non-occupational disability, or personal absence or any combination thereof.
 - b. All days lost due to a strike or other interference with operations whether authorized or not.
 - c. All days lost due to disciplinary layoff.

The following information and illustrations are intended to assist the Office Labour Relations departments in applying the requirements of the Memorandum of Understanding between Chrysler Canada, Ltd. and the National Union, CAW, relative to Section (5.1) (a) of the current Office and Clerical and Engineering Agreement.

INFORMATION

1. When considering days of employment for the completion of an employee's probation period, all calendar days such as Saturdays, Sundays and holidays are counted as days of employment.
2. Casual absence is counted towards completion of the probationary period provided the absence is for less than five (5) consecutive normal working days.
3. Employees separated during their probationary periods for other reasons such as occupational disabilities arising out of their employment with the Corporation should be handled in accordance with other terms of the Agreement.

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ILLUSTRATIONS

1. A probationary employee whose 90th day of employment falls on a holiday, or Saturday, or Sunday fails to report for work within five (5) consecutive normal working days following the holiday, or Saturday, or Sunday. The employee is considered a probationary employee as of the last day worked.
2. An employee attains 89 days of employment on Wednesday, is subsequently absent for six (6) consecutive working days and is terminated. The employee is considered a probationary employee as of the last day worked, Wednesday.
3. A probationary employee completes 89 days of employment on Wednesday, the day before a holiday. Upon return to work as scheduled on Friday, the employee will be considered a seniority employee as of the completion of the shift on Thursday, as though the employee had worked the day of the holiday.
4. A probationary employee completes 89 days of employment on the day before an extended holiday period. Upon the return to work as scheduled following the holiday period, the employee will be considered a seniority employee as of the completion of the shift on the 90th day and will be considered to have seniority as of the holiday or holidays falling after the 90th day of employment.
5. A probationary employee completes 89 days of employment on a Friday. Upon return to work on Monday, the employee will be considered a seniority employee as of the completion of the shift on the preceding Saturday, as though the employee had worked.

6. An employee attains 89 days of employment on Wednesday, and is subsequently absent on Thursday, Friday, Saturday, Sunday and Monday. Since the absence was less than five (5) consecutive normal working days, upon return to work on the following Tuesday, the employee will be considered a seniority employee as of the preceding Thursday.
7. An employee attains 89 days of employment on Wednesday, is subsequently absent for five (5) consecutive working days and reports for work on the sixth working day. The employee attains the 90th day of employment at the completion of the shift on Thursday, the sixth working day, and the employee's seniority date is adjusted accordingly.
8. A probationary employee's 90th day of employment falls on a Saturday or Sunday. The employee is absent from work on the previous Friday, and Monday through Friday of the following work week. The employee reports for and commences work on the Monday following the absence. Since the employee was absent for five (5) or more consecutive normal working days, the employee is considered a seniority employee effective the Monday the employee returns to work and the seniority date is adjusted accordingly.
9. A probationary employee's 90th day of employment falls on Monday. On that Monday the Office is notified by the employee of illness. The employee reports to work on the following Monday. Since the absence was for five (5) or more consecutive working days, the employee is considered a probationary employee on the Monday the employee returns, and attains the 90th day at the completion of the shift that Monday and the seniority date is adjusted accordingly.

LAYOFF AND RECALL

(6.1) Layoff and Recall Office and Clerical Employees Only

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.

Temporary Adjustments

(a) Temporary adjustments of the working force due to emergencies, material shortages, breakdown of equipment and conditions beyond the control of the Corporation may be made without the application of the layoff provisions of this Agreement. If such a temporary adjustment continues for more than five (5) working days, the Union may request the Corporation to adjust the working force according to seniority and the Corporation will do so within five (5) working days thereafter. During such adjustments, the Corporation will endeavor to give consideration to retaining senior employees when time and circumstances permit.

Indefinite Layoff

(b) For the purposes of this section, the word "layoff" means an adjustment or reduction in the working force due to a decrease in the Corporation's business or change in operations but does not mean temporary adjustments of the working force due to emergencies, material shortages, breakdown of equipment or other conditions beyond the control of Management,

(i) Probationary and temporary employees in the department affected will be laid off as expeditiously as is consistent with the continuous efficient and orderly operation of the offices involved, provided that the laid off seniority employee who displaced the probationary or

temporary employee has the ability to perform the duties of the employee displaced.

(ii) The junior employee in the classification affected (provided the employees remaining in the classification have the ability to perform the available work) shall displace the junior employee in a classification previously held by the affected employee provided such classification is not more than one salary grade below the present classification held by the affected employee.

(iii) In the event the affected employee is unable to displace an employee as provided in (ii) above, the employee shall displace the junior employee in the grade which is one salary grade below the grade of the present classification held by the affected employee.

(iv) In the event the affected employee is unable to displace an employee as provided in (iii) above, the employee shall displace the junior employee in the salary grade which is two salary grades below the salary grade held by the affected employee or, failing that, shall displace the junior employee in successively lower salary grades.

(v) In the event the affected employee would incur a reduction in base weekly salary when exercising the rights set forth in (i), (ii), (iii) or (iv) above, the employee may elect to displace a junior employee on the highest grade previously held.

(vi) In the event the employee is unable to displace an employee as provided in the above steps, and notwithstanding Section (e), the employee shall displace the employee in the bargaining unit with the least seniority doing work for which the employee is qualified pursuant to Section (d).

(vii) In the event the affected employee does not displace an employee the employee shall be laid-off.

(viii) An employee displaced under the foregoing procedure shall exercise the rights set forth in (ii), (iii), (iv), (v) and (vi) above.

Temporary Layoff

(c) 1. Notwithstanding the provisions of Section (b) above, employees may be laid off for five (5) working days according to seniority by classification in the department provided the senior employees in each classification possess the ability to perform the work available. If such layoff exceeds five (5) working days the Union may request, in writing, the Corporation to adjust the working force according to the layoff procedure as set forth in Section (b) above. The Corporation shall then do so within five (5) working days thereafter unless such time shall be extended by mutual agreement. This provision relating to temporary layoffs is not applicable to temporary adjustments due to the conditions set forth in Section (a), Temporary Adjustments, but is applicable to a layoff which, in Management's judgement, is temporary in nature rather than permanent. If, in Management's judgment, the layoff is to be permanent in nature, the regular layoff provisions will be applicable.

2. Local Supplemental Seniority Agreements may provide that when there is a temporary layoff, 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:

- (i) Probationary employees will be laid off.
- (ii) Employees with less than one year of seniority will be laid off according to seniority.
- (iii) Employees with one year or more of seniority may be laid off in the inverse or descending order of their seniority with the most senior employee being laid off first provided that the employees remaining at work have the ability to perform the available work without break-in. Employees 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. Employees laid off under this Subsection (c) 2 (iii) shall not be eligible for placement in other plants of the Corporation pursuant to Section (6.2) Work Opportunity for Laid Off Employees.

(iv) If the expected duration of the temporary layoff is subsequently extended to a later but definite date, employees laid off pursuant to Subsection (c) 2. (iii) 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.

(v)(l) If it become necessary to recall employees laid off under Subsection (c) 2. (iii) above prior to the date originally planned, they will be recalled in the ascending order of their seniority with the most junior such employee in the department on the affected shift and classification being recalled first.

(2) If after employees are laid off under Subsection (c) 2. (iii), it is determined in a department that the layoff will be extended for an indefinite period of time, the work force in the department including those employees on layoff will be adjusted within ten (10) working days thereafter in accordance with Section (6.1)(b), Layoff Procedure — Indefinite Layoffs.

(vi) If the duration of a temporary layoff is expected to exceed ten (10) working days, the Local Union will be so notified. At the request of the Local Union, Management will consider employees on all shifts in a department as being on one shift for purposes of Subsection (c) 2. (iii). In a temporary layoff of such expected duration, the Local Union may request Management to waive the Temporary Layoff provisions set forth in Subsection (c) 2. (iii) and Management will reduce the working force according to the Indefinite Layoff provisions as set forth in Section (6.1)(b). Either of such

LAYOFF AND RECALL

requests shall be made in writing within twenty-four (24) hours of the time the Union is notified of the layoff.

Layoff Application

(d) In order to displace an employee under any of the provisions of Section (b) above, the employee must possess the qualifications required by the Corporation to perform the duties of the employee the employee displaced.

(e) The Corporation shall not be required to promote an employee at the time of layoff unless the employee has previously satisfactorily performed the higher-paid job and is able to do the work.

(f) When there is an increase in working force, laid off employees will be recalled according to seniority provided they possess the ability to perform the available work. In no case will the Corporation be required to promote an employee at the time of recall unless the employee has previously satisfactorily performed the higher-paid job and has the qualifications to perform the duties of the higher-paid job.

(g) "Junior employee" as used in Section (b) (iii) and (b) (iv) means the employee in the applicable grade with the least seniority. In the event the affected employee is unable to displace the "junior employee" because the employee does not meet the requirements of Section (d), the employee may, subject to seniority, displace the lowest seniority employee in the grade on a job with respect to which the employee meets the requirements of Section (d). "Junior employee" as used in Section (b) other than (iii) and (iv) means the employee in the classification, salary grade, department or bargaining unit, as the case may be, who has the least seniority. For the purpose of this Section, "classification previously held" means a classification appearing on the employee's employment history record in the Salaried Personnel Department.

(h) When reasonably practicable, the Corporation will give forty-eight (48) hours' notice of layoff as hereinbefore

defined to employees at work and to the Committee person in the jurisdiction where the layoff is effective.

(6.2) Work Opportunity for Laid Off Employees

(a) Management agrees that employees currently at work will be considered for promotion under the appropriate section of the Collective Agreement prior to offering work to a laid-off employee.

(b) Management agrees that in employing new people it will so far as reasonably practicable give work opportunity to employees who are at the time on indefinite layoff and are not expected to be returned to work in their unit.

(c) To employees of other units covered by this Agreement. Such employees shall rank for seniority as of date of entry in the unit. In the placement of such laid off employees, the Corporation has and will continue to emphasize the placement of such laid off employees consistent with their corporate service, experience, ability and performance. If, in the placement of employees pursuant to this Subsection, the National Union has a question concerning the placement of any such employee, it may discuss the matter with Staff Labour Relations.

(d) An employee accepting work under Subsection (c) shall retain any rights accrued for purposes of holidays, vacations, pensions, insurance and the Supplemental Unemployment Benefit Plan.

(6.3) Offer of Work Under S.U.B.P.

(a) Any provision of this Agreement to the contrary notwithstanding the Corporation shall have the right to offer an employee on indefinite layoff available work in any office of the Corporation. For the purposes of this Section only, available work includes open jobs and work being

performed by probationary employees who may be displaced.

(b) An employee who refuses an offer of available work under this Section shall not, by such refusal, lose the right of recall to the office from which the employee was laid off.

(c) An employee who accepts available work at another office as hereinbefore set forth shall be a new employee in the office in which the employee accepts such work. On being recalled to the former office, the employee shall have full seniority rights with accumulated seniority but shall have no seniority rights in the office from which the employee was recalled.

Letter (6.4) Layoff Notification

During our recent contract negotiations the Union claimed that problems are at times created when numbers of salaried bargaining unit employees are laid off at the same time with a minimum of advance notice to the Local Unit President.

The Corporation responded that before it makes a layoff of a group of bargaining unit employees on the same date that it anticipates will result in the movement of such employees from one department to another, the Corporation will make a good faith effort to give as much advance notice as possible of such layoff to the Unit President of the affected unit. Upon request by the Union to the Labour Relations Supervisor, local Management will discuss the displacement of employees resulting from such layoff with the Unit President.

Letter (6.5) Down Weeks

During recent negotiations the Union expressed the view that where, because of lack of business, all or substantially all of the operations of an office are temporarily

LAYOFF AND RECALL

discontinued for a work week, the Corporation in some instances lays off salaried employees when it could possibly provide work for them.

When, because of lack of business, an office schedules a temporary discontinuance, or shutdown, of all or substantially all of its operations for a period of not less nor more than five (5) consecutive working days (Monday to Friday, including holidays), the Corporation will give advance notice to the Local Union and discuss the feasibility of providing work in the office for general salaried employees who are members of bargaining units during the shutdown.

Letter (6.6) Leader Class – Layoff and Recall

The parties discussed employees classified as Leaders and employees working in the classification under the Leader. It was agreed that management considers the seniority of the employees in the group as a factor when selecting the Group Leader.

However, it was agreed for purposes of layoff under Sections (6.1) and (14.4) and recall under Sections (6.1) and (14.5) of the collective agreement a Group Leader classification and the classification under the Leader will be considered the same classification.

TRANSFER AND PROMOTION

(7.1) Transfer of Employees

(a) An employee who is transferred from one bargaining unit represented by the Union to another such unit shall start work as a new employee in the unit to which the employee is transferred and shall retain seniority in the former unit, provided, however, that employees who transfer with operations will be transferred pursuant to Section (7.2). An employee transferred pursuant to the terms of this Subsection (a) shall not return to the former unit unless and until the employee is placed on indefinite layoff pursuant to the terms of Section (14.4) (a). If, so laid off, the employee may elect (i) to remain on layoff at the new unit and in such case seniority at all former units shall terminate, or (ii) to return to the former unit with full accumulated seniority and in such case the employee's seniority at the new unit shall terminate.

If the employee makes no election, the employee shall retain seniority in the former unit and lose seniority in the new unit.

(b) (i) If an employee was transferred to a position in the office not included in the unit prior to March 1, 1977 and is transferred again to a position within the unit, the employee shall accumulate seniority up to March 1, 1977 while working in the position out of the unit to which transferred;

(ii) If an employee was transferred to a position in the office not included in the unit and was subsequently transferred to a different office of the Corporation prior to March 1, 1977, the employee shall accumulate seniority in the unit for a period equal to the seniority the employee had at the time of such subsequent transfer: if such subsequent transfer takes place on or after March 1, 1977, the employee shall have accumulated seniority up to March 1, 1977.

(c) If an employee was transferred from the unit into any other office of the Corporation to a position not included within a unit prior to March 1, 1977, the employee shall accumulate seniority in the unit from which transferred up to March 1, 1977 for a period of time not to exceed the seniority the employee had at the time of such transfer. If, the employee is transferred again to a position within the employee's former unit during a period measured by the length of seniority the employee had at the time of the transfer from the unit plus an equal amount of time, the employee shall return to the former unit with full accumulated seniority. After this period the employee shall return to the former unit with the seniority the employee had at the time of the transfer from the unit.

(d) An employee transferred to a position not included in the unit on or after March 1, 1977 who is again transferred to a position in the unit, shall commence work with the amount of seniority the employee had at the time of the transfer to a position not included in the unit.

(e) An employee transferred to a position included in the bargaining unit pursuant to Section (7.1) shall be placed on an open position only after all active employees have exercised their rights under the terms of Section (7.4) Promotions; and Career Advancement Letter No. (7.8).

(f) Employees who transfer under this Section (7.1) shall retain any rights accrued for purposes of vacations, pensions, insurance and the Supplemental Unemployment Benefit Plan.

(7.2) Transfer of Operations

(a) When operations are transferred from one seniority group to another seniority group within a Salary bargaining unit represented by the Union, the Corporation will determine the number of additional employees, if any, the receiving seniority group will need to perform the

TRANSFER AND PROMOTION

transferred operations, and employees engaged on such operations may, if they so desire and if needed in the receiving seniority group, be transferred to that seniority group. Employees whose jobs are transferred who do not wish to transfer to the receiving seniority group or for whom no jobs are available in the receiving seniority group will exercise their seniority rights in the seniority group in which they work.

(b) When operations are to be transferred from one such unit to another such unit, the Corporation will notify the National Union in writing of such transfer. Such notice will be given in advance and as promptly as the circumstances in each case permit. Management will advise the Unit and/or the Local Union President of impending transfers and upon request will discuss the details, including where available, the nature of the work involved and the numbers of employees affected. The Corporation, at the request of the National Union, will negotiate the advisability of transferring to the receiving unit employees who are affected by the transfer of the work.

(c) In the event the parties are unable to agree on a suitable arrangement in discussions pursuant to paragraph (b) above, the Corporation shall determine the number of additional employees, if any, the receiving unit will need to perform the transferred operations and will offer work at the receiving unit to employees in the unit from which the operation will be transferred in the following order:

- (i) Employees working on the operation;
- (ii) Employees working in the department;
- (iii) Employees working in the seniority group.

If, within one hundred and twenty (120) days after the completion of such transfer, the number of employees needed to perform the transferred operations in the receiving unit should change, the Corporation, at the request of the National Union, will discuss the advisability

of adjusting the number of employees required at the receiving unit.

(d) Employees under the Office and Clerical and Engineering Agreement transferred from a bargaining unit under the Agreement in a transfer of operations, pursuant to this Section, to another shall be transferred with full seniority and their seniority in the former unit shall terminate.

(7.3) Other Transfers

The Corporation agrees that in movements of work from one office of the Corporation to another not covered by Sections (7.1) or (7.2) of this Agreement, the Corporation will notify the National Union in writing of such transfers. Management will advise the Unit President of impending transfers and upon request will discuss the details, including where available, the nature of the work involved and the number of employees affected.

(7.4) Promotions

(a) Promotions to higher paid jobs shall be based on seniority and ability to do the work and employees shall receive consideration in the following order:

(1) Employees on the active roll who have previously held the classification in that group and satisfactorily performed the work;

For the purposes of this Paragraph the phrase "previously held the classification and satisfactorily performed the work for the Corporation" includes a job, the duties of which, it is determined the employee satisfactorily performed in the employee's present office although that classification does not appear on the employee's employment record. In the event of a dispute under this Paragraph, the employee's record in the present office shall be controlling.

- (2) Employees desiring placement on a classification on which they have greater phase up time;
- (3) Employees working in the Bargaining Unit.

(b) Local supplemental agreements may provide that employees who are desirous of a promotion under (a) above shall make a written application in the Personnel Department specifying the classification for which they wish to be considered. Only those employees who have applications on file for a particular classification will be considered for that classification.

If, among such applicants, a higher seniority employee is bypassed for a promotion because, in Management's judgment, the employee does not possess the ability to do the work of the classification, the employee shall, upon request, be informed of the reason why the promotion was denied. Any complaint concerning the matter may be presented as a grievance.

(c) Employees who are assigned for temporary periods to jobs which are classified on higher or lower salary grades than their regularly assigned jobs, will not have their classifications changed unless the duration of the temporary assignment exceeds one (1) day. If such temporary assignments exceed one (1) day, employees will be reclassified to the higher grade. This provision is intended to cover such situations as coverage for fluctuations in work loads, replacements for employees who are absent from work because of vacations and those absent on short term illness.

It is not intended that employees be used as replacements on higher salary classifications on a regular basis for a short period of time for the purpose of avoiding classifying or compensating the employees in a proper manner.

Employees who have been selected to fill temporary openings on higher classifications will not be given credit

for time worked on such classifications in the application of Subsection (a) of this Section (7.4).

(d) Employees with less than 120 days of seniority will not be considered for promotion to permanent jobs if other more senior employees in the bargaining unit have applied for and are eligible for promotion under Section (7.5), Better Jobs Within The Unit and under the Letter Career Advancement.

(7.5) Better Jobs Within Unit

Employees in each office who are desirous of consideration for better jobs within the unit may make such preference known through the office of the local Personnel Department, by making application for a specific series of related classifications in writing. The employee will be given a copy of the application. Upon request, the Unit President may examine such applications that are on file at the local Personnel Department. It is intended that the employees who have made such applications at least ten (10) working days prior to the date the opening occurs, shall receive full and complete evaluation as to their abilities and capacities to perform the open jobs. Where more than one applicant may be offered the job and such applicants' abilities and capacities are equal the employee having the greatest seniority will receive preference. Upon request the employee will be informed of the reason(s) for Management's decision. The Corporation shall not be required to consider an application from an employee who has obtained a better job under this Section unless the employee has remained on the new classification for a period of at least six (6) months.

In any case in which the Union has persuasive evidence that Management improperly or unfairly assessed the abilities and qualifications of such an applicant it may refer the matter to the grievance procedure.

Letter (7.6) Employee Transfers

When the Corporation considers transferring a represented general salaried employee from one represented permanent position in a department to another represented permanent position in a different department the employee may request a meeting to discuss the pending transfer with the Unit President and representatives of management.

In the event the employee declines the offer the transfer will be cancelled.

Letter (7.7) New Hires

It is the policy of Chrysler Canada Ltd. that full consideration will be given to filling open jobs by promoting employees of the Corporation.

While not foregoing our right to hire or to select employees from outside the bargaining unit to fill open jobs, it is our intention to give full consideration to those employees covered by Sections (7.4) and (7.5) of the Office and Clerical and Engineering Agreement.

If, at any time, the Union claims the Corporation has acted arbitrarily or capriciously in exercising this right, it may submit such claim to the Grievance and Arbitration Procedure.

**Letter (7.8) Career Advancement
Office and Clerical Employees Only**

During the recent negotiations, the Union pointed out there are certain employees who wish to make application for a transfer into a classification of the same or lower salary grade in order to further their careers.

The Corporation will consider an application for such a transfer provided the employee applies to transfer to a position within the bargaining unit that would represent a new

career field and provided such a transfer would result in the potential opportunity for advancement into a higher graded position. Employees will be considered for placement on the same or lower salary grades within the bargaining unit prior to the hiring of new employees, Employees requesting consideration under the above arrangement shall make written application to Salary Personnel at least ten (10) working days prior to the date the opening occurs. In considering such applications, Management will give due regard both to the interests of the employee and to the effect such a transfer would have on the operation from and to which the employee wishes to transfer.

Letter (7.9) Temporary Jobs

During the recent negotiations, the parties discussed temporary positions and the promotional rights of represented general salaried employees.

The parties agreed in these negotiations to consider a temporary position as a permanent position for purposes of promotion only under Section (7.4) (a) of the Collective Agreement.

WORKING HOURS

(8.1) Overtime Agreements

Arrangements for the equalization of overtime hours among salaried employees on the same classification in the same department may be negotiated locally in the office.

(8.2) Shift Premium and Hours

(a) Employees employed on the second or third shift shall receive in addition to their regular pay for the pay period five (5) per cent and ten (10) per cent, respectively, additional compensation.

(b) The first shift is any shift that is scheduled to start on or after 4:00 a.m. but before 11:00 a.m. The second shift is any shift that is scheduled to start on or after 11:00 a.m. but before 7:00 p.m. The third shift is any shift that is scheduled to start on or after 7:00 p.m. but before 4:00 a.m.

(8.3) Time and One-Half

Time and one-half will be paid as follows:

(a) For 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.

(b) For time worked on Saturday, except when a shift starts on Friday and continues into Saturday; provided, that hours in excess of eight (8) per day or forty (40) per week on such shift will be paid at time and one-half.

(8.4) Double Time

Double time will be paid as follows:

(a) For time worked on the calendar Sunday.

(b) For time worked on the calendar holidays designated in Section (12.1).

(8.5) Overtime Pyramiding Prohibited

The allowance of overtime 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.

Letter (8.6) Salary Pay Practices

Certain questions of interpretation have developed relative to Sections (10.2), (11.1), (8.2), (8.3) and (12.1) of the Office and Clerical and Engineering Agreement. The Corporation's interpretation of the applicable sections of this Agreement will be as follows:

Section (10.2)

When death occurs in an eligible employee's immediate family within the meaning of Section (10.2) of the Office and Clerical and Engineering Agreement on the Saturday or Sunday prior to the employees vacation scheduled to commence on the following Monday, the vacation will be rescheduled at a mutually convenient time.

Section (11.1)

In the event an employee is granted a leave of absence because of the illness of an immediate family member and such family member dies within the first seven (7) calendar days of the leave, the requirement that the employee otherwise would have been scheduled to work will be waived.

Section (8.2)

In administering Section (8.2) of the Office and Clerical and Engineering Agreement, the Corporation follows the following procedure:

WORKING HOURS

An employee will be paid the appropriate shift premium for each day worked. The shift premium will only be paid for time worked, and paid casual absence and holidays, and vacation days as provided in Section (13.4), where the employee would otherwise be scheduled to work a premium shift.

An employee who works overtime in conjunction with an assigned shift will be paid the shift premiums appropriate to the assigned shift for all time worked.

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 advanced 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, the employee is scheduled to work and works a shift from 3:00 a.m. to 3:30 p.m. The employee will receive third shift premium for those hours on Friday.

Section (8.3)

(a) Saturday Work

Section (8.3) provides:

Time and one-half will be paid as follows:

For time worked on Saturday, except when a shift starts on Friday and continues into Saturday; provided, that hours in excess of eight (8) per day or forty (40) per week on such shift will be paid at time and one-half.

Notwithstanding the language of Section (8.3) (b) of the Office and Clerical and Engineering Agreement, a third shift employee who starts on Sunday night and works a sixth scheduled shift starting Friday night and working into Saturday will receive time and one-half for hours worked on Saturday, irrespective of any absence during the workweek.

(b) Saturday Following a Holiday

Except as specified in paragraph (a) above, employees whose shift begins on Friday and work into a Saturday do not receive time and one-half for work on Saturday. A holiday falling during a work week has no effect on the payment of premium for Saturday work.

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

(93)

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

- Straight. Time
- ▨ Time and One-Half
- ▩ Double Time

WORKING HOURS

WORKING HOURS

(c) Work into a New Work Week

While a work week has not been defined in the Office and Clerical and Engineering Agreement, the parties have accepted the following as the definition of work week for said Agreement:

"The regularly scheduled work week starts at 12:01 A.M., Monday, and ends 168 hours thereafter, except those employees on third shift operations starting Sunday night in which case their regularly scheduled work week starts with the beginning of their shift Sunday night and ends 168 hours thereafter."

Accordingly, an employee who begins a shift on Sunday and works into Monday will receive double time for hours worked on Sunday and straight time for hours worked on Monday.

Section (12.1)

The holiday for third shift salaried employees who start work Sunday night or Monday night will be designated by Management thirty (30) days prior to the holiday as either the shift that starts the night before the holiday and continues into the holiday or the shift that starts the night of the holiday and continues into the following day. If not designated, the holiday is on the calendar day.

An employee on the third shift who performs work during the designated holiday will receive pay for time worked on such holiday in accordance with Section (12.1) of the Office and Clerical and Engineering Agreement.

Letter (8.7) Call-in and Call-Back Pay

Employees reporting to work outside their regular shift on Management's instructions shall be offered at least four (4) hours work.

Letter (8.8) Casual Absence

The Corporation will continue to pay salaried Office and Clerical and Engineering employees for casual absences when such absences are for justifiable and proper reasons,

including but not limited to, personal illness, serious illness in the immediate family and other absences normally considered as being unavoidable, and are reasonable in number. The Corporation has not established a fixed maximum for which an employee will be paid casual absences. The extent to which an employee will be paid for such absences shall be determined on the basis of each individual case.

When the Union believes the Corporation denied payment for an employee's casual absence without sufficient reason, the Union may submit a grievance in the grievance procedure.

Letter (8.9) Flexible Working Hours Program

In the negotiations leading to the Office and Clerical and Engineering Agreement dated today, the parties discussed at length the subject of flexible working hours.

During the discussions, the parties recognized there are a number of considerations that require further review and study prior to instituting a flexible working hours program on a pilot basis in any Corporation office.

Therefore, it was agreed subsequent to the current negotiations the Corporation and the National Union will discuss without any contractual obligations the feasibility of a pilot program in certain offices of the Corporation where both the Local Union and Management are agreeable to experiment with such a pilot program.

If the parties agree on such a program, the Corporation and the National Union, CAW may agree to amend or modify provisions of the Agreement and any of its supplements, memoranda of understanding or letters as appropriate and necessary to implement the pilot program.

Letter (8.10) Multiple Starting Times

During negotiations of the collective bargaining agreement dated today, the Union expressed its concern with multiple starting times on a shift.

The Corporation explained that starting times at individual Corporation locations are based primarily on the nature of the operations and are established to provide for the efficient utilization of manpower and facilities in order to achieve operating objectives.

Recognizing the concern of both parties, it is agreed that if within a unit there are multiple starting times among employees on the same classification, in the same department on the same shift, the Local Union may request Management to negotiate an Agreement covering the selection of shift starting times. Any such Agreement shall have sufficient flexibility to give full protection to the efficiency of operations at all times.

Letter (8.11) Committeeperson Starting Time

Notwithstanding the provisions of Section (2.2) of the Office and Clerical and Engineering Agreement, and in the interest of providing bargaining unit employees with sufficient union representation, in the event the shift start time of a committeeperson is altered due to changing operational requirements, the Unit President and Salary Labour Relations will make arrangements to discuss the matter with appropriate members of management.

Letter (8.12) Banking Overtime

During negotiations the parties discussed allowing represented general salaried employees an informal arrangement to bank overtime hours worked in lieu of receiving pay.

The intent of this arrangement was to allow an employee to bank the premium overtime hours at the appropriate rate and receive comparable hours off with the approval of Management. As a result, a local Banking Overtime arrangement was developed and implemented in many areas through the Office, Clerical and Engineering unit.

During these present negotiations, it was agreed to confirm or clarify certain understandings with regard to the Banking Overtime arrangement as follows:

- 1) The maximum hours per employee be banked at any given time is thirty-two (32).
- 2) The opportunity to bank overtime hours will be afforded only to seniority employees.
- 3) In the event an employee has only a four (4) hour vacation entitlement remaining, such employee will be allowed to add four (4) hours of banked time to the vacation time to allow for a full shift off the job.
- 4) Banked hours may be carried over from one calendar year to another.
- 5) Unused vacation time shall not be just cause for an employee to be denied the use of banked hours.

Where implemented, the Corporation reserves the right to modify, limit the banking of overtime hours worked and not paid, the period of time in which hours off may be taken. The Corporation or the Union may terminate this arrangement upon thirty (30) days written notice to either party.

Letter (8.13) Employment Standards Act

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

A. The rights, benefits, terms or conditions of employment as set out as employment standards in the Employment Standards Act, and Regulations made thereunder, as they existed **on** June 5, 1995, as the same relates to the Union, the Corporation and/or its employees, shall be minimum requirements incorporated within this collective agreement; however, where this collective agreement provides higher remuneration in money or a

greater right, benefit, term or condition of employment in favour of an employee(s) with respect to a particular standard, this collective agreement shall prevail.

A violation of the rights, benefits, terms or conditions of employment as set out as employment standards in the Employment Standards Act and Regulations made thereunder, as they existed on June, 5, 1995, as the same relates to the Union, the Corporation and/or its employees, may be subject to the grievance procedure of this collective agreement or may be prosecuted and enforced through the procedural mechanisms offered by the Employment Standards Act and Regulations thereunder, as they exist from time to time, but not both.

B. During the 1996 negotiations, the union expressed the concern that the provincial Government has and would amend the Employment Standards Act and or Regulations in a manner adverse to the interests of the Union and Chrysler bargaining unit employees. It was agreed that the parties shall meet within thirty (30) days after the introduction of a Bill amending the ESA to the legislature to discuss the proposed Bill. The parties agree that the Union and/or Chrysler bargaining unit employees shall not be disadvantaged in any way by any amendments to the ESA or regulations thereunder made by the provincial Government. It is agreed that for example, if any part of the collective agreement or past practice of the parties provides a greater right, benefit, term or condition of employment than the amendment to a particular employment standard (such as an amendment to the 8 + 48 hours of work rule), then the collective agreement or past practices shall prevail and apply. The parties agree that a difference between them relating to the application, alleged violation or interpretation of the above provisions may be subject to the grievance procedure under this collective agreement.

WAGES

(9.1) General Increases

(a) Effective September 23, 1996, each employee covered by this Agreement shall receive an increase of 2.0% to their base rate of pay.

(b) Effective September 23, 1996 and after the application of the general wage increase provided in section (a) above a special increase of eight dollars (\$8.00) will be added to the base weekly rate for Grade 12 and above.

(c) 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 September 15, 1997 and September 21, 1998, each employee covered by this Agreement shall receive an improvement factor increase of 2.0% to their base rate of pay respectively.

WAGES

CHRYSLER CANADA LTD.
CLERICAL-ENGINEERING-TECHNICAL
18-GRADE STRUCTURE
Effective **September 23, 1996**

<u>Grade</u>	<u>Minimum</u>	<u>Top Progression Rate</u>	<u>Maximum</u>
1	\$ 789.81	\$ 882.20	\$ 882.20
2	796.86	897.65	897.65
3	802.74	908.51	908.51
4	811.62	916.81	935.64
5	827.58	938.32	966.13
6	833.46	947.93	988.62
7	836.60	958.21	1,008.84
8	842.79	967.48	1,030.98
9	863.88	993.28	1,050.90
10	869.37	1,002.25	1,073.93
11	887.85	1,015.06	1,093.88
12	976.70	1,106.36	1,183.25
13	1,000.44	1,134.91	1,205.40
14	1,021.07	1,154.29	1,227.14
15	1,029.68	1,165.77	1,246.41
16	1,063.56	1,192.80	1,263.81
17	1,083.82	1,205.34	1,290.56
18	1,139.32	1,267.73	1,319.56

CHRYSLER CANADA LTD.
CLERICAL-ENGINEERING-TECHNICAL
18-GRADE STRUCTURE
Effective September 15, 1997

<u>Grade</u>	<u>Minimum</u>	<u>Top Progression Rate</u>	<u>Maximum</u>
1	\$ 805.61	\$ 899.85	\$ 899.85
2	812.80	915.60	915.60
3	818.79	926.68	926.68
4	827.85	935.15	954.35
5	844.13	957.09	985.45
6	850.13	966.89	1,008.39
7	853.33	977.38	1,029.01
8	859.65	986.83	1,051.60
9	881.16	1,013.15	1,071.92
10	886.76	1,022.29	1,095.41
11	905.61	1,035.36	1,115.76
12	996.23	1,128.49	1,206.91
13	1,020.44	1,157.61	1,229.51
14	1,041.49	1,177.38	1,251.68
15	1,050.27	1,189.08	1,271.34
16	1,084.83	1,216.65	1,289.09
17	1,105.50	1,229.45	1,316.38
18	1,162.10	1,293.08	1,345.95

WAGES

CHRYSLER CANADA LTD.
CLERICAL-ENGINEERING-TECHNICAL
18-GRADE STRUCTURE
Effective September 21, 1998

<u>Grade</u>	<u>Minimum</u>	<u>Top Progression Rate</u>	<u>Maximum</u>
1	\$ 821.72	\$ 917.85	\$ 917.85
2	829.05	933.91	933.91
3	835.17	945.21	945.21
4	844.41	953.85	973.44
5	861.02	976.23	1,005.16
6	867.13	986.23	1,028.56
7	870.40	996.93	1,049.59
8	876.84	1,006.56	1,072.63
9	898.79	1,033.41	1,093.36
10	904.50	1,042.74	1,117.32
11	923.72	1,056.07	1,138.08
12	1,016.16	1,151.06	1,231.05
13	1,040.85	1,180.76	1,254.10
14	1,062.32	1,200.93	1,276.72
15	1,071.28	1,212.86	1,296.76
16	1,106.53	1,240.99	1,314.87
17	1,127.61	1,254.04	1,342.70
18	1,185.35	1,318.94	1,372.87

**(9.2) Salary Grades & Progression
Application Supplement**

This Memorandum of Understanding supplements the current Office and Clerical and Engineering Agreement between CHRYSLER CANADA LTD. and the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada), and certain of its local unions as follows:

1 Salary Grade Systems

Salary Grades are numbered in a consecutive series for all classifications. Automatic Progression increases have been provided for all grades,

2 Progression

The progression range is that portion of the salary range from the minimum of the grade to the top progression rate for the grade. For the purpose of computing six (6) month progression increases, credit will be earned only for those months in which an employee works ten (10) days in the month. Days worked will include regular vacations and all days actually worked in the Monday through Friday workweek. Overtime, days for which Salary Continuation payments are made, or other absence will not be considered as days worked. Progression time shall not be accrued for time worked at the top progression rate or in the merit range of a grade. An employee whose salary is within the progression range of the grade will receive progression increases, not to exceed the maximum of the grade, of 3% of base salary. An employee whose salary is less than 3% below the top progression rate shall receive a 3% progression increase provided the new salary is within the merit range of the grade and not in excess of the grade maximum. If a progression increase places an employee's salary within 1% of the maximum of the grade, the salary shall be adjusted to the maximum.

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3 New Hires

An employee will be hired at the minimum of the classification unless Management determines that an employee's qualifications and experience warrant a higher salary.

4 Transfers — Intra-Office

An employee transferred within an office in the same bargaining unit or under the provisions of the Group Layoff Procedure regarding the placement of certain laid off Engineering employees will be transferred in accordance with the following provisions:

(a) Within the same grade. An employee transferred from one classification to another classification in the same grade will be transferred at the employee's current salary and all credited time accrued in that grade will be applied for progression within the progression range.

(b) To a higher grade.(i) An employee promoted from one grade to a higher grade will be paid not less than the minimum of the higher grade. If such increase is less than 4% for an employee promoted to grades 2 through 8, the employee's salary will be increased to provide at least a 4% increase. If such increase is less than 5% for an employee promoted to grades 9 through 18, the employee's salary will be increased to provide at least a 5% increase. Notwithstanding any of the foregoing, in no case will the employee's salary be increased above the maximum for the grade to which the employee is promoted. The employee will begin a new progression period effective with the date of transfer.

The provisions of Sub-Section 4 (b) are applicable only to an employee's initial promotion to a higher grade. Accordingly, Sub-Section 4 (b) is not applicable to an employee who, as the consequence of a reduction in work force, is transferred from one grade to a lower grade and who is subsequently transferred either to a higher grade lower than the highest grade previously held or to the highest grade previously held provided the time lapse between the transfer to a lower grade and the transfer to

the higher grade does not exceed five (5) years. In such a case the employee's salary is to be determined with reference to the applicable sections excluding Sub-Section 4 (b).

(ii) A salary increase calculated as provided in Sub-Section 4 (b) (i) will also be applicable to an employee who is reclassified from a classification in one grade to a classification in grades 2 through 18 as the result of a determination that the work performed by the employee warrants the application of such higher classification.

If Management determines that an employee's qualifications and experience warrant a salary higher than the salary resulting from the application of 4 (b) (i) above, they may at their discretion increase the employee to a higher salary in the new grade.

(iii) Temporary transfer. When an employee is assigned for a temporary period to a job which is classified on a higher salary grade than the employees regularly assigned job and such temporary assignment exceeds one (1) day, the following provisions shall be applicable:

(A) Temporary job assignments are intended to cover such situations as coverage for fluctuations in work loads, replacements for employees who are absent from work because of vacations, short-term illness and other short-term leaves of absence.

(B) An employee so transferred will be advised in advance of the temporary nature of such assignments and will be reclassified to the higher classification and grade, and the employee's salary rate shall be adjusted in accordance with Sub-Section 4 (b) (i) of the Salary Grades and Progression Application Supplement.

(C) An employee who is transferred to a temporary position which is on a higher grade and who within one hundred twenty (120) days of such transfer is transferred again to the grade from which the employee was transferred shall, upon transfer to such lower grade, receive the same salary received in the lower grade immediately prior to the transfer. If an employee is eligible

WAGES

for additional progression increases, upon transfer to the lower grade, the time spent in the higher grade will be credited toward completion of the required credited time toward the next progression increase in the lower grade.

(D) An employee who is transferred to a temporary position and who exceeds one hundred twenty (120) days on such job and is then transferred to a lower grade shall have the salary rate determined in accordance with Sub-Section 4 (c), To a Lower Grade, of the Salary Grades and Progression Application Supplement.

(c) To a lower grade. An employee transferred from one grade to a lower grade will be transferred:

(i) At the same salary if the employee current salary falls within the progression or merit range of the lower grade and a new progression period begins effective with the date of transfer.

(ii) To the maximum salary of the lower grade if the employee's current salary exceeds the maximum.

(iii) An employee who is transferred to a higher grade than any grade previously held and who within six (6) months of such transfer is transferred again to the grade from which the employee was promoted due to the employee's inability to satisfactorily perform the work of the higher grade, or is transferred again to the grade from which the employee was promoted at the employee's own request shall, upon transfer to such lower grade, receive the same salary the employee received in the lower grade immediately prior to promotion and the time and salary on the higher grade shall not be used for subsequent transfer and salary determinations. If the employee is eligible for additional progression increases, upon transfer to the lower grade, the time spent in the higher grade will be credited toward completion of the required credited time toward the next progression increase in the lower grade.

(d) To a higher grade previously held. An employee transferred to a higher grade previously held by the employee shall be transferred either at the same salary earned when previously on the higher grade, or at the employee's present salary rate, whichever is higher, and

shall receive credit for time accrued toward the next progression increase that was earned when previously employed on the higher grade, provided the employee was actively employed on the higher grade within the past five (5) years.

(e) To a higher grade lower than the highest grade previously held. An employee transferred to a higher grade which is lower than the highest grade previously held by the employee in the past five (5) years shall be transferred at the salary earned when previously employed on the highest grade, but not to exceed the maximum of the new grade, or at the employee's present salary, whichever is higher, but the employee will not be credited with any accrued progression time.

(f) To a grade higher than any grade previously held. An employee transferred to a grade higher than any grade previously held shall be transferred in accordance with Sub-Section 4 (b), Transfers Intra-Office. The salary to be used in calculating the new rate shall be the higher of either the employee's present salary or a salary determined in accordance with the salary earned in the highest grade previously held, provided the employee was actively employed on that grade within the past five (5) years.

(g) Reinstatement from layoff. An employee reinstated from layoff, at an office or bargaining unit from which the employee was previously laid off, shall be paid a salary determined in accordance with Sub-Section 4, Transfers Intra-Office.

An employee recalled from layoff to the same classification and job at an office or bargaining unit from which the employee was previously laid off shall have a salary at time of recall determined in accordance with the salary earned when previously employed on the classification and job, provided the employee was actively employed on the classification and job within the past five (5) years, If the employee has not been actively employed on the classification and job within the past five (5) years the salary shall be determined in accordance with

WAGES

Paragraphs (a), (b) or (c) of Section 5, Transfers and Placements Inter-Office.

5 - Transfers and Placements – Inter-Office

An employee transferred from one office to another office or from one bargaining unit to another bargaining unit (except, (i) those employees transferred with their operations under the provisions of the Office and Clerical and Engineering Agreement, (ii) employees transferred under the provisions of the Group Layoff Procedure regarding the placement of certain laid off Engineering employees, (iii) employees laid off from an office or bargaining unit and hired or subsequently reclassified at another office or bargaining unit on a same classification which they held in the past five (5) years at the former office or bargaining unit, or (iv) employees recalled to their former office or bargaining unit in line with their seniority will have their salary determined in accordance with Sub-Section 4, Transfers Intra-Office) or an employee laid off from an office and hired at another office or laid off from one bargaining unit and hired at another bargaining unit, shall be transferred or hired in accordance with the following provisions:

(a) An employee whose salary at the time of transfer or layoff was less than the top automatic progression rate for the new grade shall be paid a salary determined in accordance with the foregoing provisions of Sub-Section 4, Transfers Intra-Office.

(b) An employee whose salary at time of transfer or layoff was in excess of the top automatic progression rate and not in excess of the midpoint of the new grade shall receive the employee's present salary.

(c) An employee whose salary at time of transfer or layoff was in excess of the midpoint of the salary range of the grade to which the employee is being transferred or reinstated shall be reduced to not less than the midpoint, unless the top progression rate exceeds the midpoint in which event the employee shall be paid either his current salary, if it is at or below the top progression rate, or not less than the top progression rate if the employee's current

salary is above the top progression rate. A salary above the midpoint of the grade may be authorized where management determines that the employee's qualifications and experience warrant a higher salary. In no case shall an employee be paid a salary in excess of the maximum salary for the grade.

(d) To a higher grade previously held. The salary earned by an employee when previously employed in the higher grade shall be used in determining the appropriate salary upon transfer or hire from layoff under the provisions of Paragraphs (a), (b) or (c) above, provided the employee was actively employed on the grade within the past five (5) years.

(e) To a grade higher than any grade previously held. The salary earned by an employee in the highest grade previously held shall be used in determining the appropriate salary upon reclassification or hire from layoff under the provisions of Paragraphs (a), (b) or (c) above, provided the employee was actively employed on the grade within the past five (5) years.

(f) To a higher grade which is lower than the highest grade previously held. The salary earned by an employee when previously employed in the highest grade shall be used in determining the appropriate salary upon reclassification or hire from layoff under the provisions of Paragraphs (a), (b) or (c) above, provided the employee was actively employed on the highest grade within the past five (5) years.

(g) Subsequent reclassification to a higher grade which is lower than the highest grade previously held. An employee who is reclassified, subsequent to initial entry at office, to a higher grade which is lower than the highest grade previously held at a former office shall be paid a salary determined in accordance with Paragraphs (a), (b) or (c) above, provided the employee was actively employed on the highest grade within the past five (5) years.

(h) Reinstatement from layoff. An employee reinstated from layoff, either hourly or salary, at an office or bargaining unit other than the one from which the

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employee was laid off shall be paid a salary determined in accordance with Paragraphs (a), (b) or(c) above.

6 New Career Fields and Transfers from Hourly to Salary.

(a) If an employee transfersto a classification which would represent a new career field and such transfer results in a rate of pay in excess of that of employees who are on the classification to which the employee is transferring, then, notwithstanding Sub-Sections 4, 5, and 6 (b) of this Supplement, if the effectuation of such a transfer depends solely on the rate of pay the employee will receive, Management and the Union may agree to transfer the employee at a rate of pay lower than the employee's current rate. For purposes of this Sub-Section 6 (a), transfers from hourly to salary may be considered as transfers to a new career field and Management may apply the provisions in this Sub-Section 6 (a) in establishing the employee's new salary rate.

(b) The equivalent base salary of an employee transferred from hourly to bi-weekly salary status will be determined by multiplying the employee's base hourly rate, exclusive of any premiums, by forty (40) (number of hours in a workweek). The equivalent base weekly salary, thus determined, shall be used to establish the employee's salary at time of transfer in accordance with Sub-Section 6 (a) above, or with Sub-Section 5, Transfers and Placements Inter-Office, whether the transfer is Inter-Office or Intra-Office. The salary conversion of the maximum base rate of the hourly classification shall be used to determine if an employee is transferring to a higher, same, or lower grade.

7 Effective Date of Progression Increases

Progression increases become effective on the first regularly scheduled working day of the bi-weekly pay period beginning nearest to the first of the month as set forth in the attached table.

8 Salary Earned in a Prior Grade

Whenever there is reference in this Supplement to a salary earned in a prior grade it will be presumed to include

any general increase, improvement factor increase, cost of living allowance fold-ins or special adjustments which became effective since the last date the employee involved earned the former salary on the prior grade.

9 Promotional Increases into the Merit Range of a Higher Grade.

An employee, upon promotion, who has accumulated nine (9) months or more at the employee's present position in the merit range of the salary grade prior to the promotion, shall, if the normal 4% or 5% promotional increase places the employee in the merit range of the higher grade, receive simultaneously with the normal 4% or 5% promotional increase a salary adjustment in an amount equal to 1% of base weekly salary.

<u>Change Date (Including Hire Date, Promotion Date, Date of Last Progression, etc.)</u>	<u>Six Month Progression Increase to be Effective</u>
09/18/96 through 10/20/96	03/31/97
10/21/96 through 11/18/96	04/28/97
11/19/96 through 12/18/96	05/26/97
12/19/96 through 01/20/97	06/23/97
01/21/97 through 02/17/97	08/04/97
02/18/97 through 03/18/97	09/01/97
03/19/97 through 04/17/97	09/29/97
04/18/97 through 05/19/97	10/27/97
05/20/97 through 06/17/97	11/24/97
06/18/97 through 07/18/97	12/22/97
07/19/97 through 08/18/97	02/02/98
08/19/97 through 09/17/97	03/02/98
09/18/97 through 10/20/97	03/30/98
10/21/97 through 11/17/97	04/27/98
11/18/97 through 12/18/97	05/25/98
12/19/97 through 01/19/98	06/22/98
01/20/98 through 02/16/98	08/03/98

Change Date (Including Hire Date, Promotion Date, Date of Last Progression, etc.)		Six Month Progression Increase to be Effective	
02/17/98	through	03/18/98	08/31/98
03/19/98	through	04/17/98	09/28/98
04/18/98	through	05/18/98	10/26/98
05/19/98	through	06/17/98	11/23/98
06/18/98	through	07/20/98	12/21/98
07/21/98	through	08/18/98	02/01/99
08/19/98	through	09/17/98	03/01/99
09/18/98	through	10/19/98	03/29/99
10/20/98	through	11/17/98	04/26/99
11/18/98	through	12/20/98	05/24/99
12/21/98	through	01/18/99	06/21/99
01/19/99	through	02/15/99	08/02/99
02/16/99	through	03/18/99	08/30/99
03/19/99	through	04/19/99	09/27/99
04/20/99	through	05/18/99	10/25/99
05/19/99	through	06/17/99	11/22/99
06/18/99	through	07/19/99	01/03/00
07/20/99	through	08/18/99	01/31/00
08/19/99	through	09/17/99	02/28/00
09/18/99	through	10/18/99	03/27/00
10/19/99	through	11/17/99	04/24/00
11/18/99	through	12/20/99	05/22/00
12/21/99	through	01/18/00	07/03/00

(9.3) Rate Book

The Corporation will furnish to the Union a copy of the rate classification book of the Corporation with the understanding that such book is to be treated in confidence and kept at the office of the National Union, and the Local Union.

(9.4) Salary Classification and Grade Supplement

Windsor Area Locations

- Class Index - By Classification
- Class Index - By Grade

Ajax Trim Location

- Class Index - By Classification

Bramalea Assembly Location

- Class Index - By Classification

Etobiocke Location

- Class Index - By Classification

WAGES

**CHRYSLER CANADA LTD.
WINDSOR AREA LOCATIONS
CLERICAL-ENGINEERING-TECHNICAL
REPRESENTED EMPLOYEES
CLASS INDEX - BY CLASSIFICATION**

<u>CLASS NUMBER</u>	<u>GRADE</u>	<u>TITLE</u>
031000	08	Customs Rate Clerk
031100+	09	Customs Rate Specialist
038000	08	Clerk-Property Accounting
038100+	09	Property Acctg Spec
043000	08	Clerk-Project & Authorization
043100+	09	Project & Authorization Specialist
045000	08	Clerk-Customs
045100+	09	Customs Specialist
050000	08	Accounting Liaison Clerk
050100+	09	Accounting Liaison Specialist
051000	08	Cashier-Factory or Driveway
051100+	09	Cashier Specialist
053000	08	Clerk-Billing
053100+	09	Billing Specialist
055000	08	Clerk-Cost
055100+	09	Cost Specialist
056000	08	Clerk-Company Work Orders
056100+	09	Company Work Order Specialist
057000	08	Clerk-Invoice
057100+	09	Invoice Specialist
058000	08	Clerk-Payroll-Hourly
058100+	09	Hourly Payroll Specialist
060000	02	Clerk-Shipping & Receiving
082000	05	Timekeeper
090000	09	Translator-Technical

WAGES

<u>CLASS</u> <u>NUMBER</u>	<u>GRADE</u>	<u>TITLE</u>
104000	02	Clerk-Junior III
110000	01	Clerk-Junior II
111000	03	Clerk-General I
112000	04	Clerk-General II
113000	05	Clerk-Senior I
114000	08	Clerk-Senior II
115000	09	Clerk-Senior III
118000	08	Correspondent-Technical
118100+	09	Technical Service Analyst
1180B0	09	Correspondent-Bilingual
1181B0+	10	Technical Service Analyst- Bilingual
180T0	09	Correspondent-High Tech.
181T0+	10	High Tech. Service Analyst
21000	01	Clerk-File
22000	03	Keypunch Operator-Senior
36000	03	Stenographer
37000	04	Tab Machine Operator-Jr
138000	06	Tab Machine Operator-Sr
140000	01	Telephone Operator
140100+	02	Telephone Operations Specialist
141000	02	Teletype Operator-Interplant
144000	01	Typist
155000	06	E.D.P.M. Auxiliary Equip Oper
156000	09	E.D.P.M. Console Operator
203000	10	Chemist or Metallurgist
2040A0	15	Designer Tool & Die A
2040B0	12	Designer Tool & Die B
206000	09	Drafter-Tool & Plant Engrg
2110A0	16	Engineer-Tool Engineering A
2111A0+	17	Tool Engineering Specialist
2110B0	12	Engineer-Tool Engineering B
2160B0	10	Trouble Shooter Plt Engr B

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<u>CLASS NUMBER</u>	<u>GRADE</u>	<u>TITLE</u>
2160A0	14	Trouble Shooter-Plant Engr A
217000	12	Investigator-Tool Costs
2180A0	16	Engineer-Plant Engrg A
2181A0+	17	Plant Engrg Specialist
2180B0	12	Engineer-Plant Engrg B
220000	09	Auditor-Planning
220100+	10	Auditor Planning Specialist
222000	08	Follow-up Person-Planning
222100+	09	Prod Material F/U Specialist
223000	08	Scheduler-Planning
223100+	09	Production Scheduling Specialist
224000	08	Specifications Compiler
224100+	09	Plng Specifications Specialist
228000	10	Analyst-Material Handling
229000	16	Engineer-Material Handling
229100+	17	Material Handling Specialist
238000	08	F/U-Tooling & Non-Prod Mtl
238100+	09	Non-Prod Stores F/U Specialist
239000	10	Float Analyst
2410A0	14	Trouble Shooter-Tool Engr A
2410B0	12	Trouble Shooter-Tool Engr B
243000	07	Clerk-Traffic
245000	09	Clerk-Traffic-Rate
256000	10	Traffic Analyst-Staff
306000	09	Desk Head-Distribution
307000	06	Desk Head-Assistant- Distribution
316000	09	Sales Programming Analyst
316100+	10	Sales Programming Specialist
321000	09	Special Orderer-Sales
321100+	10	Special Order Analyst
331000	10	Vehicle Sales Analyst

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<u>CLASS NUMBER</u>	<u>GRADE</u>	<u>TITLE</u>
331100+	11	Vehicles Sales Analyst Specialist
346000	13	Translation Specialist-French
348000	05	Translator
364000	09	Cmplr-Parts & Price List
364100+	10	Parts & Price Catalog Specialist
3650BT	10	Compiler Parts Book - Bilingual/High Tech
3651BT+	11	Parts Book Specialist - Bilingual/High Tech
3650T0	10	Compiler Parts Book-High-Tech
3651T0+	11	Parts Book Spec-/High Tech
374000	10	Engineer-Packaging-Parts
375000	06	Analyst-Parts Cost
376000	09	Pricing Cmplr-Service Part
376100+	10	Pricing Spec-Service Parts
378000	06	Analyst-Procurement
379000	09	Procurement Person-Parts
379100+	10	Stock Procurement Anal-Prt
412000	02	Clerk-Mail-Parcel-Post
417000	04	Driver-Pick-Up
541000	05	Tech-Lab Engineering A
541100+	07	Tech-Plant Laboratory
541200+	08	Plant Test Technician
575000	05	Technician-Engineering Development
575100	07	Tech-Assembly & Test Experimental

NOTE: t PHASE UP CLASS EMPLOYEE CANNOT BE
HIRED ON CLASS

WAGES

CHRYSLER CANADA LTD.

WINDSOR/AREA LOCATIONS

CLERICAL-ENGINEERING-TECHNICAL

REPRESENTED EMPLOYEES

CLASS INDEX - BY GRADE

<u>CLASS NUMBER</u>	<u>GRADE</u>	<u>TITLE</u>
110000	01	Clerk-Junior II
121000	01	Clerk-File
140000	01	Telephone Operator
144000	01	Typist
060000	02	Clerk-Shipping & Receiving
104000	02	Clerk-Junior III
140100+	02	Telephone Operations Specialist
141000	02	Teletype Operator-Interplant
412000	02	Clerk-Mail-Parcel Post
111000	03	Clerk-General I
122000	03	Keypunch Operator Senior
136000	03	Stenographer
112000	04	Clerk-General I I
137000	04	Tabulating Machine Operator Jr
417000	04	Driver-Pick Up
082000	05	Timekeeper
113000	05	Clerk-Senior I
348000	05	Translator
541000	05	Technician-Laboratory Engineering A
575000	05	Technician-Engineering Development
138000	06	Tabulating Machine Operator Sr
155000	06	E.D.P.M. Auxiliary Equipment Operator

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<u>CLASS NUMBER</u>	<u>GRADE</u>	<u>TITLE</u>
307000	06	Desk Head-Assistant- Distribution
375000	06	Analyst-Parts Cost
378000	06	Analyst-Procurement
243000	07	Clerk-Traffic
541100+	07	Technician-Plant Laboratory
575100+	07	Tech.-Assembly & Test-Experimental
031000	08	Customs Rate Clerk
038000	08	Clerk-Property Accounting
043000	08	Clerk-Project & Authorization
045000	08	Customs Clerk
050000	08	Accounting Liaison Clerk
051000	08	Cashier
053000	08	Clerk-Billing
055000	08	Clerk-Cost
056000	08	Clerk-Company Work Orders
057000	08	Clerk-Invoice
058000	08	Clerk-Payroll-Hourly
114000	08	Clerk-Senior II
118000	08	Correspondent-Technical
222000	08	Follow-Up Person-Planning
223000	08	Scheduler-Planning
224000	08	Specifications Compiler- Planning
238000	08	F/U Person-Tooling & Non-Prod. Material
427000	08	Reproduction Camera Operator
541200+	08	Plant Test Technician
031100+	09	Customs Rate Clerk Specialist
038100+	09	Property Accounting Specialist
043100+	09	Project Authorization Specialist
045100+	09	Customs Specialist
050100+	09	Accounting Liaison Specialist

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<u>CLASS NUMBER</u>	<u>GRADE</u>	<u>TITLE</u>
051100+	09	Cashier Specialist
053100+	09	Billing Specialist
055100+	09	Cost Specialist
056100+	09	Company Work Order Specialist
057100+	09	Invoice Specialist
058100+	09	Hourly Payroll Specialist
090000	09	Translator Technical
115000	09	Clerk-Senior III
1180B0	09	Correspondent-Bilingual
1180T0	09	Correspondent-High Technical
118100+	09	Technical Service Analyst
156000	09	E.D.P.M. Consol Operator
206000	09	Drafter-Tool & Plt. Engineering
220000	09	Auditor-Planning
222100+	09	Production Material Follow-Up Spec.
223100+	09	Production Scheduling Specialist
224100+	09	Planning Specifications Specialist
238100+	09	Non-Productive Stores F/U Specialist
245000	09	Clerk-Traffic Rate
306000	09	Desk Head-Distribution
316000	09	Sales Programming Analyst
321000	09	Special Orderer-Sales
364000	09	Compiler-Parts Book & Price List
376000	09	Pricing Compiler-Service Parts
379000	09	Procurement Person - Parts Stock
1181B0+	10	Technical Service Analyst - Bilingual
1181T0+	10	High Technical Service Analyst

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<u>CLASS NUMBER</u>	<u>GRADE</u>	<u>TITLE</u>
203000	10	Chemist or Metallurgist -Mfg.
2160B0	10	Trouble Shooter - Plant Engineer B
220100+	10	Auditor-Planning Specialist
228000	10	Analyst-Material Handling
239000	10	Float Analyst
256000	10	Traffic Analyst-Staff
316100+	10	Sales Programming Specialist
321100+	10	Order Analyst Specialist
331000	10	Vehicle Sales Analyst
364100+	10	Parts & Price Catalog Specialist
3650BT	10	Compiler - Parts Book - Bilingual/High Tech
3650T0	10	Compiler-Parts Book-High Technical
374000	10	Engineer-Packaging Parts
376100+	10	Pricing Specialist-Service Parts
379100+	10	Stock Procurement Analyst - Parts
331100+	11	Vehicle Sales Analyst Specialist
3651BT+	11	Parts Book Specialist - Bilingual/High Tech
3651TO+	11	Parts Book Spec - High Technical
2040B0	12	Designer-Tool & Die B
2110B0	12	Trouble Shooter - Tool Engineering B
217000	12	Investigator - Tool Costs
2180B0	12	Engineer-Plant Engineering B
2410B0	12	Trouble Shooter-Tool Engineering B
346000	13	Translation Specialist-French
2160A0	14	Trouble Shooter-Plant Engineer A

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<u>CLASS</u> <u>NUMBER</u>	<u>GRADE</u>	<u>TITLE</u>
2410A0	14	Trouble Shooter-Tool Engineering A
2040A0	15	Designer-Tool & Die A
2110A0	16	Engineer-Tool Engineering A
2180A0	16	Engineer-Plant Engineering A
229000	16	Engineer-Material Handling
2111A0+	17	Tool Engineering Specialist
2181A0+	17	Plant Engineering Specialist
229100+	17	Material Handling Specialist

NOTE: + PHASE UP CLASS EMPLOYEE CANNOT BE HIRED ON CLASS

WAGES

CHRYSLER CANADA LTD. - AJAX TRIM

CLERICAL-ENGINEERING-TECHNICAL

REPRESENTED EMPLOYEE

CLASS INDEX - BY CLASSIFICATION

<u>CLASS NUMBER</u>	<u>GRADE</u>	<u>TITLE</u>
056000	08	Clerk-Company Work Orders
056100+	09	Company Work Order Specialist
057000	08	Clerk-Invoice
057100+	09	Invoice Specialist
060000	02	Clerk-Shipping & Receiving
082000	05	Timekeeper
10000	11	Clerk-Junior II
111000	03	Clerk-General I
12000	04	Clerk-General II
15000	09	Clerk Senior III
22000	03	Keypunch Operator-Senior
156000	09	E.D.P.M. Console Operator
2040A0	15	Designer Tool & Die A
2040B0	12	Designer-Tool & Die B
2110A0	16	Engineer-Tool Engineering A
2111A0+	17	Tool Engineering Specialist
2110B0	12	Engineer-Tool Engineering B
214000	09	Analyst-Quality Control
222000	08	Follow-Up Person-Planning
222100+	09	Prod Material F/U Spec
223000	08	Scheduler-Planning
223100+	09	Production Scheduling Specialist
224000	08	Specifications Compiler
224100+	09	Plng Specifications Spec

NOTE: + PHASE UP CLASS EMPLOYEE CANNOT BE HIRED ON CLASS

WAGES

CHRYSLER CANADA LTD. - **BRAMALEA**

CLERICAL-ENGINEERING-TECHNICAL

REPRESENTED EMPLOYEES

CLASS INDEX - BY CLASSIFICATION

<u>CLASS NUMBER</u>	<u>GRADE</u>	<u>TITLE</u>
082000	05	Timekeeper
112000	04	Clerk-General II
113000	05	Clerk-Senior I
156000	09	E.D.P.M. Console Operator
222000	08	Follow-Up Person Planning
222100+	09	Production Material F/U Specialist
2110A0	16	Engineer-Tool Engineering A
2111A0	17	Tool Engineering Specialist
2110B0	12	Engineer-Tool Engineering B

NOTE: + PHASE UP CLASS EMPLOYEE CANNOT BE HIRED ON CLASS

CHRYSLER CANADA LTD. - ETOBICOKE

CLERICAL-ENGINEERING-TECHNICAL

REPRESENTED EMPLOYEES

CLASS INDEX - BY CLASSIFICATION

<u>CLASS NUMBER</u>	<u>GRADE</u>	<u>TITLE</u>
057000	08	Clerk-Invoice
057100+	09	Invoice Specialist
112000	04	Clerk-General II
113000	05	Clerk-Senior I
203000	10	Chemist or Metallurgist
2040A0	15	Designer-Tool & Die A
2040B0	12	Designer - Tool & Die B
206000	09	Drafter-Tool & Plant Engrg
2110B0	12	Engr-Tool Engineering B
2110A0	16	Engineer-Tool Engineering A
2111A0+	17	Tool Engineering Spec
214000	09	Analyst - Qual Control
223000	08	Scheduler-Planning
223100+	09	Production Scheduling Specialist
236000	04	Clerk-Superintendent
236000	04	Clerk-Superintendent
238000	08	F/U-Tooling & Non-Prod Mtl
238100+	09	Non-Prod Stores F/U Specialist
541000	05	Tech-Lab Engineering A
541100+	07	Tech-Plant Laboratory
541200+	08	Plant Test Technician

NOTE: + PHASE UP CLASS EMPLOYEE CANNOT BE HIRED ON CLASS

WAGES

PHASE-UP CLASSIFICATIONS - INDEX

OFFICE & CLERICAL

031000	T O	031100	222000	222100
038000		038100	223000	223100
043000		043100	224000	T O 224100
045000	T O	045100	238000	238100
050000		050100	316000	316100
051000		051100	321000	T O 321100
053000		053100	331000	331100
055000	T O	055100	364000	364100
056000		056100	3650T0	T O 3651T0
057000		057100	3650BT	3651BT
058000	T O	058100	376000	376100
118000		118100	379000	379100
1180B0		1181B0	425000	T O 425100
1180T0		1181T0	541000	541100
140000	T O	140100	541100	541200
220000		220100	575000	T O 575100

MANUFACTURING ENGINEERING

2110A0	T O	2111A0
2180A0		2181A0
229000		229100

MANUFACTURING ENGINEERING "B" TO "A" LEVEL CLASSIFICATIONS

2040B0	T O	2040A0
2110B0		2110A0
2160B0		2160A0
2180B0		2180A0
2410B0		2410A0
228000		229000

CUSTOMS

For employees in the Customs Department of Chrysler Canada Ltd. the following phase-up provisions will apply.

If an employee on a classification number listed in Column I has actually worked for the Corporation a minimum of ten (10) years combined on classification numbers listed in Column I, the employee shall be reclassified to the corresponding classification number listed in Column II, Grade 9, provided the employee has performed satisfactorily on Grade 8 level classification(s).

COLUMN I

<u>Class</u>	<u>Title</u>
031000	Customs Rate Clerk
045000	Clerk-Customs

COLUMN II

<u>Class No.</u>	<u>Title</u>
031100	Customs Rate Specialist
045100	Custom Specialist

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

ACCOUNTING

For employees in Accounting Departments of Chrysler Canada Ltd. the following phase up provisions will apply.

If an employee on a classification number listed in Column I has actually worked for the Corporation a minimum of ten (10) years combined on classification numbers listed in Column I, the employee shall be reclassified to the corresponding classification number listed in Column II, grade 9, provided the employee has

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performed satisfactorily on the grade 8 level classification(s).

COLUMN

<u>Class No.</u>	<u>Title</u>
038000	Clerk-Property Acctg.
043000	Clerk-Project & Authzn.
050000	Acctg. Liaison Clerk
051000	Cashier-Factory or Driveway
053000	Clerk-Billing
055000	Clerk-Cost
056000	Clerk-Co. Work Orders
057000	Clerk-Invoice
058000	Clerk-Payroll Hourly

COLUMN II

<u>Class No.</u>	<u>Title</u>
038100	Property Acctg. Specialist
043100	Project Authzn. Specialist
050100	Acctg. Liaison Specialist
051100	Cashier Specialist
053100	Billing Specialist
055100	Cost Specialist
056100	Co, Work Order Specialist
057100	Invoice Specialist
058100	Hourly Payroll Specialist

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section,

Classification No. 118000,
Correspondent - Technical

and

Classification No. 118100,
Technical Service Analyst

If an employee on Classification No. 118000, Correspondent-Technical, grade 8 has actually worked for the Corporation for a minimum of eight (8) years on Classification No. 118000, the employee shall be reclassified to Classification No. 118100, Technical Service Analyst, grade 9 provided the employee has performed satisfactorily on Classification No. 118000 level of work.

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

Classification No. 1180B0,
Correspondent -Technical - Bilingual

and

Classification No. 1181B0,
Technical Service Analyst Bilingual

If an employee on Classification No. 1180B0, Correspondent Technical Bilingual, grade 9, has actually worked for the Corporation a minimum of eight (8) years on Classification No. 1180B0, the employee shall be reclassified to Classification No. 1181B0 Technical Service Analyst Bilingual, grade 10, provided the employee has performed satisfactorily on Classification No. 1180B0 level of work.

Management will advise the Union of the reasons for its decision in those instances in which it determined an employee is not to be reclassified pursuant to the provision of this section.

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Classification No. O_p_e_r_a_t_o_r
and

Classification No. 140100,
Specialist Operations

If an employee on Classification No. 140000, Telephone Operator, grade 1, has performed satisfactorily on the classification and has actually worked for the Corporation a minimum of six (6) years on Classification No. 140000, the employee shall be reclassified to Classification No. 140100, Telephone Operations Specialist, grade 2.

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

Classification No. 220000, Auditor-Planning

and

Classification No. 220100, Auditor-Planning
Specialist

If an employee on Classification No. 220000, Auditor-Planning, grade EI has actually worked for the Corporation on such classification a minimum of eight (8) years, the employee shall be reclassified to Classification No. 220100, Auditor-Planning Specialist, grade 10 provided the employee has performed satisfactorily on Classification No. 220000 level of work.

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

Classification No. 222000,
Follow-Up Person - Planning

and

Classification No. 222100,
Production Material Follow-Up Specialist

If an employee on Classification No. 222000, Follow-Up Person - Planning, grade 8, has performed satisfactorily on the classification and has actually worked for the Corporation a minimum of ten (10) years combined on Classification Nos. 222000, 223000, 224000 and 238000, the employee shall be reclassified to Classification No. 222100, Production Material Follow-Up Specialist, grade 9.

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

Classification No. 223000, Scheduler - Planning

and

Classification No. 223100,
Production Scheduling Specialist

If an employee on Classification No. 223000, Scheduler - Planning, grade 8, has performed satisfactorily on the classification and has actually worked for the Corporation a minimum of ten (10) years combined on Classification Nos. 222000, 223000, 224000 and 238000, the employee shall be reclassified to Classification No. 223100, Production Scheduling Specialist, grade 9.

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

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Classification No. 224000,
Specifications Compiler Planning

and

Classification No. 224100,
Planning Specifications Specialist

If an employee on Classification No. 224000, Specifications Compiler - Planning, grade 8 has performed satisfactorily on the classification and has actually worked for the Corporation a minimum of ten (10) years combined on Classification Nos. 222000, 223000, 224000, and 238000, the employee shall be reclassified to Classification No. 224100, Planning Specifications Specialist, grade 9.

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

Classification No. 238000,
Follow-Ups on
Tooling and Non-Productive Material

and

Classification No. 238100,
Non-Productive Stores Follow-Up Specialist

If an employee on Classification No. 238000, Follow-Up Person-Tooling and Non-Productive Material, grade 8, has performed satisfactorily on the classification and has actually worked for the Corporation a minimum of ten (10) years combined on Classifications Nos. 222000, 223000, 224000 and 238000, the employee shall be reclassified to Classification No. 238100, Non-Productive Stores Follow-Up Specialist, grade 9.

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

Classification No. 316000,
Sales Programming Analyst

and

Classification No. 316100,
Sales Programming Specialist

If an employee on Classification No. 316000, Sales Programming Analyst, grade 9, has actually worked for the Corporation on such classification a minimum of eight (8) years the employee shall be reclassified to Classification No. 316100, Sales Programming Specialist, grade 10 provided the employee has performed satisfactorily on Classification No. 316000 level of work.

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

Classification No. 321000, Special Orderer Sales

and

Classification No. 321100,
Special Orderer Analyst

If an employee on Classification No. 321000 Special Orderer - Sales, grade 9, has actually worked for the Corporation for a minimum of eight (8) years on Classification No. 321000, the employee shall be reclassified to Classification No. 321100, Special Order Analyst, grade 10, provided the employee has performed satisfactorily on Classification No. 321000 level of work.

Management will advise the Union of the reasons for its decisions in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

Classification No. 331000,

Vehicle Sales Analyst

and

Classification No. 331100,

Vehicle Sales Analysis Specialist

If an employee on Classification No. 331000, Vehicle Sales Analyst, grade 10, has actually worked for the Corporation for a minimum of eight (8) years on Classification No. 331000, the employee shall be reclassified to Classification No. 331100, Vehicle Sales Analysis Specialist, grade 11, provided the employee has performed satisfactorily on Classification No. 331000 level of work.

Management will advise the Union of the reasons for its decisions in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

Classification No. 364000,

Compiler - Parts Books & Price List

and

Classification No. 364100,

Parts Book Catalogue Specialist

If an employee on Classification No. 364000, Compiler - Parts Book and Price List, grade 9 has performed satisfactorily on the classification and has actually worked for the Corporation a minimum of eight (8) years on Classification Nos. 364000 and 379000, the employee shall be reclassified to Classification No. 364100, Parts Book Catalogue Specialist, grade 10.

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

Classification No. 3650T0,
Compiler - Parts Book - High Technical

and

Classification No. 3651T0,
Parts Book Specialist - High Tech

If an employee on Classification No. 3650T0, Compiler - Parts Book - High Technical, grade 10 has actually worked for the Corporation a minimum of eight (8) years on Classification No. 3650T0, the employee shall be reclassified to Classification No. 3651T0, Parts Book Specialist - High Tech, grade 11 provided the employee has performed satisfactorily on Classification No. 3650T0 level of work.

Classification No. 3650BT,
Compiler - Parts Book
- Bilingual/High Technical

and

Classification No. 3651 BT,
Parts Book
Specialist - Bilingual High Technical

If an employee on Classification No. 3650BT, Compiler - Parts Book - Bilingual/High Technical, Grade 10 has actually worked for the Corporation a minimum of 8 years on Classification No. 3650BT, the employee shall be reclassified to Classification 3651 BT, Parts Book Specialist - Bilingual/High Technical, Grade 11 provided the employee has performed satisfactorily on Classification 3650BT level of work.

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

Classification No. 376000,
Pricing Compiler Service Parts

and

Classification No. 376100,
Pricing Specialist Service Parts

If an employee on Classification No. 376000, Pricing Compiler - Service Parts, grade 9, has actually worked for the Corporation a minimum of eight (8) years combined on Classifications 376000 and 377000, the employee shall be reclassified to Classification No. 376100, Pricing Specialist - Service Parts, grade 10 provided the employee has performed satisfactorily on Classification No. 376000 level of work.

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

Classification No. 379000,
Procurement Person - Parts Stock

and

Classification No. 379100,
Stock Procurement Analyst - Parts

If an employee on Classification No. 379000, Procurement Person - Parts Stock, grade 9, has actually worked for the Corporation a minimum of eight (8) years combined on Classifications 364000, 378000 and 379000, the employee shall be reclassified to Classification No. 379100, Stock Procurement Analyst - Parts, grade 10, provided the employee has performed satisfactorily on Classification No. 379000 level of work.

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

Classification No. 541000,
Technician- Laboratory - Engineering A

Classification No. 541100,
Technician-Plant
Laboratory

and

Classification No. 541200
Plant Test Technician

An employee on Classification No. 541000, Technician-Laboratory-Engineering A, grade 5 who has actually worked for the Corporation a minimum of four (4) years combined on Classification Nos. 203000, 540000 and 541000, shall be reclassified to Classification No. 541100, Technician-Plant Laboratory, grade 7 provided the employee has performed satisfactorily on Classification No. 203000 and/or 541000 levels of work.

An employee on Classification No. 541100, Technician-Plant Laboratory, grade 7 who has actually worked for the Corporation a minimum of eight (8) years combined on Classification Nos. 203000, 540000, 541000, 541100 and 549000, shall be reclassified to Classification No. 541200, Plant Test Technician, grade 8 provided the employee has performed satisfactorily on Classification Nos. 203000, 541100 and/or 549000 levels of work.

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the above paragraphs of this section.

MANUFACTURING ENGINEERING CLASSIFICATIONS

Classification No. 2110A0,
Engineer-Tool Engineering A

and

Classification No. 2111A0,
Tool Engineering Specialist

If an employee on Classification No. 2110A0, Engineer-Tool Engineering A, grade 16, has actually worked for the Corporation a minimum of ten (10) years combined on Classification No. 2110B0 and No. 2110A0, the employee shall be reclassified to Classification No. 2111A0, Tool Engineering Specialist, grade 17 provided the employee has performed satisfactorily on Classification No. 2110A0 level of work.

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

Classification No. 2180A0,
Engineer Plant Engineering A

and

Classification No. 2181A0,
Plant Engineering Specialist

If an employee on Classification No. 2180A0, Engineer Plant Engineering A, grade 16, has actually worked for the Corporation a minimum of ten (10) years combined on Classification Nos. 2180B0, 2180A0, 228000 and 229000, the employee shall be reclassified to Classification No. 2181A0, Plant Engineering Specialist, grade 17 provided the employee has performed satisfactorily on Classification No. 2180A0 level of work.

Management will advise the Union of the reasons for its decision in those instances in which it determines an

employee is not to be reclassified pursuant to the provisions of this section.

Classification No. 229000,
Engineer-Material Handling

and

Classification No. 229100,
Material Handling Specialist

If an employee on Classification No. 229000, Engineer-Material Handling, grade 16, has actually worked for the Corporation a minimum of ten (10) years combined on Classification Nos. 2180B0, 2180A0, 228000 and 229000 the employee shall be reclassified to Classification No. 229100, Material Handling Specialist, grade 17 provided the employee has performed satisfactorily on Classification No. 229000 level of work.

Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified pursuant to the provisions of this section.

Classification No. 228000,
Analyst-IMaterial Handling

and

Classification No. 229000,
Engineer-Material Handling

An employee on Classification No. 228000, Analyst Material Handling, grade 10 shall be placed on Classification No. 229000, Engineer - Material Handling, grade 16 at such time as it is determined that the employee is assigned work of Classification No. 229000 on a regular and recurring basis and that the employee meets the minimum qualification requirements of the Classification No. 229000.

If an employee on Classification No. 228000 has actually worked on such classification a minimum of six (6)

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years the employee shall be reclassified to Classification No. 229000 unless the employee does not meet the minimum qualification requirements of Classification No. 229000. Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified to Classification No. 229000 pursuant to the provisions of this paragraph.

The Corporation and the Union agree that in determining the level of a job regularly performed by an individual employee over a reasonable period of time it is necessary to compare the actual duties and responsibilities of the job being performed with related, comparable jobs in the same or other offices of the Corporation.

"B" Level Classifications - Manufacturing Engineering

An employee on "B" level classification shall be placed on the related "A" level classification at such time as it is determined that the employee is assigned work of the related "A" level classification on a regular and recurring basis and that the employee meets the minimum qualification requirements of the related "A" level classification.

If an employee on a "B" level classification has actually worked on such classification a minimum of four (4) years the employee shall be reclassified to the related "A" level classification unless the employee does not meet the minimum qualification requirements of the related "A" level classification. Management will advise the Union of the reasons for its decision in those instances in which it determines an employee is not to be reclassified to the related "A" level classification pursuant to the provisions of this paragraph.

The Corporation and the Union agree that in determining the level of a job regularly performed by an individual employee over a reasonable period of time it is necessary to compare the actual duties and responsibilities

of the job being performed with related, comparable jobs in the same or other offices of the Corporation.

General Increases or Improvement Factor
Increases for "Red-Circled" Employees

In applying the provisions of Section (9.1), General Increases, of the Office and Clerical and Engineering Agreement those employees whose salaries are above the maximum salary for their classifications shall receive an improvement factor increase based upon the maximum salary of their classification.

Where an employee has held a particular classification and rate while performing the same job for a period of one (1) or more years, and Management determines that the classification is improper for the job in question, Management may reclassify the job to the appropriate Clerical-Engineering-Technical classification, but the employee's rate of pay while assigned or reassigned to that job will not be changed. The proper classification and rate of pay shall apply to any future employee on the job so reclassified. This shall not preclude the Union from protecting the propriety of such reclassification, through the grievance procedure.

Letter (9.5) Rules-Credited Time for Phase-Up

In accordance with our recent discussions relative to classifications which have phase up applications, we shall apply the following rules for determining the amount of "time actually worked" on a classification.

1. Only the period of time during which the employee worked for the Corporation and was actually classified on the required classifications as reflected in the employee's personnel records, shall be included.

2. Only the time worked since the employee's last date of hire with the Corporation shall be counted. Time worked on appropriate classifications prior to a permanent break in corporate service or seniority shall not be included. Time

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spent on temporary separations such as layoff, illness or injury, or other leaves of absence during which the employee was temporarily separated from the active roll shall not be counted as time worked on the classification.

3. Time worked on other salary classifications no matter how similar in nature to the appropriate salary classification, and regardless whether or not such salary job may have been accepted in lieu of layoff, shall not be included as time worked on the appropriate salary classification.

4. Time worked on appropriate salaried classifications shall include time worked at all Corporate locations as reflected in the employee's personnel records, and shall include time worked in a bargaining unit and/or nonbargaining unit positions.

5. For purposes of determining time actually worked on a classification, a full month of credit will be given for those months in which an employee works ten (10) days or more in the month. Credit for days worked will be given for regular vacation days. Only the days actually worked in the Monday through Friday workweek shall be counted. Overtime days, days for which Salary Continuation payments are made, or other absence, including casual absences, will not be considered as days worked.

6. Reclassifications to the appropriate higher level classification will become effective on the first regularly scheduled working day of the bi-weekly pay period beginning nearest to the first of the month following completion of the requirements for advancement to such classification.

(9.6) Merit Increases

(a) The Corporation will furnish to the Union the names of all employees for whom merit increases have been made effective. Beginning with the month following the month in which the Agreement becomes effective and (during each month thereafter, said names will be furnished to the Union on the Monday (or the next succeeding working day) preceding the Friday on which the merit increase is first reflected in the employee's cheque. With

such names the Corporation will furnish the employee's new salary rates. For the purpose of this Section, an increase becomes effective on the first day an employee works at the increased rate.

(b) The Union may present, in accordance with the grievance procedure, any objection to any increase the Corporation may grant, as aforesaid (unless the Union shall have proposed such increase).

(c) Pursuant to the grievance procedure, the Corporation will bargain with the Union concerning any merit increases that the Union may in good faith propose for individual employees, and will promptly notify the Union of its decision in accordance with such grievance procedure.

(d) When the Corporation denies grievances requesting merit increases, it will set forth in detail, clear and accurate reasons for doing so and if it relies on formal rating sheets in denying a merit increase to any employee, it will disclose to the Union such employee's rating sheets.

(e) Management will review the performance of every employee at intervals of not more than one year from the anniversary date of the employee's last employment with the Corporation. Where an employee is laid off, on leave of absence, or absent because of an extended illness, such periods will not be included in the one-year review period. Management will inform the employee of the results of this review and if scheduled for a merit increase the employee will be advised of the calendar quarter in which the increase is to be granted and such increase will be granted provided the employee (i) maintains an acceptable level of performance (ii) remains on the same classification, and (iii) is on the active roll on the effective date of the increase.

In the event an employee's performance, as shown by the review, is such that, if it continues at its present level, the employee would not be granted a merit increase,

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Management will discuss the results of the review with the employee. The employee may request the Committee person **be** present during this discussion. Should the employee and the Union disagree with the review, the Union may file a grievance at the second step of the grievance procedure.

(f) Merit increases shall not be less than 3 percent of the employee's base weekly salary but in no case shall the employee's salary be increased above the maximum of the salary grade for the classification. If a merit increase places an employee's salary within 1% of maximum of the grade, the employee's salary shall be adjusted to the maximum.

(9.7) Cost-of-Living Allowance

All employees covered by this Agreement shall be subject to the following cost-of-living allowance formula determining the cost-of-living allowance as set forth below:

(a) Effective with the adjustment scheduled for December 2, 1996, the cost-of-living allowance will be determined in accordance with changes in the Consumer Price Index published by Statistics Canada (1986 = 100).

(b) Effective December 2, 1996 and thereafter during the period of this Agreement, adjustments in the cost-of-living allowance shall be made on the following dates and in each case, shall be based on the following Consumer Price Indexes:

<u>Effective at Beginning of First Pay Period Commencing on or After:</u>	<u>Based on Three-Month Average of the Consumer Price Indexes for:</u>
Dec. 1, 1996	Aug., Sept., Oct., 1996
Mar. 1, 1997	Nov., Dec., 1996, Jan., 1997
June 1, 1997	Feb., Mar., Apr., 1997
Sept. 1, 1997	May, June, July, 1997
Dec. 1, 1997	Aug., Sept., Oct., 1997
Mar. 1, 1998	Nov., Dec., 1997, Jan., 1998
June 1, 1998	Feb., Mar., Apr., 1998

Sept. 1, 1998	May, June, July, 1998
Dec. 1, 1998	Aug., Sept., Oct., 1998
Mar. 1, 1999	Nov., Dec., 1998, Jan. 1999
June 1, 1999	Feb., Mar., Apr., 1999

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

In no event will a decline in the three-month average Consumer Price Index below 135.2 (1986 = 100 Base) provide the basis for a reduction in the wage scale by job classification.

(c) (i) Effective the beginning of the pay period commencing on or after receipt of notice of ratification but after the application of the salary increase provided in Section (9.1), twenty-five dollars and twenty cents (\$25.20) shall be deducted from the twenty-seven dollars and twenty cents (\$27.20) cost-of-living allowance in effect immediately prior to that date and shall be added to the base weekly salary for each classification. The cost-of-living added to base weekly salaries for each classification will include both the minimum and maximum salaries and automatic progression steps.

(ii) The amount of the cost-of-living allowance effective the beginning of the pay period commencing on or after receipt of notice of ratification and ending December 1, 1996, shall be two dollars (\$2.00) per week.

(iii) In the case where a quarterly cost-of-living allowance adjustment becomes effective at the beginning of the second week of a biweekly pay period, the amount of the cost-of-living allowance applicable to such second week shall be the amount determined by such adjustment.

In the case of an employee who does not work on every scheduled working day during a pay period the cost-of-living allowance shall be payable on a pro-rata basis for each day or that portion of a day for which the employee is paid at full straight time weekly salary during such pay period.

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The cost-of-living allowance payable under the provisions of this Section shall be included in an employee's regular pay cheque.

(d) For the period December 1, 1996 to August 31, 1997, the amount of the cost-of-living allowance that shall be effective shall be determined in accordance with the following table:

Three-Month Average Consumer Price Index	Weekly Cost-of-Living Allowance
135.2 or less	None
135.3	1¢ per hour
135.4	3¢ per hour
135.5	4¢ per hour
135.6	5¢ per hour
135.7	6¢ per hour
135.8	7¢ per hour
135.9	9¢ per hour
136.0	10¢ per hour
136.1	11¢ per hour
136.2	13¢ per hour

and so forth with \$.01 adjustment for each .073 point change in the Average Index.

For the period September 1, 1997 to August 31, 1998 there will be a one cent (1¢) adjustment for each .070 change in the average Index. For the period September 1, 1998 to August 31, 1999 there will be a one cent (1¢) adjustment for each .067 change in the average Index.

(e) The amount of any cost-of-living allowance in effect at the time shall be included in computing overtime premium, shift premium, holiday payments, call-in pay, vacation payment, jury duty pay and bereavement pay.

(f) In the event that Statistics Canada does not issue the appropriate Consumer Price Index on or before the beginning of one of the pay periods referred to in Subsection (b), any adjustment in the allowance required

by such appropriate Index shall be effective on the first Monday after receipt of the Index.

(g) No adjustments, retroactive or otherwise, shall be made due to any revision which may later be made in the published figures used in the calculation of the Consumer Price Index for any month on the basis of which the allowance has been determined.

(h) The continuance of the cost-of-living allowance shall be contingent upon the availability of the monthly Consumer Price Index referred to in Subsection (a) published by Statistics Canada calculated on the same basis as the Index for August, 1993, unless otherwise agreed upon by the parties.

(i) In applying the provisions of this Section of the agreement the Corporation shall prepare a notification letter to the Union setting forth the Consumer Price Index for each of the three months that form the basis for an adjustment, and the average of those three months, rounded to the nearest 0.1 index point using the Engineering Method of Rounding described in subsection (j). This letter will be prepared and sent to the Union after publication of the appropriate Consumer Price Indexes for the third month used for each adjustment period in accordance with this Section.

If the Union claims that the Corporation's calculations in any particular instance were not made in accordance with the terms of this Section, it may refer the matter to the Appeal Board.

(j) The Engineering method of rounding shall apply to the determination of the three-month average of this Consumer Price Index:

- (i) if the leftmost of the digits discarded is less than 5, the preceding digit is not affected. For example, when rounding to four digits 130.646 becomes 130.6.
- (ii) if the leftmost of the digits discarded is greater than 5, or is 5 followed by digits, not all of which are zero, the preceding digit is increased by one. For example, when

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- rounding to four digits 130.557 become 130.6.
- (iii) if the leftmost of the digits discarded is 5, followed by zero, the preceding digit is increased by one if it is odd and remains unchanged if it is even. The number is thus rounded in such a manner that the last digit retained is even. For example, when rounding to four digits, 130.5500 becomes 130.6 and 130.6500 becomes 130.6.

(9.8) New Jobs

(a) When the Corporation introduces a new job into the office that cannot be properly placed in an existing classification or extension thereof, the Corporation will establish a classification and assign that classification to a grade within the existing salary structure. A written notice of the classification and grade will be given to the Union.

(b) If the Union disagrees with the new classification or grade, the Union may file a written grievance directly with Management's representative specified in Section (3.2) Step 1 of the Agreement within thirty (30) days of the date of the notice provided for in (a) above.

(c) If the parties fail to agree on a classification and/or grade for the new job, the Union may submit the matter to the umpire as provided in Section (3.2) Step 3 of the Agreement. The umpire shall be empowered to determine whether the classification and/or grade assigned to the classification is proper.

(d) In determining whether the grade assigned to the classification is proper, the umpire shall do so by comparing such classification with other comparable classifications in the bargaining unit the grades of which are consistent with the established salary structure. The umpire's decision shall be limited to the matter in dispute and to determining the propriety of the classification and the grade of the classification in dispute.

(e) When the Corporation establishes a new classification and assigns that classification to a grade within the established salary structure and gives written notice of same to the Union, and the Union within thirty (30) days of the receipt of such notice does not file a written grievance as provided in Section (c) above, such classification and grade shall be deemed to be satisfactory to the Union and not subject to grievance.

(f) When the Corporation develops a new position and the Corporation cannot properly classify the work, the Corporation may select a represented salary employee in the department to work on the job during its development. The Corporation shall attempt within sixty (60) days to develop a job description and an applicable grade and classification. If the new job fits into an existing classification it shall be filled through the normal promotional procedure. If the new job will have a new classification and grade the Corporation will advise the Union in writing of the new class and grade, and thirty (30) days after Union notification, the position will be filled through the normal promotional procedure.

(g) The Corporation has a responsibility and duty to properly classify its employees. Accordingly, from time to time during the term of this Agreement, the Corporation may review the propriety and, where warranted, adjust the classifications of employees.

(h) 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.

BENEFITS

(10.1) Benefit Exhibits

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

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

(10.2) Bereavement Pay

(a) When death occurs in the employee's immediate family, a seniority employee, on request, will be excused, and after making written application therefor, receive payment for the number of normally scheduled eight (8) hour days of work as indicated below including scheduled Saturdays (exclusive of overtime premium) but excluding non scheduled Saturdays, Sundays and holidays, or, in the case of seven-day operations, excluding regular off days and holidays) within the ten (10) calendar day period immediately following the date of death, provided the employee attends the funeral.

3 Days • stepparent or grandparent, parent, stepparent 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.

(b) 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).

(c) 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.

(d) Payment shall be made at the employee's straight time hourly rate on the last day worked exclusive of overtime premiums but inclusive of shift and seven-day operations premium and the amount of any cost-of-living allowance then in effect. Time thus paid will not be counted as hours worked for purposes of overtime.

(e) In the event 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.

(f) 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.

(10.3) Jury Duty

An employee who is called to and reports for jury duty (including coroner's juries) shall be paid for each day the employee reports for jury duty an amount equal to one-fifth (1/5th) of the employee's base weekly salary, exclusive of shift, overtime and any other premiums, on the last day worked, less jury duty fee paid the employee by the court in which the employee serves (not including travel allowances or reimbursement of expenses), provided that payment shall be made only for those days of the work week the employee otherwise would have been scheduled to work for the Corporation.

In order to receive payment under this Section, an employee must give the Corporation prior notice that the employee has been summoned for jury duty and must furnish satisfactory evidence that jury duty was performed

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on the days for which the employee claims such payment. An 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.

Notwithstanding the above when any of the holidays designated in Section (12.1) of the Office and Clerical and Engineering Agreement fall on a day that an employee is required to serve on a jury in accordance with the provision of this Section, the employee shall receive pay for such holiday and retain the daily jury duty fee paid the employee by the court.

Letter (10.4) Benefit Plans

The Corporation will continue to make available to eligible clerical, engineering and technical employees in offices covered by the Office and Clerical and Engineering Agreement, the following programs:

- (a) Major Medical Benefits Plan for Clerical, Engineering and Technical Employees,
- (b) Salaried Employees' Savings Plan,
- (c) Chrysler Canada Ltd. Salaried Employees' Retirement Plan,

for as long as it makes the same available to Professional-Administrative roll employees who are not covered by said agreement and in the case of (a), and (c) above to eligible retired clerical, engineering and technical employees covered by the Office and Clerical and Engineering Agreement for as long as it makes the same available to retired Professional-Administrative roll employees who are not covered by said agreement. During the term of the above-mentioned collective bargaining agreement the programs will be available on the same terms and conditions applicable to such Professional-Administrative roll employees (including modifications and amendments made from time to time).

Said programs and plans are not conditions of employment nor a part of any agreement between the

Corporation and the Union, and the Corporation may revoke, terminate, suspend, modify or change them and interpret and apply them or any part of them at any time and in its sole discretion. The Union hereby waives all rights or claims of right to bargain collectively with respect to said programs or plans or any similar program or plan or any supplementary or substitute program or plan, or the application or interpretation thereof, or to require or attempt to require the Corporation to do so. However, the Corporation will advise the National Union of any changes in said programs or plans.

Letter (10.5) Alcoholism and Drug Abuse

During negotiations the parties reaffirmed their continuing conviction that it is important to provide assistance to employees afflicted with alcohol and drug dependence and to find ways to motivate them to recognize their problem and seek treatment where appropriate. Accordingly, the parties have expressed their mutual wish to continue their progress toward the common goal of achieving an effective alcohol and drug abuse program at Chrysler-CAW locations.

While the current Chrysler-CAW program has continued to develop and mature, it has become apparent that the most successful local programs are those that have enjoyed the full support of the respective office Managements and Local Unions. That support has led to different approaches to similar problems at the various locations. Difficulties of implementation that exist at one location may not exist at others. Solutions, in part at least, therefore, have to be tailor-made for the location. For example, the proximity or availability of approved treatment facilities, the suitability of places utilized for employee contact, and the prior existence of a union or government-sponsored program are all factors bearing on the success of an alcohol and drug abuse program at the local level.

The foregoing leads us to conclude that our joint endeavour should be to continue to assist local programs in developing methods that will more effectively encourage

afflicted employees to seek assistance under the program and that will convince them of the privacy and confidentiality of such assistance. To this end, the National Alcoholism and Drug Abuse Committee, pursuant to the principles and guidelines previously established, will (i) analyze those causes that inhibit and those that foster employee utilization of the program at each location, (ii) establish procedures for the confidential maintenance at each location of records of employees using the program, (iii) communicate to all locations, when appropriate, those techniques that have proved successful at one or more locations, and (iv) participate in a four (4) hour drug/alcohol awareness training for union representatives conducted by the inplant Employee Assistance/Substance Abuse Representative. The National Committee will also continue to periodically review local programs to assist with alcohol and drug abuse problems.

Our experience under this program thus far shows that an effective Corporation-wide program requires the full cooperation of Management and Union alike. The joint efforts necessary to provide assistance to afflicted employees may, however, be complicated by many factors such as multi-shift operations, office location and population, in-office facility available for employee contact, office layout, and the need for privacy. We mutually endorse reasonable and practical resolution to these problems where they exist.

Finally, the success that already has been achieved under the program indicates the commitment that both Chrysler and the CAW have toward helping employees with problems of alcohol and drug dependence. We will continue to monitor and assist with local program activities to assure the continued success and improvement of this Chrysler-CAW program.

Letter (10.6) Child Care

During negotiations the parties discussed the subject of Child Care for CAW represented employees covered by the Agreements.

The parties agreed that arrangements may be made to finance the program by using available funds from the Special Contingency Fund up to 4.5 cents (\$.045) per straight time hour worked during the term of the Agreement.

The parties further agreed that the specific child care related uses of such funds will be mutually agreed upon by the Company and the Union.

Letter (10.7) Legal Services

The Union has requested in negotiations that the Corporation continue to provide additional financing of the Legal Services Plan in the event that the current financing arrangement is insufficient.

Notwithstanding item (c) of the appropriate Memorandum of Understanding covering Special Contingency Fund (SCF), the parties agree that for any month that regular Corporation contributions to the Legal Services Plan are insufficient to pay benefits, any shortfall will be provided from the accrual in the SCF, to the extent available. An equal amount will be deducted from the accrued balance in the applicable SCF.

In the event there is a conflict between the use of the accrual in the SCF to support SUB or Legal Services benefits, the parties agree that available funds, exclusive of the additional \$150,000 designated for the exclusive use for Bramalea Legal Services benefits will be used first to support SUB benefits.

In addition, if sufficient funds are available, the Company and Union have the option of utilizing 4½¢ per straight time hour worked per year to finance a Child Care Program.

Letter (10.8) Employee-Retiree New Vehicle Purchase Program

This will confirm 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 an approved leave 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.

We appreciate the efforts of the CAW to encourage employees to purchase Chrysler products.

Letter (10.9) Chrysler Product Programs

During recent contract negotiations the Union expressed an interest in developing greater employee participation in the use of Company products. The following programs are available to salaried employees and retirees at this time.

- a. New Vehicle Purchase Program
- b. Chrysler Owned Used Vehicles

In the event the Corporation introduces any discount plan that is applicable to general salaried personnel for new or used products, it will be our intention to develop uniform eligibility rules that will be applicable to both represented and non-represented general salaried employees.

Letter (10.10) Pension - SIB

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

Letter (10.11) Earnings Limitation

During these negotiations the parties agreed to continue the 30 and out earnings limitation at a level equal to the greater of \$18,000 or 50% of the Yearly Maximum Pensionable Earnings established under the Canada Pension Plan.

Letter (10.12) 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 (l)(c) or 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).

Letter (10.13) E. I. Premium Rebate

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

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

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

Letter (10.14) Annual Benefits Meeting

This will extend our understanding reached during the 1990 negotiations concerning an annual benefits meeting for Union and Company Benefit Representatives.

It was agreed that the meeting will be mainly for educational purposes to improve the knowledge and proficiency of the Benefit Representatives.

Topics to be covered will include, but will not be limited to, new legislation and new or updated procedures as they affect the negotiated benefits.

The National Union will be given the opportunity to review the agenda, and make necessary recommendations, as well as attend and participate in the proceedings.

In this connection, the Company has agreed to provide pay for lost time (eight hours base pay rate plus COLA) to Union Benefit Representatives who attend the annual meeting. The employee who has been designated as the regular replacement for the Union Benefit Representative may be activated for the day the Benefit Representative attends the annual benefit meeting.

Letter (10.15) Social Justice Fund

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

Subject to the following conditions, the Company will make quarterly contributions to the Social Justice Fund equal to one cent (1¢) for each straight time hour worked in the preceding thirteen (13) week period.

<u>Hours Worked</u>	<u>Payment Date</u>
09/30/96 - 12/29/96	01/31/97
12/30/96 - 03/30/97	04/30/97
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
03/30/97 - 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

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The Company will make these quarterly payments provided that:

(a) the Union operates the fund as a non-profit corporation under the Canada Corporations Act, and ensures that all necessary steps are taken to maintain the corporation in proper legal standing and that all requirements of the Act are met;

(b) the Union operates the non-profit corporation as a registered charity under the Income Tax Act of Canada and maintains the registration in good standing;

(c) the Union obtains and maintains a favourable Income Tax Ruling from the federal Department of National Revenue that all contributions which the Company makes to the non-profit corporation are tax deductible;

(d) at all times, the objects, by-laws and resolutions of this non-profit corporation limit it to making only the following types of financial contributions:

(i) contributions to other Canadian charities that are registered under the Income Tax Act,

(ii) contributions to international relief efforts that are considered reasonable and which do not hinder the non-profit corporation's ability to maintain its status as a registered charity, in good standing under the Income Tax Act;

(iii) contributions to any Canadian or international non-partisan relief efforts to which other Canadian registered charities are also making financial contributions.

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

2. In addition, the Company has also agreed to contribute \$100,000 per year to the CAW Local 444 Social Justice Fund during the term of the Agreement. These payments will be contingent upon compliance to 1. (a), 1. (c) and 1. (d) of this letter.

Letter (10.16) Maternity, Parental and Adoption Leaves

During the course of negotiations the parties discussed the Union's proposal to pay maternity, parental and adoption leaves from a Supplemental Unemployment Benefit (SUB) Fund as a top-up to Employment Insurance Benefits. Given that there was insufficient time for the parties to address all the issues associated with this matter, the parties agreed to resume discussion within 90 days after the ratification of this Agreement.

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,

**Letter (10.17) Resolution of Disputes
- Benefits Plans and Pension Agreement**

No matter respecting the provisions of the plans or agreements referenced in Section (10.1) S.U.B.P., Income Maintenance/Voluntary Termination, Insurance, Relocation Allowance, Legal Services and Health Care, or the Pension Agreement between Chrysler Canada Ltd. and the CAW, shall be subject to the grievance procedure established under this agreement, and in the event of a conflict between the provisions of the benefit plans or agreements

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

(10.18) Memorandum of Understanding Special Contingency Fund

The Company and Union agree that:

- (a) The Special Contingency (SC) Fund will be continued during the term of this Collective Agreement.
- (b) 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 employee!; for all pay periods commencing after the effective date of this Agreement.
- (c) During the term of this Collective Agreement, the SC Fund will be utilized only in support of the following plans and programs: (i) the Supplemental Unemployment Benefit (SUB) Plan, (ii) the Legal Services Plan, (iii) Child Care programs, (iv) the C.A.W. Leadership Training Program (P.E.L.), (v) research, leadership and development activities of the Union, and (vi) programs covered under the National Training Committee Letter (16.1). At any point in time the Special Contingency Fund Balance shall be equal to the cumulative accrual calculated in Section (b) above, less the cumulative utilization calculated in this Section (c). The cumulative accrual and utilization shall include balances carried forward from prior Agreements.
- (d) The use of the SC Fund for SUB funding will be determined solely by the amount of the Credit Unit Cancellation Base (CUCB) as determined from time to time under the SUB Plan for the purpose of determining the cancellation rate of Credit Units on the payment of Regular Benefits under the SUB Plan. In the event that such CUCB amount otherwise would fall below the applicable amount that would require an increased Credit Unit cancellation rate from 3.33 to 5

Units for Employees with 1 but less than 5 Years of Continuous Service the Corporation will make weekly contributions to the SUB Fund from the balance of 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.

- (e) Funding for the above mentioned plans and programs will be determined as follows:
 - i) funding for SUB purposes will be made available pursuant to Section (d). above,
 - ii) funding for the Legal Services Plan and Child Care programs will be made available pursuant to the provisions of Letters (10.7) and (10.6),
 - 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).
- (f) The par-lies 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 Section (e), the amount of required funding in excess of the SC Fund Balance will be recovered as an offset against future SC accruals.

LEAVE OF ABSENCE

(11.1) Leave for Good Cause

Leaves of absence for reasonable periods not to exceed one (1) year will be granted without loss of seniority for good cause, such as personal illness or accident, death or serious illness in the immediate family, pregnancy, jury duty and elective or appointive public office, and such leaves may be extended for like cause.

(11.2) Leave for Travel

A leave of absence may be granted for a period not to exceed one hundred twenty (120) days if required for the purpose of traveling to a foreign country.

(11.3) Leave for Education

A leave of absence for a period not to exceed one (1) year without loss of seniority will be granted an employee with one (1) or more years of seniority in order to attend a recognized college, university, or trade or technical school full time, provided the course of instruction is related to the employee's employment opportunities with the Corporation. Before receiving the leave, or an extension thereof, the employee shall submit to the Corporation satisfactory evidence of acceptance as a student by a college, university or school, 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, provided the employee has not previously returned to work from any such leave by displacing a seniority employee.

(11.4) Credit Union Leave

A leave of absence without loss of seniority for a period not to exceed one (1) year will be granted an employee who is elected or appointed to a full time position with the credit union chartered by a provincial or the federal government to service primarily Chrysler employees. Such a leave may be extended for additional periods not to exceed one (1) year each.

(11.5) Leave of Absence Clarification

It is understood that leaves of absence granted under Section (11.1) through (11.4) shall be granted only where the requirements of the Office permit and replacement employees are available.

(11.6) Leave for Union Business

(a) An employee who is (i) appointed, selected or elected to work for a Local Union, or (ii) appointed or elected to a position on the Staff of the National Union, or (iii) appointed, selected, or elected by the Union to the Staff of the Canadian Labour Congress, or to the Staff of a Provincial, County, City or Regional C.L.C. Council, or Ontario Federation of Labour shall at the written request of the Union receive temporary leaves of absence for periods not to exceed three (3) years or the term of office, whichever is shorter.

(b) An employee appointed to a position identified as one of a labour member of a government agency shall at the written request of the Union receive a leave of absence for a period of not more than three (3) years.

(c) A leave of absence may be granted an employee for other union activities upon the written request of the National Union to the Manager of Staff Labour Relations of the Corporation.

(d) Upon return from any such leave of absence, the employee shall return to the last class previously held provided that they have seniority to hold. Failing that the employee may displace the junior employee on a class with the most phase up time provided they have sufficient seniority. If the employee waives this option they will displace the junior person on the highest grade previously held. If the employee cannot hold under the above provisions **they** will be placed under the Lay Off Language.

Letter (11.7) Pregnancy Leave

This is to confirm our understanding with respect to the circumstances under which a pregnancy leave of absence may be granted under Section (11.1) of the Office and Clerical and Engineering Agreement. Active employees are expected to continue to work until such time as they are physically unable to perform their regular work or other available work. However, upon request an active employee, though not physically unable to work due to pregnancy, will be granted a personal leave of absence for good cause within the meaning of Section (11.1) subject to the limitations contained in Section (11.5). Such leave of absence shall entitle the employee to applicable benefits under the Insurance Plan while the employee is on pregnancy leave of absence or could be placed on such leave by the Corporation in accordance with any pregnancy leave provisions of the relevant Provincial Statutes.

HOLIDAY PAY

(12.1) Holidays Designated

(a) The holidays are designated as:

October 14, 1996	Thanksgiving Day
November 11, 1996	Remembrance Day*
December 23, 1996)
December 24, 1996)
December 25, 1996	) Christmas
December 26, 1996	) Holiday
December 27, 1996	) Period
December 30, 1996)
December 31, 1996)
January 1, 1997)
March 28, 1997	Good Friday
March 31, 1997	Monday after Easter
May 16, 1997	Friday before Victoria Day
May 19, 1997	Victoria Day
July 4, 1997	Canada Day
August 29, 1997	Friday before Labour Day
September 1, 1997	Labour Day
October 13, 1997	Thanksgiving Day
November 10, 1997	Remembrance Day'
December 24, 1997)
December 25, 1997)
December 26, 1997	) Christmas
December 29, 1997	) Holiday
December 30, 1997	) Period
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

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HOLIDAY PAY - - - - -

July 3, 1998	Canada Day
September 4, 1998	Friday before Labour Day
September 7, 1998	Labour Day
October 12, 1998	Thanksgiving Day
November 9, 1998	Remembrance Day*
December 24, 1998)	
December 25, 1998)	
December 28, 1998)	Christmas
December 29, 1998)	Holiday
December 30, 1998)	Period
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
September 3, 1999	Friday before Labour Day
September 6, 1999	Labour Day

* Bramalea employees will not observe the November 11, 1996, November 10, 1997, November 9, 1998 holidays but instead will observe the October 11, 1996 and October 10, 1997 and October 9, 1998 holidays.

(b) In the event that a province or subdivision by law or declaration having the force of law requires an office closing in observance of a holiday: (i) which is not a designated holiday in this Section, such province or local holiday shall be observed by the affected office in lieu of whichever one of the holidays designated herein Management shall select; or (ii) on a date other than the date specified herein for such holiday, the holiday shall be observed by the affected office on the date the office is required to close in lieu of the date specified herein.

(c) Employees who work on a holiday which is celebrated other than on Saturday or Sunday will also receive their regular salary for such holiday.

(d) An employee on the active roll on the holiday who received regular salary for the day preceding or for the day following the holiday or received regular salary for the day preceding or the day following the day the Corporation designates in lieu of such holiday, or returns to work from layoff or an approved leave of absence on the Tuesday immediately following a Monday holiday, will receive regular salary for such day if the employee otherwise was available and scheduled to work on such observed or designated day.

(e) Employees will be called in to work only in emergencies on the following days which are not paid holidays under this Agreement:

Saturday, December 28, 1996
Sunday, December 29, 1996
Saturday, December 27, 1997
Sunday, December 28, 1997
Saturday, December 26, 1998
Sunday, December 27, 1998

Employees shall not be disqualified for holiday pay, if otherwise eligible for such pay, if they decline a work assignment on one or more of the above days.

The foregoing provisions shall not apply to employees assigned to (i) third shift Sunday night start operations; and (ii) a shift which starts on Friday and continues into Saturday.

(12.2) Failure to Report for Holiday Work

An employee who may be requested to work on a holiday and who accepts such holiday work assignment and then fails to report for and perform such work, without reasonable cause, shall not receive regular pay for such holiday.

Letter (12.3) Christmas Bonus

During these negotiations it was agreed by the Company and the Union that employees who are eligible for vacation with pay in accordance with the provisions of Section (13.1) will receive a special payment of \$900.00 on the last regular paycheque prior to the Christmas Holiday Period each year of this Agreement provided they are on the roll of each year as of the first Sunday in December.

Employees who qualify for only a portion of their full vacation with pay entitlement under Section (13.1) 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.

Letter (12.4) Christmas Holiday Pay During Layoff

Notwithstanding the provisions of Section (12.1) of the Office and Clerical and Engineering Agreement, 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 received regular salary for 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 holiday 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.

In addition, 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 Office of availability for work and, provided further, that the employee presents satisfactory medical evidence of availability to work on such day upon return to work.

Also, 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 (i) on or after the expiration date of such leave or (ii) on and after the date the employee notifies the office of availability for work, whichever is later.

VACATION

VACATION

(13.1) Eligibility

(a) An employee will earn credit toward vacation with pay in accordance with the following schedule:

Continuous Service on December 31 of the year during which the vacation <u>credit is earned</u>	<u>Vacation</u>
less than 1 year	1.35 working days of vacation for each month of credit up to a maximum of 13.5 working days of vacation.
1 year but less than 2	1.75 working days of vacation for each month of credit up to a maximum of 17.5 working days of vacation.
2 years but less than 3	1.85 working days of vacation for each month of credit up to a maximum of 18.5 working days of vacation.
3 years but less than 5 years .	2.2 working days of vacation for each month of credit up to a maximum of 22.0 working days of vacation.

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5 years but less than 10 years	2.45 working days of vacation for each month of credit up to a maximum of 24.50 working days of vacation.
10 years but less than 15 years	2.7 working days of vacation for each month of credit up to a maximum of 27.0 working days of vacation.
15 years but less than 20 years	2.95 working days of vacation for each month of credit up to a maximum of 29.5 working days of vacation.
20 or more years	3.45 working days of vacation for each month of credit up to a maximum of 34.5 working days of vacation.

Note: In the last year of this current agreement, the vacation credits will each increase by one (1) except for a less than 1 year employee.

(b) Credit will be earned only for those months in which an employee works at least five (5) days. If an employee who works at least five (5) days in each of less than ten (10) months is entitled to a fraction of a day of vacation, the employee may take one half day of vacation if the fraction is one quarter (1/4) day or one half (1/2) day; or the employee may take a full day of vacation if the fraction is three quarters (3/4) of a day. Time spent on a scheduled vacation while on the active roll will be considered as time worked for the purpose of computing vacation credits. Time spent on a disability absence for which an employee receives Salary Continuation or disability absence due to compensable injury or legal occupational disease will be considered time worked for the purpose of computing

VACATION

vacation credits, provided the employee works during the calendar year in which such credit is earned.

(c) 1. If, as of December 31 of the year during which the vacation credit is earned, an employee who was hired during such year had (i) at least three (3) months continuous service and (ii) worked at least three (3) months but earned less than five (5) working days of vacation, the employee shall be eligible in the year in which vacation is taken for the number of non-accrued vacation days sufficient to bring the total vacation days both earned and non-accrued to five (5) working days.

2. If a laid off seniority employee is reinstated during the year in which the vacation credit is earned and works at least three (3) months (whether continuous or not) but earns less than five (5) working days vacation as of December 31, such employee shall be eligible in the year that vacation is taken for that number of non-accrued vacation days sufficient to bring the total number of vacation days to five (5) working days less the number of vacation days that were accrued during the year and for which the employee was paid at time of layoff.

(d) Non-accrued vacation days granted employees pursuant to Subsection (c) shall be used only after all earned vacation for the year has been used. Unused, non-accrued vacation days shall be forfeited if not taken in the vacation year at time of separation irrespective of the reasons for the separation. No employee shall be entitled to non-accrued vacation days prior to completing six (6) months of continuous service.

(13.2) Vacation Period

(a) Vacations will be granted at such times during the year as are suitable, considering both the wishes of employees and efficient operation of the department concerned. Prior to March 1 of each year, employees of each office may request the period during which they wish

to take a vacation. If the number of employees who select a particular vacation period exceeds the number who can be released without affecting the efficient operation of the department concerned, the employees whose vacation requests are granted may be selected according to seniority or by any other method mutually agreed upon by the parties. Upon request, the Unit President may review the vacation schedules with the designated representative of management. Temporary employees may be utilized by Management as vacation replacements.

(b) Vacations will be taken in a period of consecutive days. Vacations may be split into one or more weeks, providing such scheduling will not interfere with operations.

(c) When a holiday is observed by the Corporation on a day during the Monday through Friday workweek, or a day is designated during the Monday through Friday workweek by the Corporation in lieu of holiday and such day occurs during a scheduled vacation, the vacation may be advanced or extended one day continuous with the vacation.

(d) A vacation may not be postponed from one year to another and made cumulative, but will be forfeited unless completed during each calendar year, provided, however, an employee who is on a Disability Absence for a complete calendar year, and who returns to work in the year following a year of Disability Absence, shall be entitled, in accordance with Section (13.3) (d), to the number of days of vacation earned in the year immediately prior to the year of disability, provided the employee has not used or received pay for such vacation day.

(e) A vacation may not be waived by an employee and extra pay received for work during that period.

(f) No allowance will be made for sickness or other incapacity occurring during vacation except that an

employee prior to the first day of scheduled vacation who is on a Disability Absence, as defined in Section (4.3), or who, during the vacation, is hospitalized for one or more full weeks, may, upon return to work and upon presentation of due proof of hospitalization or Disability Absence as required under Section (4.7), reschedule during the current calendar year the number of days of vacation on which the employee was on a Disability Absence or was hospitalized; provided, further, the rescheduling of such days of vacation does not require the rescheduling of any other employee's vacation and does not adversely affect the efficient operations of the departments concerned.

**(13.3) Vacation Entitlement –
Transfer, Termination and Layoff**

(a) An hourly employee transferred to salary will be eligible in accordance with these Sections (13.1) through (13.4) for a salaried vacation based on Corporate service if the employee has not received a payment in lieu of vacation during the current year.

(b) If a salaried employee retires, or dies, the employee, or the estate in the case of the employees death, will receive a payment in lieu of vacation for any unused vacation credit, including that accrued in the current calendar year. A salaried employee who is laid off temporarily pursuant to Section (6.1)(a) or (14.2) will not automatically receive such payment at the time of layoff or temporary separation, In the event a layoff is indefinite or becomes indefinite, the employee will receive a payment in lieu of vacation for any unused vacation credit. Such payment will include that vacation accrued in the current calendar year, unless the employee makes a request, in writing, to the Salary Administration and Employment department, to defer the payment of current year vacation accrual for use in the calendar year for which it was earned for use. In any case, the deferral of such current year vacation accrual payment will not extend past the end of

the calendar year for which it was earned for use. A recalled employee who received payment will have such payment deducted from the salaried vacation or hourly payment in lieu of vacation for the following year.

(c) If a salaried employee is otherwise separated from employment, or is transferred to an hourly-rated job, the employee will receive any unused vacation credit only as of the preceding January 1 and will not be eligible for an hourly payment in lieu of vacation in the current calendar year.

(d) An employee returning from a leave of absence, who has not worked in the current calendar year, shall not be eligible for vacation accrued in the previous calendar year until the employee has returned to work for thirty (30) calendar days following expiration of the leave of absence or is subsequently laid off, whichever occurs sooner. If there are less than sixty (60) calendar days before the expiration of the current calendar year, the employee shall be eligible for vacation accrued in the previous calendar year upon working one-half (1/2) of the working days which remain in the year.

(13.4) Rate During Vacation

Employees shall receive their regular salary plus cost-of-living allowance in effect when the vacation is taken inclusive of shift premium, but exclusive of overtime and any other premiums. They shall receive any improvement factor increase on a pro-rata basis if it should go into effect while they are on vacation. Employees paid accumulated vacation credits upon separation shall receive their regular base salary including any cost-of-living allowance, but excluding any other premiums or adjustments, occurring subsequent to the last day worked.

VACATION

Letter (13.5) Charging Vacation Time Off - Death In The Immediate Family

During the current negotiations, the parties discussed the possibility of a death of an immediate family member as defined in Section (10.2), occurring during a week in which employees are on scheduled vacation. Under the Office and Clerical and Engineering Agreement, such employees would be ineligible for bereavement pay because the vacation time off is not normally scheduled eight (8) hour days of work as referenced in Section (10.2).

Notwithstanding the above, this will confirm our understanding that employees who are notified of a death in the immediate family and are otherwise eligible for bereavement pay during a week(s) in which they were scheduled to be, or are, on vacation, will not be charged vacation for the days, up to three (3) or four (4) total, in lieu of bereavement pay which they would normally be entitled to, except for their non-work status during such vacation week(s).

Letter (13.6) Vacation Eligibility

Sections (13.2) (d) and (13.3) (d) of the Office and Clerical and Engineering Agreement provides that an employee who has been on disability absence for over one year and does not work for thirty (30) calendar days in the current year, shall not be eligible for vacation accrued in the previous calendar year.

This will confirm that, notwithstanding these provisions, the Corporation will give consideration on an individual basis to granting vacation eligibility to such an employee who goes directly from a disability absence to retirement status.

ENGINEERING

**(14.1) Layoff and Recall Engineering
Employees; Only**

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 and includes the definitions as set forth in (a) and (b) below.

(a) Indefinite Layoff

An indefinite layoff means a reduction in the working force for an unknown or indefinite duration for any reason not set forth in Subsection (c) below.

(b) Temporary Layoff

A temporary layoff means a reduction in the working force for a definite period of time for any reason not set forth in subsection (c) below.

(c) Temporary Adjustment

A temporary adjustment means a reduction in the working force necessitated by unplanned occurrences which require partial or full curtailment of operations and over which Management has no control. Such occurrences are usually for a limited duration and are caused for example by parts or material shortages, machinery or equipment failures, temporary tooling or production difficulties, labour disputes, emergencies, or acts of God.

**(14.2) Temporary Adjustments Procedure —
Engineering Employees Only**

Temporary adjustments of the working force may be made without regard to seniority for a period of five (5) working days. If the period of the reduction exceeds five (5) working days and the Local Union requests Management to

adjust the working force, as set forth in Section (14.4) (a), it will do so within five (5) working days following receipt of the request. During such adjustments, Management will endeavor to give consideration to retaining senior employees when time and circumstances permit.

**(14.3) Notice of Layoff Engineering
Employees Only**

Management will give to **employees** and to the Committeeperson in the district when reasonably practicable forty-eight (48) hours notice of indefinite or temporary layoffs.

**(14.4) Layoff Procedure — Engineering
Employees Only**

(a) Layoff procedure. When there is an "indefinite layoff" the following procedure shall be followed:

1. Probationary employees will be laid off on a unit-wide basis in such manner and as expeditiously as is consistent with the continuous, efficient and orderly operation of the offices or departments involved, provided that the laid-off seniority employee who displaces the probationary employee has the ability to perform the job.

2. Employees with seniority will be laid off according to seniority provided the greater seniority employees are able to perform the available work. However, the Corporation shall not be required to promote an employee at time of layoff unless the employee has previously performed the higher-rated job and is able to do the work.

3. Within twenty-one (21) days after the indefinite layoff of an engineering employee on one of the classifications listed below from the Windsor Car Assembly Plant or the Pillette Road Truck Assembly Plant, the laid off employee shall displace the junior employee in the same engineering classification at the Truck Assembly Plant or

Car Assembly Plant as the case may be, provided such employee has less seniority than the laid off employee. It is further understood that employees in classifications listed below perform many distinct types of work, and no employee shall displace another employee in said group unless the employee has the ability to perform the work of the employee displaced. Employees who transfer to a new office as set forth above, shall carry with them to the new office the seniority they had in the office from which they are transferred and shall lose seniority in their former office.

<u>Group</u>	<u>Classification No.</u>	<u>Applicable Plant</u>
Car & Truck Assembly	204A and 204B, 206 211A and 211B, 218A and 218B, 228 and 229	Windsor Assembly and Pillette Assembly Plants

(b) When there is a "temporary layoff" the following procedure shall be followed:

1. Employees may be laid off for five (5) working days according to seniority by classification in each seniority group. If such layoff exceeds five (5) working days, the Union may request in writing Management to adjust the working force according to seniority, within the seniority group by occupational group. Management shall then do so within five (5) working days thereafter, unless said time is extended by mutual agreement. During such adjustments, including those instances where it is anticipated a number of such adjustments will occur on a regular recurring basis, management will endeavor to give consideration to retaining senior employees when time and circumstances permit, or

2. Local Supplemental Seniority Agreements may provide that when there is a temporary layoff, 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:

(i) Probationary employees will be laid off.

(ii) Employees with less than one year of seniority will be laid off according to seniority.

(iii) Employees with one year or more of seniority may be laid off in the inverse or descending order of their seniority with the most senior employee being laid off first provided that the employees remaining at work have the present ability to perform the available work without break-in. Employees 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. Employees laid off under this Subsection (b) 2. (i) shall not be eligible for placement in other plants of the Corporation pursuant to Section (6.2) Work Opportunity for Laid Off Employees.

(iv) If the expected duration of the temporary layoff is subsequently extended to a later but definite date, employees laid off pursuant to Subsection (b) 2. (iii) 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.

(v) (1) If it becomes necessary to recall employees laid off under Subsection (b) 2. (iii) above prior to the date originally planned, they will be recalled in the ascending order of their seniority with the most junior such employee in the department on the affected shift and classification being recalled first.

(2) If, after employees are laid off under Subsection (b) 2. (iii), it is determined in a department that the layoff will be extended for an indefinite period of time, the work force in the department including those employees on layoff will be adjusted within ten (10) working days thereafter in accordance with Section (14.4) (a), Layoff Procedure Indefinite Layoffs.

(vi) If the duration of a temporary layoff is expected to exceed ten (10) working days, the Local Union will be so notified. At the request of the Local Union, Management will consider employees on all shifts in a department as being on one shift for purposes of Subsection (b) 2. (iii). In a temporary layoff of such expected duration, the Local Union may request Management to waive the Temporary Layoff provisions set forth in Subsection (b) 2. (iii) and Management will reduce the working force according to the Indefinite Layoff provisions as set forth in Section (14.4) (a). Either of such requests shall be made in writing within twenty-four (24) hours of the time the Union is notified of the layoff.

(14.5) Recall Procedure — Engineering Employees Only

When the working force is increased after an indefinite layoff, as set forth in Section (14.4) (a), before promoting employees pursuant to Section (7.4) (a) (3), employees will be recalled according to seniority, provided the greater seniority employees are able to perform the available work. However, the Corporation shall not be required to promote an employee at time of recall unless the employee has previously performed the higher rated job and is able to do the work. The recall procedure for temporary layoff is set forth in Section (14.4) (b).

Letter (14.6) Inverse Seniority for Engineering Employees

Notwithstanding the provisions of Section (14.4) (b) (2), Layoff Procedure-Temporary Layoff, which set forth the implementation of the principle of inverse seniority during temporary layoffs for employees on each shift, we are agreeable that, prior to each temporary layoff affecting 50% or more of employees in each department, the Management and the Local Union may agree to combine the existing shifts for the purpose of applying the inverse seniority concept. The

parties recognize the number of employees which can be interchanged between shifts will vary between departments depending upon the nature of operations, the skills and experience required, etc. Any such agreement must result in maintaining an experienced, qualified workforce with the present ability to perform the available work without breakin. If combining shifts prevents the 24 hour notice of layoff required by Section (14.3), such requirement is waived.

It is understood and agreed that the application of this letter shall be for temporary layoffs that are scheduled to last one or more full weeks.

If the National Union believes that in a particular office the agreements set forth above are being unfairly applied, they may take up any such requests which it believes meritorious with the Salary Labour Relations.

Letter (14.7) Launch Periods Engineering Employees Only

Recently the parties have had considerable discussion as to the role of Assembly Division Manufacturing Engineering employees who are assigned to Assembly Plants during the launch period of new models or during periods of installation and tryout of new or revised tooling, equipment or processes.

Under normal circumstances, the above mentioned employees will assume the following role during the periods described above:

- (a) Advises and assists represented engineers and assembly plant personnel in the installation and tryout of tooling and processes and in the resolution of production problems of a tool or process nature by investigating and analyzing problems, determining approaches to overcome problems and working with plant personnel in accomplishing the required changes or modifications. Reviews and analyzes plant deviation requests and determines appropriate disposition.

- (b) Makes changes in tool and equipment designs, specifications and application, processes, recommends changes in lineup and takes other appropriate action based on problems encountered or information developed during installation and tryout in the plant and experience under production conditions to ensure tools, processes and the general plan permit performance of assembly operations within quality and cost standards.

The intent of the foregoing language is to set forth the basic procedure which Assembly Division Manufacturing Engineering employees follow while assigned to assembly plant operations and is not intended to limit or expand upon their overall job responsibility.

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Letter (15.1) Safety Glasses

The Corporation will provide prescription safety glasses to seniority employees and temporary part-time employees working on a job or in an area where eye protection is a company requirement provided the employee furnishes a prescription from the employee's own doctor or optometrist. It is understood that invisible line bi-focal and tri-focal lenses are included in this program. The Corporation will replace such glasses if damaged by a cause attributable to the employment or if the employee presents a new and different prescription from the employee's doctor or optometrist. The Corporation will establish the standards and specifications for the frames and lenses and will select the manufacturing source.

The parties agreed a wider selection of frames and colours would be desirable.

It was agreed, after negotiations, effort would be made to increase the available frame selection within the limitations of our safety approval and competitive purchasing policies.

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

Letter (15.2) Safety Shoes

The Corporation has agreed to pay seniority Tool, Plant and Material Handling Engineers actively at work and salary employees whose daily routine calls for shop floor activity, Eighty-five (\$85.00) for the purchase of safety footwear from approved Corporation sources not more often than once each year. 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 Corporation as vacation replacements, more commonly

referred to by the parties as summer students and temporary employees, will not be entitled to participate in this program.

Letter (15.3) Minute of Silence

During the course of these negotiations the Union requested a minute of silence be observed in the offices covered by this Agreement 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 the least impact on operations.

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

Letter (15.4) Pregnancy/VDT Work

During the negotiations of the Office and Clerical and Engineering Agreement the parties discussed the operating of VDT units by pregnant represented general salary employees.

The Corporation's position is that there is no health hazard associated with working at VDT units. However, as some pregnant employees express concern about working with such equipment, the Corporation will consider their concern. Accordingly, a pregnant employee, who presents acceptable medical documentation regarding this concern from the employee's physician will be given the following options:

1. The employee may apply for and will be granted an unpaid leave of absence for the term of the pregnancy.

2. The employee may request to be laid off from the employee's position and subsequently be placed on other work in the bargaining unit which does not require working with VDT units. In cases where the pregnant employee does not have sufficient seniority to be placed on other work in the bargaining unit, the employee will be laid off until the start of

the employee's pregnancy leave of absence. The employee will not be eligible for a maximum benefit under the SUB Plan in the event of being disqualified for an Unemployment Insurance Benefit payment.

Employees will be returned to their original position in the bargaining unit upon completion of their pregnancy leave of absence in line with their seniority.

Letter (15.5) Office Moves, Machinery and Equipment Purchases, Facility Changes

During recent negotiations the parties discussed Health and Safety Committee involvement in planned Office moves, Machinery and Equipment purchases and Facility changes.

The Company assures the Union the Joint Health and Safety Committee will be notified of proposed changes or purchases when they relate to the health and safety of office workers.

Committee members may then make recommendations to management in this regard.

Letter (15.6) Implementation Of Revised Legislation In The Area Of Health And Safety

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

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

Notwithstanding this agreement, the parties understand that should changes to the legislation and/or the Ontario Ministry of Labour's support for the subject legislation change to render inoperative the rights expressed in the Memorandum, a mechanism will have to be determined to maintain the functional dimension of these rights.

Consequently, upon such time as the Union or the Company has a reasonable concern that legislation could be

passed which so affects the employee's rights to refuse unsafe work, the National Joint Health and Safety Committee shall meet within 10 days' notice of a written request to meet. The parties will make a good faith effort to arrive at a fair and workable solution to the problem in a forthright and expeditious manner. In this regard, the National Committee will be assisted and supported by the Chairperson of the Chrysler Council for the CAW and the Manager, Labour Relations and Safety, Chrysler Canada.

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

**Letter (15.7) Joint Statement On Health And Safety
Work Refusals**

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

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

However, the parties recognize the importance of resolving health and safety concerns before they become work refusals and without loss of production. Within this context, the parties focused their discussion during

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negotiations on methods and means by which health and safety issues and concerns could be addressed in a mutually satisfactory manner such that employee health and safety work refusals could be significantly reduced in number.

During these discussions, the parties focused on the Official Safety Complaint Form and the process outlined in Letter (15.9) Official Safety Complaint Form of this agreement, as the foundation for effective efforts in this regard. The use of this process was deemed to be of particular value in addressing the ergonomic concerns of employees, where the hazard is not imminent but of significant concern to the employee, the Union and the Company agreed that forthright efforts **must** be put into place to alleviate the problem(s) identified by the employee.

The Company expressed its concern over employee health and safety work refusals where Supervisors have no prior knowledge of such concerns or dangers. The parties acknowledged that in these cases it is detrimental to Company and Union efforts to protect the health and safety of workers. In addition, production lost during such refusals has a negative impact on the Company's competitive position and the job security of employees. Consequently, both parties re-affirmed their commitment to effectively implement the process outlined in Letter (15.9) Official Safety Complaint Form. Following negotiations, the National Joint Health and Safety Committee will work with each Local Joint Health and Safety Committee to determine and resolve local problems associated with the effective applications of the Official Safety Complaint process. In this regard the National Committee will be assisted and supported by the Chairperson of the Chrysler Council for the CAW and the Manager, Labour Relations and Safety, Chrysler Canada.

Letter (15.8) Health and Safety — Use! of Camera

During the current negotiations, it was agreed that one camera will be provided to the union members of the Local Committee so it can be used as an aid in conducting joint investigations and inspections where special

circumstances dictate the need, such as where photographs are necessary to enable the Local Joint Committee to adequately explain or describe serious safety or health problems to responsible plant management. The union members of the Local Committee may also use the camera to photograph health and safety items that are being referred to the National Joint Committee on Health and Safety.

It is understood that all photographs will be jointly reviewed at the earliest opportunity. Such photographs shall remain the property of the Corporation and shall be for the internal use of the Local and National Joint Committees only and shall not be reproduced, published or distributed.

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

Upon request, the Union member of the Local Joint Committee on Health and Safety will be provided with a copy of video tape which relates to health and safety matters in the plant. Such video tapes shall remain the property of the Corporation and shall be for the internal use of the Local and National Joint Committees only and shall not be reproduced, published or distributed.

Letter (15.9) Official Safety Complaint Form

At recent negotiations, the parties agreed where worker concerns for Health and Safety are raised with a Supervisor, an Official Safety Complaint Form:

- (1) Will be completed by the Supervisor when made aware of the problem.

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- (2) The Supervisor will retain a copy of the Complaint form and supply a copy to the employee who raised the complaint and to his/her Area Manager. The Area Manager/Superintendent must log and file all forms in the Division Safety Complaint Log Book.
- (3) The remainder of the form will then be sent to the Company Safety Co-ordinator.
- (4) The Company Safety Co-ordinator will log and track the Complaint form by number.
- (5) The Company Safety Co-ordinator will distribute copies of the form to the service function requested and the Union. :
- (6) It is the Supervisor's responsibility to follow-up advising the worker of progress toward resolution of the Complaint.
- (7) When the Complaint is resolved to the satisfaction of the Area Manager/Superintendent, the Supervisor must send a copy of the form to the Safety Department for completion of the log entry.
- (8) The Official Safety Complaint Form will be recognized by Maintenance, Manufacturing, Engineering and other service divisions as requiring TOP PRIORITY.
- (9) Matters not resolved by this procedure after all steps have been followed may be placed on an agenda and presented by the Health and Safety Committee to the Manufacturing Engineering Manager/General Superintendent Maintenance or equivalent.

Letter (15.10) Computers

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

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

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

The computers are Company property and as such will be subject to software content audits.

TRAINING

Letter (16.1) Chrysler-CAW National Training Committee

During the current negotiations, the Company and the Union indicated their mutual interest in advancing the learning of employees through education and training. The parties agreed that employee training has positive effects on product quality and productivity and should provide opportunities for employees to expand their knowledge and improve their sense of accomplishment.

The parties indicated that many aspects of employee education and training require the cooperation and commitment of both the Company and the Union.

Accordingly, the parties have agreed to establish the Chrysler-CAW National Training Committee consisting of five representatives of the National Union and five representatives of the Corporation, to be appointed respectively by the CAW President of the National Union and the Vice President, Human Resources, of the Corporation. The members of this Committee shall include at least one person who is familiar with the training needs and related problems of employees in each of the following areas (i) office and clerical employees (ii) engineering employees (iii) skilled trades employees, but excluding apprentices covered by the Supplemental Agreement relating to apprentices, and (iv) all production and maintenance employees.

The Chrysler-CAW National Training Committee shall have responsibility for investigating, developing and implementing:

- (a) New and/or expanded training programs that will be in the best interest of both the employees and the Corporation;
- (b) Standards for the implementation of the various programs;

- (c) Methods and techniques for selecting candidates for training on the basis of aptitude, interest and other qualifications: and
- (d) The instructional methods to be used in such training programs.

In addition, the Chrysler-CAW National Training Committee may conduct other activities that will support employees in the advancement of their learning.

Each Local Union shall (i) encourage its members to enroll and to continue to participate in training programs; (ii) counsel and advise them on the availability of training programs and as to the appropriateness for them of the various programs, having in mind their experience, aptitudes, education and other qualifications; (iii) advise the Chrysler-CAW National Training Committee as to the needs among its members for training programs.

During these negotiations, the parties discussed the following programs, among others, for Chrysler-CAW National Committee follow-up:

- . MIPP or other ergonomics training programs
- . Anti-harassment
- . Skills Upgrading in Technology for Women Production Workers
- New Hire Orientation
- Substance Abuse

**Letter (16.2) Training Fund -
National Training Committee**

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

In this regard it was agreed the Company will make available up to a maximum \$7,414,554 (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. In addition, the Company agrees to make available to the N.T.C. up to a maximum of \$500,000 to be used for start-up costs associated with administration and program development. 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.

**Letter (16.3) 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.

Letter (16.4) New Employee Orientation

The Corporation and National Union, CAW agree to implement an orientation program for new salary employees.

The information will acquaint the employee with work areas, opportunities and responsibilities they will have as employees of the Corporation and as members of the Union,

The program shall be conducted by the Local Union President or the employee's Committeeperson. The orientation shall be conducted during normal office working hours at times and places determined by local Management.

The program will not be subject to the grievance procedure and may be terminated by either the National Union or the Corporation, upon written notice to the other party.

Letter (16.5) 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 three (3) month 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:

TRAINING

Hours Worked	Payment Date
09/30/96 - 12/29/96	01/31/97
12/30/96 - 03/30/97	04/30/97
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

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

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

An educational leave of absence for participation in the Union's program will be granted by the Company in accordance with Section (11.6) of the Office and Clerical and Engineering 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 offices.

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.

Letter (16.6) Tuition Refund

The Corporation offers and administers a tuition refund program under which employees will, under such terms and conditions as the Corporation may from time to time establish, receive a tuition refund not to exceed \$1,500.00 a calendar year; \$2,000.00 for the calendar year for approved courses taken at an accredited college or university upon completion of an approved job-related course at an approved educational or training institution during non-working hours while on the active roll(s) of the Corporation. Any refund made to an eligible employee will relate to the calendar year of completion of the courses.

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

(a) Courses which will improve the employee's skill on his/her present job. This includes courses designed to update employees in the technology of their trade or occupation including courses in computer literacy or computer skills.

(b) Courses which relate to the next job in the logical development of an employee's career.

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(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) Any required or pertinent elective courses taken in a degree-seeking program in a field related to the employee's job or career in Chrysler Canada Ltd.

(e) 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.

(f) In addition to the above, an employee who is laid off due to a plant closing, and, at the time of such layoff, had five (5) or more years of seniority, may utilize the Tuition Refund Program for the purposes of vocational training to qualify for any available or potential employment opportunities. This expanded tuition refund eligibility shall not exceed \$1,500.00 (\$2,000.00 for courses at an accredited college or university) and the employee must apply for such refund within twenty-four (24) months from the effective date of layoff.

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

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

JOB SECURITY

Letter (17.1) Job Security

During these negotiations, the parties acknowledged their mutual goal of a strong and viable Corporation which can provide job security for its employees, and agreed that our future success in accomplishing this goal depends on our ability to market profitably products of the highest quality at a competitive price. Further, the parties recognized that with intense competition both at home and abroad, there is an unparalleled need to find new ways of doing business.

In addition, the parties expressed a mutual commitment that employees covered by this collective agreement receive a full measure of job security, and mutual recognition that job security can only be realized within a work environment which respects and promotes operational effectiveness,

The Union acknowledged the Corporation's exemplary record of job creation, having added approximately 2500 jobs since the signing of the last agreement. It was recognized, however, that the unique relationship between technological change and salaried workforce has precluded the salaried workforce from fully benefiting from the general increase in employment.

In a further effort to address the job security concerns of the existing represented salaried workforce, the Corporation agrees that the represented salaried workers' permanent employment levels as at the effective date of this agreement will not be reduced during the term of this agreement, other than as a result of the events specified in (a) - (c) below:

- (a) those jobs of which notice has been provided prior to the date of this collective agreement;
- (b) reductions as occur as a result of normal attrition (quit, death or normal retirement) on a 2: 1 basis; or
- (c) voluntary workforce attrition pursuant to the provisions of Letter (17.11) Restructuring - Job and

Income Protection "Permanent Job Loss", except as provided for by this memorandum where the Corporation agrees to effect twice the number of restructuring incentives for every permanent job loss.

The parties agree that in the event of a conflict between this letter, or any other letter in the National or Local OC&E Agreement, this letter shall prevail.

The Corporation confirms that it is not its intent to erode replacement job grades, subject to existing phase-up language, in respect to any workforce reduction pursuant to (c) above.

Letter (17.2) Erosion of Bargaining Unit

During the recent negotiations the parties discussed the erosion of salary bargaining units by re-assigning the work outside of a unit.

This letter will confirm it is not the Corporation's policy to re-assign bargaining unit work so as to erode bargaining units covered by the National Agreement, unless the Corporation can demonstrate clear economic, organizational, or geographic reasons for such re-assignments. Furthermore, the Corporation will notify the Union prior to any such re-assignment of work.

Any claim that the Corporation has re-assigned bargaining unit work contrary to the aforementioned policy, shall, after verbal discussion of the claim with Salary Labour Relations, be submitted as a grievance by the Unit President at the second step of the grievance procedure within thirty (30) days after the claim arises.

If not disposed of at the second step within the prescribed time limit the Union may request the grievance be submitted to binding arbitration within forty (40) days of the original claim. If the Union does not give written notice of its desire to submit the grievance within forty (40) days of the original

claim, the matter shall be considered settled, unless said time limit is extended by mutual consent.

Letter (17.3) 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.

Letter (17.4) Plant Closing Moratorium

As a result of 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 September 14, 1999, the Company will not close or sell any plant, in whole or in part, covered by this Collective Agreement.

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

Letter (17.5) Supplier Regulations

Chrysler attributes much of its success — its high quality and competitively priced products and productive workplaces — to the outstanding efforts of all of its employees and to the effective working relationship between the CAW and Chrysler.

During these negotiations, the parties discussed the importance of responsible supplier-labour relationships and its impact on the long term development of the Company's supplier base. Issues relating to cost, quality, delivery capability, technological leadership, sectoral and company

specific requirements and effective, progressive supplier labour relations are all important matters when consideration is given to awarding contracts to suppliers.

Moreover, it is recognized that successful, high quality, productive workplaces need to be built on a foundation of responsible labour management relations, appropriate labour standards, effective local working relations and the shared objective of producing a high quality, competitively priced product. In its sourcing and supplier development strategies, the Company places a high priority on its supplier community sharing these objectives.

In developing supplier relationships, the following considerations will apply:

- . The Company expects suppliers to have responsible labour relations.
- . The Company believes that while the decision to join a union is an individual one, it is a decision that must be made without company intimidation, interference or risk of reprisal.
- . The Union may, from time to time, raise concerns about the relationship with certain suppliers. The Company commits to taking these concerns seriously.

**Letter (17.6) Retirement Allowance Option
-Job & Income Protection Plan**

During the current negotiations the parties discussed methods of providing retirement incentives to employees retirement eligible under the Regular or Special Early Retirement provisions of the Non-Contributory Pension Plan, on the date of a plant closing or permanent job loss as identified under Letter (17.11) - Restructuring - Job and Income Protection.

Accordingly, after September 14, 1996 any employee who is retirement eligible under the provisions of Letter (17.11) 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 (17.11) 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%.

Letter (17.7) Payments Upon Plant Closure

During the current negotiations the parties agreed that upon a stand alone plant closure as defined in Letter (17.11) 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:

- (a) Eligible employees are those employees at the affected plant:
 - (i) 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
 - (ii) 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.
- (b) Eligible employees will receive monthly PRIMP benefits equal to (i) the sum of the basic and supplementary benefit rates in effect under the provisions of the applicable pension plan at date of

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commencement of PRIMP benefits, multiplied by (ii) 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;

- (c) 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 (b) 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;

- (d) On each October 1 following their commencement, PRIMP benefits will be recomputed in accordance with PCOLA adjustments applicable to employees refired under the pension plan on or after October 1, 1993.
- (e) 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;

- (f) Employees whose Special Early retirement benefits are reduced due to the application of Revenue Canada regulations with respect to maximum pension limitations, will receive upon commencement of the employee's pension, a lump sum payment equal to the Actuarial Equivalent of the reduction in the employee's monthly pension benefit.
- (g) Employees and surviving spouses will be eligible for continued health care and group insurance coverage when in receipt of PRIMP benefits.
- (h) 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.
- (i) 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 (17.11).

Letter (17.8) Content

During the course of 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 and offices. 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

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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.

Letter (17.9) New Technology

When the Corporation anticipates that a technological improvement it is making in its tools, methods, processes, equipment or materials may have a major impact on the work performed by Union represented employees, the Corporation will, six (6) months in advance or as early as practicable, so advise the National Union, and at that time describe the location and nature of such technological changes and the extent to which they may affect the work performed by represented employees at the office or offices involved.

The Corporation presently provides designated training for employees whose jobs are effected by the introduction of new Technology. Employees (who have the basic knowledge and ability to be trained) will be given preference for the designated training.

Lack of opportunity to receive the designated training will not be cause for layoff out of line of seniority.

In the event the National Union Representative considers it appropriate, the Representative may arrange a meeting with the Manager of Labour Relations of the Corporation to discuss the impact of such technological changes and any proposed responses to such changes.

The Corporation is agreeable to schedule monthly meetings to discuss the implementation of new systems which may affect the bargaining unit. An agenda of subjects to be discussed should be submitted in advance.

Any problems not resolved in such 'discussions may be submitted to the grievance procedure.

**Letter (17.10) Understanding Re:
Permanent Job Losses**

During 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

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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 staffing requirements.

(a) 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.

(b) 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.

(c) If job losses become unavoidable and management decides to reduce the size of the workforce, every effort will be made to use attrition to manage the required reductions. The use of attrition is the subject of a separate letter between the parties.

Letter (17.11) Restructuring — Job and Income Protection

During 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 (17.6), 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 (17.6) 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 (17.6) upon commencement of PRIMP benefits.

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

- be eligible for Regular' Benefits under the Supplemental Unemployment Benefit (SUB) Plan provided the employee has at least one year of Seniority as of the employee's last day worked prior to layoff;
- be offered employment at other 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 the employee's eligibility for Regular SUBenefits and did not meet the age and Credited Service requirements for Special Early Retirement or PRIMP at time of layoff, be eligible for IMP Benefits under the Income Maintenance Benefit Plan.

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

Multi-Plant Sites

On a site-wide basis, separately for engineering and office and clerical employees 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 (17.6); 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 (17.6); or

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(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 (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 (17.6) upon retirement;

(5) Offering the opportunity to be placed on layoff, with eligibility for Regular SUBenefits, to employees who are age 60 or older but less than age 65 and have 10 more years of Credited Service or are age 61 or older but less than age 65 and have 9.1 but less than 10 years of Credited Service; and

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

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

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

- be eligible for Regular Benefits under the SUB Plan;

- be offered employment at other 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 the employee's eligibility for Regular SUBenefits and did not meet the age and Credited Service requirements for Special Early Retirement at time of layoff, be eligible for IMP Benefits under the Income Maintenance Benefit Plan.

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

PERMANENT JOB LOSS

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

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(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 (17.6); 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 (17.6); or

(b) if not eligible to retire, or if option 3(a) not chosen, be placed on layoff, with eligibility for Regular SUBenefits;

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

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

(4) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees (including those who also may be in (2) or (3) above but excluding those in 2(a) or 3(a) who are age 55 or more but less than age 65 and who have 10 or more years of Credited Service will be offered Special Early Retirement and be eligible to receive the retirement allowance described in Letter (17.6) upon retirement. If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the three preceding steps, exceeds the number of jobs that will be permanently lost, Special Early Retirements will be approved in Seniority order until the combined number of actual and scheduled separations equals the number of jobs lost;

(5) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees who are age 60 or older but less than age 65 and have 10 or more years of Credited Service or are age 61 or older but less than age 65 and have 9.1 or more but less than 10 years of Credited Service will be offered the opportunity to be placed on layoff with eligibility for Regular SUBenefits. If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the four preceding steps, exceeds the number of jobs that will be permanently lost, this offer will be implemented in Seniority order for accepting employees

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

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

(6) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees who have 5 or more years of Seniority (excluding those in (2), (3), (4) and (5) above) will be offered an opportunity to apply for VTEP. If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the five preceding steps, exceeds the number of jobs that will be permanently lost, this offer will be implemented in Seniority order until the combined number of actual and scheduled separations equals the number of jobs lost.

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

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

(i) be eligible for Regular Benefits under the SUB Plan:

(ii) be offered employment at other 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

(iii) provided the employee had 5 or more years of Seniority as of the employee's last day worked prior to layoff and does not meet the age and Credited Service requirements for Regular Early Retirement upon exhausting the employee's eligibility for Regular SUBenefits and did not meet the age and Credited Service requirements for Special Early Retirement at time of layoff, be eligible for IMP Benefits under the Income Maintenance Benefit Plan.

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

Following the notice of a restructuring event and if, after steps (1) through (6) above have been completed, the number of separations achieved is less than the number of jobs lost then the difference between the number of separations and the jobs lost will be accumulated as a reserve. The 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.

In addition, the Corporation and the Union may through mutual agreement, implement steps (2) through (6) at other Corporation locations during any period of time when the number of required separations has not been achieved.

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

Letter (17.12) Rights Under Job & Income Protection

During the recently concluded negotiations the Union expressed concern regarding seniority employees who are laid off as a result of an action described in Letter (17.11) - 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 (17.11), Job and Income Protection available to them at the time of the original layoff.

GENERAL

Letter (18.1) Collective! Agreements

The Corporation will furnish additional copies of the National Office and Clerical and Engineering Agreement and Local Agreements to the Unit Presidents upon request provided the agreements are available in sufficient quantities in the Salary Personnel Department.

better (18.2) Rules for Temporary Hires

On occasions the Corporation finds it necessary to hire additional employees in temporary positions included in salaried bargaining units. Temporary employees are hired for a period not to exceed one hundred twenty (120) consecutive calendar days. They are used for such purposes as replacing permanent employees on vacation or leave of absence. Temporary employees are not hired to fill positions which are permanent openings or where qualified laid-off salaried, seniority employees are available.

Because of the limited term of their employment, we believe it desirable to clarify the entitlement of these temporary employees to certain benefits available to permanent employees under our Agreement covering salaried employees.

It is the Corporation's position that temporary employees are entitled to receive only the cost-of-living allowance, shift premium, overtime premium, improvement factor increases, and payment for holidays as provided in the Office and Clerical and Engineering Agreement and no other benefit.

Temporary employees hired to positions included in a bargaining unit would be subject to the Union security provisions of the Agreement and would be classified and paid in accordance with the applicable Salary Grades and Progression Application Supplement.

GENERAL

It is not intended that an employee be repeatedly hired as a temporary employee for the purpose of depriving the employee of benefits he/she would be entitled to receive as a permanent employee.

Letter (18.3) Temporary Employees on Temporary Jobs

In our recent negotiations of the Office and Clerical and Engineering Agreement the Union discussed with the Corporation certain problems with the hiring and placement of Temporary Employees for up to one hundred and twenty (120) days on temporary jobs under the Temporary Hire Letter and Understanding for the Windsor Area Offices.

The Corporation stated their intent was to place these temporary employees on temporary positions for up to one hundred and twenty days (120) for short-term purposes such as vacation, disability or leave of absence replacements and not to circumvent the promotion rights of other seniority general salaried employees to permanent positions under the promotion Sections of the Collective Agreement.

Upon receipt of temporary requisitions the Corporation agrees to give written notification to the Unit President stating the duration and reason for any temporary requisition. The parties agreed the Unit President may request Salary Labour Relations to arrange a meeting to discuss how the openings would be filled. Due consideration will be given to the promotion of seniority general salaried employees.

Such meeting shall be arranged between two representatives of the Corporation (the Manager of Salary Personnel Administration and the Salary Labour Relations Specialist) and two representatives of the Local Union. The Unit President may request the Manager of the department involved to attend such meeting.

If the Unit President is not satisfied with the results of the meeting the Unit President may request a Special Conference with the Vice-President of Personnel.

Unresolved matters may be referred to the Grievance Procedure.

**(18.4) Supplemental Agreement
Temporary Park-Time Employees**

If the parties agree, the Corporation may hire temporary part-time employees to supplement the work force for straight-time, overtime or weekend work in any office covered by the current Office and Clerical and Engineering Agreement.

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

Temporary part-time employees are employees hired by the Corporation who shall normally be scheduled to work on Mondays, Fridays, Saturdays and Sundays, in addition to premium days, subject to the following:

- a) On days they are scheduled to work, temporary part-time employees may be scheduled any part or all of the hours scheduled for the department in which they are assigned.
- b) Temporary part-time employees may be scheduled to work daily overtime and on days for which regular full-time employees receive premium pay as such for time worked provided they do not displace regular full-time employees.
- c) The employment by the Corporation of temporary part-time employees shall not be considered as an infringement of the rights of regular employees under the Chrysler Canada Ltd.-CAW Office and Clerical and Engineering Agreement currently in effect provided, however, at the time of a reduction in force, a seniority employee who is to be indefinitely laid off from the office pursuant to such a reduction may request to displace a temporary part-time

GENERAL

employee. Seniority employees who displace temporary part-time employees shall, during the period they would otherwise be on indefinite layoff, be required to comply with the work schedule for temporary part-time employees.

- d) A seniority employee who upon being indefinitely laid off elects to displace a temporary part-time employee or who, while on such layoff is hired to work as a temporary part-time employee shall be paid the appropriate salary of the classification of the jobs assigned. Such employee shall also be provided the level of life, accidental death and dismemberment insurance, and the HSMDDVH coverage, but not Supplemental Unemployment Benefits (SUB), to which the employee would have been entitled if the employee had continued as a laid off seniority employee, but only for the length of time the employee would have been entitled to such benefits if the employee had remained on indefinite layoff.
2. Temporary part-time employees shall be hired at the minimum of the classification of the grade to which they are assigned. A progression increase of 3% will be effective beginning the first pay period following completion of one hundred and thirty days actually worked by the temporary part-time employee and additional progression increases of 3% will be effective beginning the first pay period following completion of one hundred and thirty days actually worked by the temporary part-time employee up to the maximum of the grade.
 3. A temporary part-time employee shall not accumulate time toward the fulfillment of the 90-day probationary period while employed as a temporary part-time employee. In the event temporary part-

time employees become regular full-time employees they shall be considered a new employee and shall receive no credit for any purpose of time while employed as a temporary part-time employee.

4. The Corporation may discharge or terminate the employment of a temporary part-time employee at any time provided, however, the Union may protest in the grievance procedure the discharge or termination of a temporary part-time employee in cases of claimed discrimination on account of race, colour, sexual orientation, national origin, age, disability, sex or religion.
5. A temporary part-time employee shall be entitled to Union representation including the grievance procedure in cases of alleged violation of this Supplemental Agreement.
6. A temporary part-time employee shall be subject to the provisions of Sections (1.8) and (1.10) and (1.12) Memorandum of Understanding Union Dues Deduction of the current Chrysler Canada Ltd.-CAW Office and Clerical and Engineering Agreement. The initiation fee and monthly dues regularly required of temporary part-time employees shall be determined by the National Union, CAW. Notice of the amounts of such fee and dues shall be given to the Corporation in writing by the National Union, CAW.
7. A temporary part-time employee shall not be covered by the SUB Plan (Exhibit A), Pension Agreement or the Insurance Program, the Lump Sum Payment Plan, the Legal Services Plan or the Income Maintenance Benefit Plan and Voluntary Termination of Employment Plan except as provided in Sections IO and I(d) of this

GENERAL

Supplemental Agreement. They shall have only such rights, privileges, compensation or benefits as are expressly set forth by this Supplemental Agreement and the following sections of the current Chrysler Canada Ltd.-CAW Office and Clerical and Engineering Agreement.

Sections (8.2) thru (8.5) and (8.7) Working hours

Section (9.7) Cost-of-Living Allowance

Section (9.1) General Increase

8. A temporary part-time employee shall be paid time and one-half for time worked in excess of eight (8) hours per shift and for time worked in excess of forty (40) hours per week. A temporary part-time employee shall be paid for hours worked on Saturday and Sunday in accordance with the provisions of Section (8.3) and (8.4) of the current Chrysler Canada Ltd.-CAW Office and Clerical and Engineering Agreement.
9. A temporary part-time employee shall receive eight (8) hours pay at the employee's regular straight-time salary rate for any of the holidays enumerated under Section (12.1) of the current Chrysler Canada Ltd.-CAW Office and Clerical and Engineering Agreement when such holidays occur on a regular workday of the employee's workweek, provided the employee (a) actually worked at least ninety (90) days prior to such holiday, (b) worked the last scheduled working day prior to and the next scheduled working day after such holiday within the scheduled workweek, and (c) would otherwise have been scheduled to work on such day if it had not been observed as a holiday.
10. Temporary part-time employees will be provided \$3,750 life insurance and \$1,875 accidental death and dismemberment insurance. The Corporation will pay the premiums for coverage for any month in

which the employee receives pay from the Corporation for any time during such month. Such coverage begins on the first day of the first calendar month next following the month in which employment commences and ceases on the last day worked where employment is terminated.

Temporary part-time employees will also be provided HSMD coverage but not Dental Expense, Vision Expense, Hearing Aid Expense, or Nursing Home Expense benefits or other benefits as provided under the Insurance Program. It is understood that there will be no duplication of benefits because of coverages provided under the Insurance Program. The Corporation will pay the monthly premium for the following month's applicable coverage for each employee while at work. An employee is considered "at work" in any month if the employee receives pay for any time during such month. Such coverage begins on the first day of the fourth calendar month next following the month in which employment commences. Coverage ceases at the end of the month in which employment is terminated.

11. This Agreement shall become effective concurrently with, and continue in full force and effect during the terms of Office and Clerical and Engineering Agreement.
12. As soon as reasonably practicable after the beginning of a shift and upon request, the Union Representatives will be told the names of the T.P.T. employees working on that shift.
13. A T.P.T. employee shall not displace a seniority employee without the employee's consent.
14. The parties signed the Supplemental Agreement – Temporary Part-Time Salary Employees and further agreed that the National Union, CAW, may cancel such Agreement because of abuses by giving the Corporation thirty (30) days advance notice.

1997

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EXHIBITS

to the

Production and Maintenance

and

Office and Clerical and Engineering

Agreements of

September 17, 1996

between

CHRYSLER CANADA LTD.



and the

CAW TCA
CANADA

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

AUG 5 1997

5/1/97

**EXHIBIT A - THE SUPPLEMENTAL
UNEMPLOYMENT BENEFIT PLAN**

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EXHIBIT A
AGREEMENT COVERING THE
SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN (EXHIBIT A-1)
THE SEPARATION PAYMENT PLAN (EXHIBIT A-2),
AND
THE AUTOMATIC SHORT WEEK BENEFIT PLAN (EXHIBIT A-3)

This Agreement entered into at Toronto, Ontario as of this 17th day of
September, 1996.

BETWEEN:

CHRYSLER CANADA LTD.
(hereinafter called the "Corporation")

and

NATIONAL AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS' UNION OF CANADA, (CAW-CANADA)
AND CAW LOCALS 444, 1498, AND 195 AT WINDSOR,
1090 AT AJAX, 1459 AT ETOBICOKE AND 1285 AT
BRAMALEA
(hereinafter called the "Union")

WITNESSETH:

Section 1. CONTINUATION AND AMENDMENT OF PLAN

- (a) The Corporation shall maintain the Supplemental Unemployment Benefit Plan, the Separation Payment Plan and the Automatic Short Week Benefit Plan which were attached as Exhibits A-1, A-2 and A-3 to the Agreement Regarding Supplemental Unemployment Benefit Plan between the parties dated the 15th day of September 1993 (herein referred to as the Prior Plan) for the duration of this Agreement except as otherwise provided in and subject to the terms of this Agreement. In addition, the Prior Plan shall be amended as of
- (i) September 23, 1996, or
 - (ii) the first Monday following the receipt by the Corporation of the rulings referred to below in Subsection (a) of Section 5, whichever date is later (herein referred to as the 1996 Amendments Effective Date) so that it shall read thereafter as set forth in The Supplemental Unemployment Benefit Plan (Exhibit A-1), The Separation Payment Plan (Exhibit A-2), and The Automatic Short Week Benefit Plan (Exhibit A-3) (hereinafter referred to as the Plans), attached hereto. Thereupon, the provisions of such Plans, shall be effective with respect to Weeks commencing on or after September 23, 1996, except as otherwise specified in this Agreement and the Plans. The Corporation shall maintain the Plans, for the duration of this Agreement, except as otherwise provided in, and subject to the terms of the Plans.
- (b) Provision for payment of Regular Benefits, Automatic Short Week Benefits and Separation Payments under the Prior Plan shall continue in full force and effect in accordance with the conditions, provisions, and limitations of such Prior Plan, as constituted until September 23, 1996 or, if later, until the 1996 Amendments Effective Date specified in Subsection (a) of this Section 1.

Section 2. PROVISIONS IN EVENT OF TERMINATION

In the event that the Supplemental Unemployment Benefit Plan shall be terminated in accordance with its terms prior to the expiration date of this Agreement so that the Corporation's obligation to contribute thereunder shall cease entirely, the parties thereupon shall negotiate for a period of sixty (60) days from the date of such termination with respect to the use which shall be made of the money which the Corporation otherwise would be obligated to contribute; if no Agreement with respect thereto shall be reached at the end of such period, there shall be a general wage

Section 2. Provisions In Event Of Termination - cont'd.

increase in the amount of the basic contribution rate then in effect, but not less than twenty-six cents (26¢) per hour to all Employees then covered by the Collective Bargaining Agreement, which shall be applied to the base rates or salary grade. Such amount shall be effective as of the date of such termination.

Section 3. OBLIGATIONS DURING TERM OF AGREEMENT

During the term of this Agreement, neither the Corporation nor the Union shall request any change in, deletion from or addition to the Supplemental Unemployment Benefit Plan, the Separation Payment Plan, or the Automatic Short Week Benefit Plan, or this Agreement; or be required to bargain with respect to any provision or interpretation of the Plans or this Agreement, and during such period no change in, deletion from, or addition to any provision, or interpretation, of the Plans or this Agreement, nor any dispute or difference arising in any negotiations pursuant to Section 2 of this Agreement, shall be an objective of, or a reason or cause for, any action or failure to act, including without limitation, any strike, slowdown, work stoppage, lockout, picketing, or other exercise of economic force, or threat thereof, by the Union or the Corporation.

Section 4. TERM OF AGREEMENT - NOTICE TO MODIFY OR TERMINATE

This Agreement and the Supplemental Unemployment Benefit Plan, the Separation Payment Plan, and the Automatic Short Week Benefit Plan incorporated herein shall remain in full force and effect without change until September 14, 1999, except as there may be a termination under any of the provisions of this Agreement or the Plans. As of that date this Agreement may be terminated, modified, changed or continued, subject to and in accordance with the termination provisions of the Collective Bargaining Agreement of which this Agreement is a part.

Anything herein which might be construed to the contrary notwithstanding, however, it is understood that termination of this agreement shall not have the effect of automatically terminating the Plans.

Notice shall be in writing and shall be sufficient if sent by registered mail addressed if to the Union, to National President, National Automobile, Aerospace, Transportation and General Workers Union of Canada, (CAW-Canada), 205 Placer Court, Willowdale, Ontario M2H 3H9, and if

Section 4. Term of Agreement - Notice To
Modify Or Terminate - **cont'd.**

to the Corporation, to Vice-President, Human Resources
Chrysler Canada Ltd., Box 1621, Windsor, Ontario N9A 4H6.

Section 5. GOVERNMENTAL RULINGS

- (a) The amendments to the Prior Plan provided for in Section 1 of this Agreement and incorporated in Exhibits A-1, A-2 and A-3 hereof shall not be effective prior to
- (i) receipt by the Corporation from competent Canadian governmental authorities of rulings or legislative amendments permitting continuance of supplementation as defined in the Supplemental Unemployment Benefit Plan, and holding that such amendments will not have any adverse effect upon the favourable rulings previously received by the Corporation, and
 - (ii) receipt by the Corporation from the Minister of National Revenue of a ruling, satisfactory to the Corporation, holding that the Supplemental Unemployment Benefit Plan as amended is acceptable to the Minister of National Revenue as a Supplemental Unemployment Benefit Plan under the provisions of the Canadian Income Tax Act.
- (b) The Corporation shall apply promptly for the rulings described in Subsection (a) of this Section.
- (c) Notwithstanding any other provisions of this Agreement, the Supplemental Unemployment Benefit Plan, the Separation Payment Plan, or the Automatic Short Week Benefit Plan, the Corporation with the consent of the National President of the Union, may, during the term of this Agreement, make revisions in such Plans not inconsistent with the purposes, structure, and basic provisions thereof which shall be necessary to obtain or maintain any of the rulings referred to in this Section 5 (a) or in Article VII of the Supplemental Unemployment Benefit Plan. Any such revisions shall adhere as closely as possible to the language and intent of the provisions outlined in such Plans.
- (d) This Agreement shall become operative on September 23, 1996, which is the ratification date of the Collective Bargaining Agreement; but the provisions of Section 1 shall not become effective until the 1996 Amendments Effective Date specified therein.

Section 6. MISCELLANEOUS

Notwithstanding the provisions of the Supplemental Unemployment Benefit Plan, the provisions of Article IV, Application and Determination of Eligibility for Regular Benefits, and Appeal Procedures, and Article V, Administration of the Plan, shall, to the extent practicable, be equally applicable under the Separation Payment Plan and the Automatic Short Week Benefit Plan.

In witness whereof the parties hereto have caused this Agreement to be executed at Toronto, Ontario this 17th day of September, 1996.

EXHIBIT A-I
SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

ARTICLE I
ELIGIBILITY FOR REGULAR BENEFITS

(1) ELIGIBILITY FOR A REGULAR BENEFIT

An Employee shall be eligible for a Regular Benefit for any Week if with respect to such Week the Employee:

- (a) was on a qualifying layoff, as described in Section (2) of this Article, for all or part of the Week;
- (b) received an Unemployment Insurance Benefit not currently under protest by the Corporation; or
- (c) did not receive an Unemployment Insurance Benefit for any of the following reasons:
 - (i) did not have prior to layoff a sufficient period of employment or earnings covered by Unemployment Insurance;
 - (ii) exhaustion of Unemployment Insurance Benefit rights;
 - (iii) the Week was an Unemployment Insurance "waiting period" immediately following a Week for which the Employee received an Unemployment Insurance Benefit, or occurring within less than 52 Weeks since the last Unemployment Insurance "waiting period" for which the Employee received no benefit solely because the Week was a week of an Unemployment Insurance "waiting period" (subject to the provisions of subsection (1)(c)(i) of this Article);
 - (iv) was serving an Unemployment Insurance "waiting period" pending an adjustment of the work force in accordance with the terms of the Collective Bargaining Agreement; provided, however, that this item (iv) shall not apply to model change, plant rearrangement, inventory layoffs, layoffs of employees covered by the Office and Clerical and Engineering Agreements, except those laid off pursuant to Sections 6.1(d) and 14.4(b) of such Agreement; layoffs of Employees pending placement pursuant to the terms of Collective Bargaining Agreements between the Corporation and the Union; layoffs of Employees who refuse to exercise their Seniority in order to displace junior Employees who are working; or layoffs resulting from temporary

ARTICLE I. Eligibility for Regular Benefits - **cont'd.**

- adjustments as provided in Section 6.1(c) of the Production and Maintenance Agreement or corresponding sections of other Collective Bargaining Agreements between the Corporation and the Union; or
- (v) was denied an Unemployment Insurance Benefit and it is determined, with the concurrence of the Canada Employment and Immigration Commission, that under the circumstances it would be contrary to the intent of the Plan and Commission policy to deny a Regular Benefit;
 - (vi) was denied an Unemployment Insurance Benefit solely because of the Unemployment Insurance allocation to such Week of earnings from a "waiting period";
 - (vii) because of the circumstances set forth under Section (1)(c)(iv) of this Article which existed during only part of a week of unemployment under the Unemployment Insurance Act;
- (d) has met any registration and reporting requirements of an Unemployment Insurance Office;
 - (e) had a Credit Unit or fraction thereof;
 - (f) did not receive an unemployment benefit under any contract or program of another employer or under any other "SUB" plan of the Corporation (and was not eligible for such a benefit under a contract or program of another employer with whom the Employee has greater Seniority than with the Corporation nor under any other "SUB" plan of the Corporation in which the Employee has credit units which were credited earlier than the oldest Credit Units under this Plan);
 - (g) was not eligible for an Automatic Short Week Benefit;
 - (h) qualifies for a Regular Benefit of at least \$2;
 - (i) has made a Regular Benefit application in accordance with procedures established by the Corporation hereunder and, if ineligible for an Unemployment Insurance Benefit only for the reason set forth in item (ii) of Subsection (1)(c) of this Article, is able to work, is available for work, and has not failed
 - (1) to maintain an active registration for work with the government employment services,
 - (2) to do what a reasonable person would do to obtain work, and
 - (3) to apply for or to accept available suitable work of which the Employee has been notified by the government employment services or by the Corporation;

ARTICLE I. Eligibility for Regular Benefits - cont'd.

- (j) did not receive an Unemployment Insurance benefit for the reason indicated in subsection (1)(c)(iii) of this Article, provided, however, no Regular Benefit shall be payable for the first full Week of layoff during a calendar year for which an Employee has received an Unemployment Insurance "waiting period" week credit, unless such first week occurs within less than 52 Weeks from the beginning of the last "waiting period" Week for which Regular Benefit was payable by reason of such Week having been an established Unemployment Insurance "waiting period" week. In the latter case, Regular Benefits shall be payable to an otherwise eligible Employee for such "waiting period" but no Regular Benefit shall then be payable for the next first full Week of layoff during a subsequent layoff period in the same calendar year for which the Employee receives a "waiting period" credit. A Regular Benefit will be payable to an otherwise eligible Employee for any other Unemployment Insurance "waiting period" week(s) established during the calendar year.

(2) CONDITIONS WITH RESPECT TO LAYOFF

- (a) A layoff for the purpose of this Plan includes any reduction in force such as a temporary layoff or model change layoff, a layoff resulting from the discontinuance of a Plant or operation, or a layoff occurring or continuing because the Employee was unable to do the work offered by the Corporation although able to perform other work to which the Employee would have been entitled if the Employee had had sufficient Seniority, or a layoff occurring or continuing because the Employee, although not totally disabled, was physically unable to perform any work in the Bargaining Unit or Plant.
- (b) An Employee's layoff for all or part of any Week will be deemed qualifying for Plan purposes only if:
 - (1) such layoff was from the Bargaining Unit;
 - (2) such layoff was not for disciplinary reasons, and was not a consequence of:
 - (i) any strike, slowdown, work stoppage, picketing (whether or not by Employees), or concerted action, at a Corporation Plant or Plants, or any dispute of any kind, involving Employees whether at a Corporation Plant or Plants or elsewhere,
 - (ii) any fault attributable to the Employee,

ARTICLE I. Eligibility for Regular Benefits - cont'd.

- (iii) any war or hostile act of a foreign power (but not government regulation or controls connected therewith),
 - (iv) sabotage (including but not limited to arson) or insurrection, or
 - (v) any act of God, provided, however, this subsection (v) shall not apply to any Short Work Week or to the first 2 consecutive full Weeks of layoff for which a Regular Benefit is payable in any period of layoff resulting from such cause;
- (3) with respect to such Week the Employee did not refuse to accept work when recalled pursuant to the Collective Bargaining Agreement and did not refuse an offer by the Corporation of other available work, which the Employee had no option to refuse under the Collective Bargaining Agreement at the same plant, or at another plant in the same labour market area as may be agreed upon by the parties; provided, however, that refusal by Skilled Trades Employees to accept work outside the Skilled Trades classifications shall not result in ineligibility for a Regular Benefit;
- (4) with respect to such Week the Employee was not eligible for and was not claiming:
- (i) any statutory or Corporation accident or sickness or any other disability benefit (except a benefit which the Employee received or could have received while working full time, or a partial Workers' Compensation benefit which the Employee received while not totally disabled and while ineligible for a sickness and accident benefit under the Insurance Program); or
 - (ii) any Corporation pension or retirement benefit.
- (c) If an Employee is ineligible for a Regular Benefit or Levelling Week Benefit by reason of Section (2)(b)(2) or (2)(b)(4) above with respect to some but not all of the regular work days in a Week, and is otherwise eligible for a Regular Benefit or Levelling Week Benefit, the Employee will be entitled to a reduced Regular Benefit payment as provided in Section (1)(b) of Article II.

ARTICLE I. Eligibility for Regular Benefits - cont'd.

- (d) The determination of eligibility under this Article shall be based upon the reason for the applicant's last separation from the Corporation, except that a layoff of an Employee during their probationary period at one Plant while retaining Seniority at another Plant shall not be disqualifying if the Employee was separated because the Employee was unsuited for, or unable to do, work available.

(3) DISPUTED CLAIMS FOR UNEMPLOYMENT INSURANCE BENEFITS

- (a) With respect to any Week for which an Employee has applied for a Regular Benefit and for which there has been denied an Unemployment Insurance Benefit, and the denial is being appealed by the Employee through the procedure provided therefor under the Unemployment Insurance Act, and the Employee is eligible to receive a Regular Benefit under the Plan except for such denial, the payment of the Regular Benefit shall be suspended until such dispute shall have been determined.
- (b) If the dispute shall be finally determined in favour of the Employee, the Regular Benefit shall be paid; provided, however, that if the payment of the Regular Benefit required Credit Unit cancellation, the Regular Benefit shall be paid only if the Employee did not exhaust Credit Units after the Week of the Unemployment Insurance Benefit in dispute.

ARTICLE II.
AMOUNT OF REGULAR BENEFIT;

(1) REGULAR BENEFITS

- (a) The Regular Benefit payable to an eligible Employee for any Week shall be an amount which when added to Unemployment Insurance and Other Compensation, will equal 65% of Weekly Straight-Time Pay.
- (b) An otherwise eligible Employee entitled to a Regular Benefit (or a Levelling Week Benefit) reduced, as provided in Section (2)(c) of Article I (reason for layoff or eligibility for a disability or pension benefit), because of ineligibility with respect to part of the Week, will receive one-fifth of a Regular Benefit computed under Subsection (a) of this Section for each work day of the Week for which the Employee is otherwise eligible, provided, however, that there shall be excluded from such computation any pay which could have been earned, computed as if payable, for hours made available by the Corporation but not worked during the days for which the Employee is not eligible for a Regular Benefit under Subsection (2)(c) of Article I.

**(2) UNEMPLOYMENT INSURANCE BENEFIT AND
OTHER COMPENSATION**

- (a) An Employee's Unemployment Insurance Benefit and Other Compensation for a Week means:
 - (1) the amount of Unemployment Insurance Benefit received or receivable by the Employee for the Week; plus
 - (2) all pay received or receivable by the Employee from the Corporation (including vacation pay except as provided in Subsection (a)(3) of this Section) and any amount of pay which could have been earned, computed, as if payable, for hours made available by the Corporation but not worked, after reasonable notice has been given to the Employee for such Week; provided, however, if the hours made available but not worked are hours which the Employee has an option to refuse under the Collective Bargaining Agreement or which the Employee could refuse without disqualification under Section (2)(b)(3) of Article I, such hours are not to be considered as hours made available by the Corporation; and provided, that if wages or remuneration from employers other than the Corporation or any military pay are received or

ARTICLE II. Amount of Regular Benefits - cont'd.

receivable by the Employee and are applicable to the same period as hours made available by the Corporation, only the greater of

- (a) such wages or remuneration from other employers in excess of the greater of the amount disregarded as earnings by the Unemployment Insurance Commission or 20% of such wages or remuneration, or military pay in excess of the amount disregarded as earnings by the Unemployment Insurance Commission, or
- (b) any amount of pay which could have been earned, computed, as if payable for hours made available by the Corporation shall be included; and further provided, that any pay received or receivable for a shift which extends through midnight shall be allocated:
 - (i) to the day on which the shift started if on layoff with respect to the corresponding shift on the following day,
 - (ii) to the day on which the shift ended if on layoff with respect to the corresponding shift on the preceding day, and
 - (iii) according to the pay for the hours worked each day, if on layoff with respect to the corresponding shifts on both the preceding and the following days;

and, in any such event, the maximum Regular Benefit amount shall be modified to any extent necessary so that the Employee's Regular Benefit will be increased to offset any reduction in the Unemployment Insurance Benefit which may have resulted solely from the Unemployment Insurance's allocation of earnings for such shift otherwise than as specified in this Subsection; plus

- (3) (i) in the case of Hourly Employees, vacation pay including paid absence allowance received on other than casual day off basis, received or receivable under the provisions of the Vacation Plan section of the Collective Bargaining Agreement shall be considered compensation applicable to the same week or weeks and in the same amount or amounts as such vacation

ARTICLE II. Amount of Regular Benefits - cont'd.

- pay is allocated by Unemployment insurance;
and
- (ii) in the case of Salaried Employees, vacation pay, received or receivable under the Vacation Plan provisions of the Collective Bargaining Agreement, of which an amount equal to 40 hours of such vacation pay, or such lesser amount as may be received or receivable, shall be considered compensation applicable to the first Week of the Salaried Employee's vacation; the second 40 hours of such vacation pay, or such lesser amount as may be received or receivable, shall be considered compensation applicable to the second Week of the Salaried Employee's vacation; the third 40 hours of such vacation pay, or such lesser amount as may be received or receivable, shall be considered compensation applicable to the third Week of the Salaried Employee's vacation, the fourth 40 hours of such vacation pay, or such lesser amount as may be received or receivable, shall be considered compensation applicable to the fourth Week of the Salaried Employee's vacation; and vacation pay for any other scheduled vacation shall be considered compensation applicable to the Week during which such vacation is taken, plus
 - (4) all wages or remuneration as defined under the Unemployment Insurance Act in excess of the greater of the amount disregarded as earnings by Unemployment Insurance for periods other than a "waiting period" or 20% of such wages or remuneration received or receivable from other employer;; for such Week (excluding such wages or remuneration which were considered in the calculation under Subsection (a)(2) of this Section); plus
 - (5) the amount of all military pay in excess of the amount disregarded as earnings by the Unemployment Insurance Commission received or receivable for such Week, excluding such military pay which was considered in the calculation under Subsection (a)(2) of this Section.

ARTICLE II. Amount of Regular Benefits - cont'd.

- (6) The amount of any partial benefit which an Employee received under a workmen's compensation law or other law providing benefits for occupational injury or disease, while not totally disabled and while ineligible for a sickness and accident benefit under the Insurance Program, and an unemployment benefit payable under Unemployment Insurance including training allowances (excluding any allowance for transportation, subsistence including accommodation allowances, equipment or other cost of training). If an Employee receives a Workers' Compensation benefit while working full time and a higher Workers' Compensation benefit while on layoff from the Corporation, only the amount by which the Workers' Compensation benefit is increased shall be included.
- (b) If the Unemployment Insurance Benefit actually received by an Employee for an Unemployment Insurance Week shall be for less, or more, than a full Unemployment Insurance Week (for reasons other than the Employee's receipt of wages or remuneration for such Unemployment Insurance Week), because
 - (1) the Employee has been disqualified or otherwise determined ineligible for a portion of an Unemployment Insurance Benefit for reasons other than set forth in Section (l)(c) of Article I, or
 - (2) the Unemployment Insurance Week for which the Regular Benefit is paid includes a portion of the Unemployment Insurance waiting period, or
 - (3) of an underpayment or overpayment of a previous Unemployment Insurance Benefit

the amount of the Unemployment Insurance Benefit which would otherwise have been paid to the Employee for such Unemployment Insurance Week shall be used in calculation of "Unemployment Insurance Benefit and Other Compensation" for such Unemployment Insurance Week.

ARTICLE II. Amount of Regular Benefits - **cont'd.**

(3) INSUFFICIENT CREDIT UNITS FOR A REGULAR BENEFIT

If an Employee has less than the full number of Credit Units required to be cancelled for the payment of a Regular Benefit for which the Employee is otherwise eligible, the Employee shall be paid the full amount of such Regular Benefit and all remaining Credit Units or fractions thereof shall be cancelled.

(4) EFFECT OF: LOW CREDIT UNIT CANCELLATION BASE

Notwithstanding any other provision of the Plan:

- (a) Any Regular Benefit for a Week shall be reduced by 20%, but in no event to less than \$5 by reason of such reduction if:

The Week For Which A Benefit Is Paid B e g i n s	The CUJB Applicable To The Week For Which A Benefit Is Paid Is	And As of the Last Day Of The Week For Which Such Benefit Is Paid To The Employee's Continuous Service Is:
Prior to September 23, 1996	\$71.90 - \$233.36 Below 233.37	1 to 5 years 5 to 20 years
After September 23, 1996 but before January 1, 1998	\$74.06 - \$240.36 Below 240.37	1 to 5 years 5 to 20 years
After December 31, 1997 but before January 1, 1999	\$76.28 - \$247.57 Below 247.58	1 to 5 years 5 to 20 years
After December 31, 1998	\$78.57 - \$255.00 Below 255.01	1 to 5 years 5 to 20 years

- (b) if the CUJB for any Week shall be less than \$71.90 for Weeks beginning prior to September 23, 1996, \$74.06 for Weeks beginning on or after September 23, 1996, but before January 1, 1998, \$76.28 for Weeks beginning on or after January 1, 1998, but before January 1, 1999, or \$78.57 for

ARTICLE II. Amount of Regular Benefits - **cont'd.**

Weeks beginning on or after January 1, 1999, no Regular Benefit for such Week for an Employee with less than 5 years of Continuous Service for Weeks beginning on or after September 23, 1996 as of the last day of the Week for which any Regular Benefit is being computed shall be paid at any time.

- (c) Assets in the Fund resulting from Corporation contributions made in accordance with Section (5)(e) of Article VI shall be utilized solely to pay claims upon which the amount of such contributions was determined.

(5) REGULAR BENEFIT OVERPAYMENTS

- (a) If the Corporation or the Board determines that any Regular Benefit(s) paid under the Plan should not have been paid or should have been paid in a lesser amount, written notice thereof shall be mailed to the Employee receiving the Regular Benefit(s), who shall return the amount of overpayment to the Trustee; provided, however that no repayment shall be required if the cumulative overpayment is \$3.00 or less, or if notice has not been given within 120 days from the date the overpayment was established or created, except that no such time limitation shall be applicable in cases of fraud or willful misrepresentation.
- (b) If the Employee shall fail to return such amount promptly, the Trustee shall arrange to reimburse the Fund for the amount of overpayment by making a deduction from any future Regular Benefits (not to exceed \$20 from any 1 Regular Benefit except in case of fraud or wilful misrepresentation) otherwise payable to such Employee, or by requesting the Corporation to make a deduction from future Regular Ben&fits or compensation payable by the Corporation to the Employee (not to exceed \$50 from any 1 pay cheque in the case of an Hourly Employee and \$100 in the case of a Salaried Employee except in cases of fraud or wilful misrepresentation) or both. The Corporation is authorized to make such deduction from the Employee's compensation and to pay the amount deducted to the Trustee.

ARTICLE II. Amount of Regular Benefits - **cont'd.**

(6) WITHHOLDING TAX

The Trustee shall deduct from the amount of any Regular Benefit any amount required to be withheld by the Trustee or the Corporation by reason of any law or regulation, for payment of taxes or otherwise to any Federal, Provincial or Municipal government. In determining the amount of any applicable tax entailing personal exemptions, the Trustee or the Corporation shall be entitled to rely on the official forms filed by the Employee with the Corporation for purposes of income tax withholding on regular wages.

(7) PAYMENT OF **REGULAR BENEFITS**

Regular Benefits shall be payable to Hourly Employees from the Hourly Fund and to Salaried Employees from the Salary Fund.

(8) DEDUCTION OF **UNION DUES**

The Trustee, upon authorization from an Employee, shall deduct monthly Union dues from Regular Benefits paid under the Plan and pay such sums directly to the Union.

ARTICLE III.
CREDIT UNITS AND DURATION OF **REGULAR** BENEFITS

(1) GENERAL

Credit Units shall have no fixed value in terms of either time or money, but shall be a means of determining eligibility for and duration of Regular Benefits.

(2) ACCRUAL OF CREDIT UNITS

- (a) Credit Units shall be credited at the rate of 1/2 of a Credit Unit (1/4 of a Credit Unit in the case of an Employee who shall have less than 18 months of Seniority) for each Work Week for which an Employee:
 - (i) receives any pay from the Corporation;
 - (ii) does not receive pay from the Corporation but receives a Levelling Week Benefit;
 - (iii) was on a military leave of absence in accordance with the provisions of the Collective Bargaining Agreement; and
 - (iv) was absent from work because of occupational injury or disease incurred in the course of such Employee's employment with the Corporation and on account of such absence received Workers' Compensation while on Corporation approved leave of absence.

- (b) For the purpose of accruing Credit Units under this section:
 - (1) (i) in the case of Hourly Employees, payment in lieu of vacation, paid pursuant to the corresponding P&M section of the Collective Bargaining Agreement, shall be considered as pay for Work Weeks on the basis that the first 40 hours' pay, or such lesser amount as may have been received, shall be allocated to the vacation week to which the Employee is entitled under the Payment In Lieu of Vacation Plan section of the Collective Bargaining Agreement and any excess over 40 hours' pay shall be allocated to any additional week of Corporation designated vacation received by the Employee; and
 - (ii) in the case of Salaried Employees, vacation pay shall be allocated as follows: 40 hours, or such number of hours if less than 40, to the first week of the applicable vacation period; hours in excess of 40 but less than 80, if any, to the second week of such vacation period;

ARTICLE III. Credit Units and Duration of Regular Benefits - cont'd.

hours in excess of 80 but less than 120, if any, to the third week of such vacation period; hours in excess of 120 but less than 160, if any, to the fourth week of such vacation period; and hours represented by vacation pay for any other scheduled vacation shall be allocated to the week during which such vacation is taken. Such vacation week or weeks shall be designated a Work Week or Work Weeks for the purposes of this Section; and

- (2) back pay shall be considered as pay for each Work Week to which it may be allocable:
- (3) (i) payments to Salaried Employees for casual absence or under the Salary Continuation Plan shall not be considered as pay for the Work Week for which it is paid; and
 - (ii) all hours represented by pay in lieu of vacation to Salaried Employees shall be counted as hours in the Work Week covered by the pay day as of which payment in lieu of vacation was made.
- (c) No employee may have in the aggregate at any one time more than 52 Credit Units except that an Employee who has 10 or more Years of Seniority may have in the aggregate at any one time no more than a maximum of 104 Credit Units.
- (d) No Employee shall be credited with any Credit Units until the day the Employee:
 - (1) has at least 1 year of Seniority; and
 - (2) either is in Active Service in the Bargaining Unit (or was in such Active Service within 30 days prior to such first day) or is absent from work on (or was absent from work within 30 days prior to) such first day solely because of occupational injury or disease incurred in the course of such Employee's employment with the Corporation and on account of such absence is receiving Workers' Compensation while on Corporation-approved leave of absence.

As of such day the Employee shall receive credit for all Credit Units based upon the Work Weeks occurring while an Employee and subsequent to the Employee's Seniority date.

ARTICLE III. Credit Units and Duration of Regular Benefits - cont'd.

- (e) An Employee who has Credit Units as of the last day of a Week shall be deemed to have them for all of the Week; provided, however, that an Employee who has Credit Units during part of a Week but forfeits them due to a break in Seniority during such Week by reason of death or of retirement under the provisions of any Corporation pension or retirement benefit plan, shall be deemed to have Credit Units for all of the Week.
- (f) At such time as the amount of any Regular Benefit overpayment is repaid to the Fund, except as otherwise provided in the Plan, the number of Credit Units, if any, theretofore cancelled with respect to such overpayment of Regular Benefits shall be restored to the Employee, except to the extent of the number of Guaranteed Annual Income Credit Units which have been credited to such Employee between the date of such overpayment and the date of such repayment and which would not have been credited had the Credit Units been restored at the time such Guaranteed Annual Income Credit Units were credited, and except to the extent that such restoration would raise the number of Credit Units at the time thereof above the applicable maximum, and except as otherwise provided with respect to Credit Unit forfeiture under Section (3) of this Article.

(3) FORFEITURE OF CREDIT UNITS

An Employee shall forfeit permanently all Credit Units and, with respect to subsections (a) and (d) only of this Section (3), shall be ineligible to be credited with Guaranteed Annual Income Credit Units on the next succeeding Guarantee Date or other date of eligibility if the Employee:

- (a) incurs a Break in Continuous Service, provided, however, that if an Employee breaks Continuous Service by receiving a pension or is receiving permanent total disability pension under the Pension Plan and shall subsequently have Continuous Service reinstated, the Credit Units previously forfeited shall again be credited as of the date Continuous Service is restored and as of such date the Employee shall again become eligible to have Guaranteed Annual Income Credit Units credited; or

ARTICLE III. Credit Units and Duration of Regular Benefits - **cont'd.**

- (b) is on layoff from the Corporation for a continuous period of 24 months (36 months in the case of an Employee who is at work on or after October 16, 1985 and has 10 or more years of Continuous Service as of the last day worked prior to layoff), except that if at the expiration of the applicable period the Employee is receiving Regular Benefits, Credit Units shall not be forfeited until the Employee ceases to receive Regular Benefits; or
 - (c) elects to forfeit all Credit Units in order to apply for a payment, as provided under the Voluntary Termination of Employment Plan; or
 - (d) wilfully misrepresents any material fact in connection with an application for Regular Benefits under the Plan.
- (4) CREDIT UNIT CANCELLATION ON PAYMENT OF **REGULAR** BENEFITS

- (a) The number of Credit Units to be cancelled for any Regular Benefit shall be determined in accordance with:
 - (1) Table A if such Benefit is payable for a Week beginning prior to September 23, 1996, or
 - (2) Table B if such Benefit is payable for a Week beginning on or after September 23, 1996 but before January 1, 1998, or
 - (3) Table C if such Benefit is payable for a Week beginning on or after January 1, 1998 but before January 1, 1999, or
 - (4) Table D if such Benefit is payable for a Week beginning on or after January 1, 1999;

provided, however, that, for purposes of such table, Continuous Service for an Employee who breaks Seniority during a Week by reason of death or retirement under the provisions of any Corporation pension or retirement benefit plan shall be the Continuous Service as of the date Seniority is broken for such reason:

ARTICLE III. Credit Units and Duration of Regular Benefits - cont'd.

TABLE A
CREDIT UNIT CANCELLATION TABLE
(For Weeks Beginning Prior To 9-23-96)

If the Credit Unit Cancellation Base* Applicable to the Week for which a Benefit is paid is	And as of the last day of the Week for which such Benefit is paid the Employee's Continuous Service is:	
	Under 5 Years	5 Years & Over
\$1,527.44 or more	1.00	1.00
1,364.27 — \$1,527.43	1.00	1.00
1,203.36 — 1,364.26	1.11	1.00
1,041.89 — 1,203.35	1.25	1.00
879.85 — 1,041.88	1.43	1.00
717.23 — 879.84	1.67	1.00
551.76 — 717.22	2.00	1.00
394.84 — 551.75	2.50	1.00
233.37 — 394.83	3.33	1.00
71.90 — 233.36	5.00	1.00
Under 71.90	No Benefit Payable	1.00

* The amount of the current balance of any contributions previously made and subsequently recovered under the provisions of Article VI, Section (5)(e)(2), shall be added to the market value of the assets of the Fund in determining the CUCB for this purpose only, except that the amount of such current balance shall not be added to the market value of the assets of the Fund in determining the CUCB for this purpose commencing with any month after August 1990 in which the market value of the assets of the Fund shall equal 100% of Maximum Funding of the Fund and continuing each month. (or each Pay Period, when required under the provisions of Article VI, Section (5)(a)) thereafter until contributions are again made and subsequently recovered under the provisions of Article VI, Section (5)(e)(2), in which event the current balance of such subsequent making and recovery of contributions shall be added to the market value of the assets of the Fund in determining the CUCB for the purpose of this Section (4)(a), it being understood that the provisions of this exception shall apply at the time the market value of the assets of the Fund shall equal 100% of Maximum Funding of the Fund after August 1990.

** No Credit Units shall be cancelled when an Employee receives:
(1) a Levelling Week Benefit, or
(2) an Automatic Short Week Benefit.

ARTICLE III, Credit Units and Duration of Regular Benefits - cont'd.

TABLE B
CREDIT UNIT CANCELLATION TABLE
(For Weeks Beginning On Or After 9-23-96 And Prior To 1-1-98)

If the Credit Unit Cancellation Base' Applicable to the Week for which a Benefit is paid is		And as of the last day of the Week for which such Benefit is paid the Employee's Continuous Service is:	
		Under 5 Years	5 Years & Over
		The Credit Units cancelled for such benefit shall be**:	
\$1,573.26	or more	1.00	1.00
1,405.20	— \$1,573.25	1.00	1.00
1,239.46	— 1,405.19	1.11	1.00
1,073.15	— 1,239.45	1.25	1.00
906.25	— 1,073.14	1.43	1.00
738.75	— 906.24	1.67	1.00
568.31	— 738.74	2.00	1.00
406.69	— 568.30	2.50	1.00
240.37	— 406.68	3.33	1.00
74.06	— 240.36	5.00	1.00
	Under 74.06	No Benefit Payable	1.00

* The amount of the current balance of any contributions previously made and subsequently recovered under the provisions of Article VI, Section (5)(e)(2), shall be added to the market value of the assets of the Fund in determining the CUCB for this purpose only, except that the amount of such current balance shall not be added to the market value of the assets of the Fund in determining the CUCB for this purpose commencing with any month after August 1990 in which the market value of the assets of the Fund shall equal 100% of Maximum Funding of the Fund and continuing each month (or each Pay Period, when required under the provisions of Article VI, Section (5)(a)) thereafter until contributions are again made and subsequently recovered under the provisions of Article VI, Section (5)(e)(2), in which event the current balance of such subsequent making and recovery of contributions shall be added to the market value of the assets of the Fund in determining the CUCB for the purpose of this Section (4)(a), it being understood that the provisions of this exception shall apply each time the market value of the assets of the Fund shall equal 100% of Maximum Funding of the Fund after August 1990.

** No Credit Units shall be cancelled when an Employee receives:
(1) a Levelling Week Benefit, or
(2) an Automatic Short Week Benefit.

ARTICLE III. Credit Units and Duration of Regular Benefits - cont'd.

TABLE C
CREDIT UNIT CANCELLATION TABLE
(For Weeks **Beginning On** Or After 1-1-98 And Prior To 1-1-99)

If the Credit Unit Cancellation Base' Applicable to the Week for which a Benefit is paid is	And as of the last day of the Week for which such Benefit is paid the Employee's Continuous Service is:	
	Under 5 Years	5 Years & Over
	The Credit Units cancelled for such benefit shall be**:	
\$1,620.46 or more	1.00	1.00
1,447.35 — \$1,620.45	1.00	1.00
1,276.64 — 1,447.34	1.11	1.00
1,105.34 — 1,276.63	1.25	1.00
933.43 — 1,105.33	1.43	1.00
760.91 — 933.42	1.67	1.00
585.36 — 760.90	2.00	1.00
418.89 — 585.35	2.50	1.00
247.58 — 418.88	3.33	1.00
76.28 — 247.57	5.00	1.00
Under 76.28	No Benefit Payable	1.00

* The amount of the current balance of any contributions previously made and subsequently recovered under the provisions of Article VI, Section (5)(e)(2), shall be added to the market value of the assets of the Fund in determining the CUCB for this purpose only, except that the amount of such current balance shall not be added to the market value of the assets of the Fund in determining the CUCB for this purpose commencing with any month after August 1990 in which the market value of the assets of the Fund shall equal 100% of Maximum Funding of the Fund and continuing each month (or each Pay Period, when required under the provisions of Article VI, Section (5)(a)) thereafter until contributions are again made and subsequently recovered under the provisions of Article VI, Section (5)(e)(2), in which event the current balance of such subsequent making and recovery of contributions shall be added to the market value of the assets of the Fund in determining the CUCB for the purpose of this Section (4)(a), it being understood that the provisions of this exception shall apply each time the market value of the assets of the Fund shall equal 100% of Maximum Funding of the Fund after August 1990.

* No Credit Units shall be cancelled when an Employee receives:
(1) a Levelling Week Benefit, or
(2) an Automatic Short Week Benefit

ARTICLE III. Credit Units and Duration of Regular Benefits - cont'd.

TABLE D
CREDIT UNIT CANCELLATION TABLE
(For Weeks Beginning On Or After 1-1-99)

If the Credit Unit Cancellation Base* Applicable to the Week for which a Benefit is paid is	And as of the last day of the Week for which such Benefit is paid the Employee's Continuous Service is:	
	Under 5 Years	5 Years & Over
	The Credit Units cancelled for such benefit shall be:	
\$1,669.07 or more	1.00	1.00
1,490.77 — \$1,669.06	1.00	1.00
1,314.94 — 1,490.76	1.11	1.00
1,138.50 — 1,314.93	1.25	1.00
961.44 — 1,138.49	1.43	1.00
783.74 — 961.43	1.67	1.00
602.92 — 783.73	2.00	1.00
431.45 — 602.91	2.50	1.00
255.01 — 431.44	3.33	1.00
78.57 — 255.00	5.00	1.00
Under 78.57	No Benefit Payable	1.00

* The amount of the current balance of any contributions previously made and subsequently recovered under the provisions of Article VI, Section (5)(e)(2), shall be added to the market value of the assets of the Fund in determining the CUCB for this purpose only, except that the amount of such current balance shall not be added to the market value of the assets of the Fund in determining the CUCB for this purpose commencing with any month after August 1990 in which the market value of the assets of the Fund shall equal 100% of Maximum Funding of the Fund and continuing each month' (or each Pay Period, when required under the provisions of Article VI, Section (5)(a) thereafter until contributions are again made and subsequently recovered under the provisions of Article VI, Section (5)(e)(2), in which event the current balance of such subsequent making and recovery of contributions shall be added to the market value of the assets of the Fund in determining the CUCB for the purpose of this Section (4)(a), it being understood that the provisions of this exception shall apply each time the market value of the assets of the Fund shall equal 100% of Maximum Funding of the Fund after August 1990.

- * No Credit Units shall be cancelled when an Employee receives:
 - (1) a Levelling Week Benefit, or
 - (2) an Automatic Short Week Benefit

ARTICLE III. Credit Units and Duration of Regular Benefits - cont'd.

- (b) If an Employee received a Reinstated Sickness and Accident Benefit paid under the Insurance Program with respect to any Week, there shall be cancelled the number of Credit Units which would have been cancelled if such Employee had received a Regular Benefit for such Week. If an Employee receives such Reinstated Sickness and Accident Benefit for a portion of a Week, and does not receive a Regular Benefit with respect to any part of such Week, only one-half of the number of such Credit Units shall be cancelled for the Reinstated Sickness and Accident Benefit. If an Employee receives a Reinstated Sickness and Accident Benefit for a portion of a Week and also receives a Regular Benefit under Article I, Section (Z)(d) for such Week, no Credit Units shall be cancelled for the Reinstated Sickness and Accident Benefit.

(5) ARMED SERVICES

An employee who enters the Canadian Armed Forces directly from the employ of the Corporation shall while in such service be deemed, for purposes of the Plan, to be on a leave of absence and shall not be entitled to any Regular Benefit, and

- (a) all Credit Units credited to the Employee at the time of entry into such service, plus
- (b) any Credit Units entitled to be credited with respect to the period of military leave of absence, or
- (c) any Credit Units earned prior to or with respect to the period of military leave of absence that would have been credited on or after the date the Employee attained 1 year of Seniority if the Employee had been in Active Service on or after such date, notwithstanding the provisions of Section (2)(d) of this Article,

shall be credited upon reinstatement as an Employee in accordance with the terms of the Corporation approved leave of absence, or upon reinstatement as an Employee at a Corporation location other than the location from which the leave was granted within 90 days from the date of discharge from the Canadian Armed Forces.

ARTICLE III. Credit Units and Duration of Regular Benefits - cont'd.

(6) GUARANTEED ANNUAL INCOME CREDIT UNITS

- (a) Crediting the Guaranteed Annual Income Credit Units
- (1) An Employee who is in Active Service in the Bargaining Unit and has at least one year of Continuous Service on a Guarantee Date (as defined in (b) of this Section) shall be credited as of the Guarantee Date with the number of Guaranteed Annual Income Credit Units (as defined in (c) of this Section), if any, determined by:
- (i) subtracting from 52 (104 in the case of an Employee who has 10 or more Years of Continuous Service) the number of Credit Units on the Guarantee Date; and
 - (ii) multiplying the resulting number by the applicable percentage set forth in the following table (rounding the product thereof to the nearest hundredth):

<u>Years of Continuous Service on the Guarantee Date</u>	<u>Applicable Percentage</u>
1 but less than 1.5	12.5%
1.5 but less than 2	25.0%
2 but less than 4	50.0%
4 but less than 7	75.0%
7 or over	100.0%

- (2) If Guaranteed Annual Income Credit Units were not credited to an Employee on a Guarantee Date solely because the Employee did not then have at least one year of Continuous Service or was not then in Active Service in the Bargaining Unit, but on any day within the 52 Work Weeks following such Guarantee Date such Employee has at least one year of Continuous Service and is then in Active Service in the Bargaining Unit, the Employee shall be entitled to be credited with Guaranteed Annual Income Credit Units as of the end of the first Work Week in which the Employee meets such requirements. An Employee with one or more Years of Continuous Service on the preceding Guarantee Date shall have Guaranteed Annual Income Credit Units calculated, under this Subsection (6)(a)(2) based upon the Employee's Years of Continuous Service as of such preceding Guarantee Date. The number of Guaranteed

ARTICLE III. Credit Units and Duration of Regular Benefits - cont'd.

Annual Income Credit Units, if any, to be credited to such Employee shall be the number determined by

- (i) subtracting from 52 (104 in the case of an Employee who has 10 or more Years of Continuous Service) the number of Work Weeks between the preceding Guarantee Date and the last day of such Work Week; and
 - (ii) subtracting from the resulting number the number of Credit Units to the Employee's credit on such last day; and
 - (iii) multiplying that resulting number by the percentage in the table in Subsection (a)(1)(ii) of this Section, applicable to the Employee's Continuous Service on the preceding Guarantee Date (or the date subsequent thereto on which he acquired one year of Continuous Service).
- (3) With respect to subsections (1) and (2) above, an Employee who reports for work at the expiration of a sick leave of absence and for whom there is no work available in line with the Employee's Seniority and who then is placed on layoff status shall be deemed to be in Active Service.
- (b) **Guarantee Date**
The term Guarantee Date shall mean the third Sunday in November.
 - (c) **Guaranteed Annual Income Credit Unit**
A Guaranteed Annual Income Credit Unit shall be deemed in all respects for all purposes the same as a Credit Unit credited pursuant to Article III, except that Guaranteed Annual Income Credit Units shall be credited only pursuant to the provisions of this Section (6).
 - (d) An Employee who is in Active Service in the Bargaining Unit on their ten year Continuous Service date shall be credited with 104 credit units.

ARTICLE III. Credit Units and Duration of Regular Benefits - cont'd.

(7) APPLICABILITY OF CREDIT UNITS

Credit Units credited to Hourly and Salaried Employees, shall be applicable to the Hourly and Salary Fund, respectively.

(8) SPECIAL DETERMINATION OF "AT WORK"

With respect to the provisions of Sections (2)(c), (3)(b) and (6)(a) of this Article III, an Employee, who reports for work at the expiration of a sick leave of absence or for whom there is no work available in line with the Employee's Continuous Service and who then is placed on layoff status, shall be deemed to have been "at work".

ARTICLE IV.
APPLICATION. DETERMINATION OF **ELIGIBILITY** FOR
REGULAR BENEFITS, AND APPEAL PROCEDURES

(1) APPLICATIONS

(a) **FILING OF APPLICATIONS**

An application for a Regular Benefit may be filed either in person or by mail in accordance with procedures established by the Corporation. No application for a Regular Benefit shall be accepted unless it is submitted to the Corporation within 75 calendar days after the end of the Week with respect to which such application is made; provided, however, that if the amount of the applicant's Unemployment Insurance Benefit is adjusted retroactively with the effect of establishing a basis for eligibility for a Regular Benefit or for a Regular Benefit in a greater amount than that previously paid, the applicant may apply within 75 calendar days after the date on which such basis for eligibility is established.

(b) **APPLICATION INFORMATION**

Applications filed for a Regular Benefit will include:

- (1) in writing any information deemed relevant by the Corporation with respect to other benefits received, earnings and the source thereof, dependents, and such other information as the Corporation may require in order to determine whether the Employee is eligible to be paid a Regular Benefit and the amount thereof; and
- (2) with respect to a Regular Benefit, the exhibition of the Employee's Unemployment Insurance Benefit cheque or other evidence satisfactory to the Corporation of either
 - (i) receipt of or entitlement to an Unemployment Insurance Benefit; or
 - (ii) ineligibility for an Unemployment Insurance Benefit only for one or more of the reasons specified in Section (l)(c) of Article I.

(2) DETERMINATION OF **ELIGIBILITY**

(a) **APPLICATION PROCESSING BY CORPORATION**

When an application is filed for a Regular Benefit under the Plan and the Corporation is furnished with the evidence and

ARTICLE IV. Application, Determination of **Eligibility For Regular Benefits, and Appeal Procedures - cont'd.**

information required, the Corporation shall determine the Employee's entitlement to a Regular Benefit. The Corporation shall advise the Employee of the number of Credit Units cancelled for each Regular Benefit payment and the number of Credit Units remaining after such payment.

- (b) **NOTIFICATION TO TRUSTEE TO PAY**
If the Corporation determines that a Regular Benefit is payable, it shall deliver prompt written notice to the Trustee to pay the Regular Benefit.
- (c) **NOTICE OF DENIAL OF REGULAR BENEFITS**
If the Corporation determines that an Employee is not entitled to a Regular Benefit, it shall notify the Employee promptly, in writing, of the reason(s) for the determination.
- (d) **UNION COPIES OF APPLICATIONS AND DETERMINATIONS**
The Corporation shall furnish promptly to a Union member of the Local Committee copies of all Corporation determinations of Regular Benefit ineligibility or overpayment.

(3) APPEALS

- (a) **APPLICABILITY OF APPEALS PROCEDURE**
 - (1) The appeals procedure set forth in this Section may be employed only for the purposes specified in this Section (3).
 - (2) No question involving the interpretation or application of the Plan shall be subject to the grievance procedure provided for in the Collective Bargaining Agreement.
- (b) **PROCEDURE FOR APPEALS**
 - (1) **FIRST STAGE APPEALS**
 - (i) For non-Windsor Plants an Employee may appeal from the Corporation's written determination with respect to the payment or denial of a Regular Benefit by filing a written appeal with the Local Committee on a form provided for that purpose. If there is no Local Committee at any Plant because of a discontinuance of such Plant, the appeal may be filed directly with the Board. In situations where a

ARTICLE IV. Application, Determination of Eligibility For
Regular Benefits, and Appeal Procedures - cont'd.

number of Employees had filed applications for Regular Benefits under substantially identical conditions, an appeal may be filed with respect to one of such Employees in accordance with the procedures established by the Board, and the decision thereon shall apply to all such Employees. Appeals concerning determinations made in connection with Section (l)(c)(v) of Article I (contrary to intent of Plan) shall be made directly to the Board.

- (ii) The appeal shall be filed with the designated Corporation representative within 30 days following the date of mailing of the determination appealed. If the appeal is mailed the date of filing shall be the postmark date of the appeal. No appeal will be valid after the 30-day period.
 - (iii) The Local Committee shall advise the Employee, in writing, of its resolution of, or failure to resolve the appeal. If the appeal is not resolved within 10 days after the date thereof (or such extended time as may be agreed upon by the Local Committee), the Employee, or any 2 members of the Local Committee, at the request of the Employee may refer the matter to the Board for disposition.
- (2) APPEALS TO THE BOARD OF ADMINISTRATION
- (i) An appeal to the Board shall be considered filed with the Board when filed with the designated Corporation representative for the Plant at which the first stage appeal was considered by the Local Committee. Appeals from Employees of all Windsor Plants shall be made directly to the Board.
 - (ii) Appeals shall specify in writing the manner in which the Plan is claimed to have been violated, and shall set forth the facts relied upon as justifying a reversal or modification of the determination appealed from.
 - (iii) Appeals by the Local Committee to the Board with respect to Regular Benefits shall be made within 20 days following the date the appeal is first considered

ARTICLE IV. Application, Determination of Eligibility For
Regular Benefits, and Appeal Procedures - **cont'd.**

at a meeting of the Local Committee, plus such extension of time as the Local Committee shall have agreed upon. Appeals by the Employee to the Board with respect to Regular Benefits shall be made within 30 days following the date notice of the Local Committee's decision is given or mailed to the Employee. If the appeal is mailed, the date of filing shall be the postmark date of the appeal.

- (iv) The handling and disposition of each appeal to the Board shall be in accordance with regulations and procedures established by the Board. These regulations and procedures will provide that in situations where a number of Employees had filed applications for Regular Benefits under substantially identical conditions, an appeal may be made from the Local Committee to the Board with respect to one of such Employees, and the decision of the Board thereon shall apply to all such Employees.
- (v) The Employee, the Local Committee or the Union Members of the Board may withdraw any appeal to the Board at any time before it is decided by the Board, on a form provided for that purpose.
- (vi) There shall be no appeal from the Board's decision. It shall be final and binding upon the Union, its members, the Employee, the Trustee, and the Corporation. The Union will discourage any attempt of its members to appeal and will not encourage or cooperate with any of its members in any appeal, to any Court or Labour Board from a decision of the Board, nor will the Union or its members by any other means attempt to bring about the settlement of any claim or issue on which the Board is empowered to rule hereunder.
- (vii) The Local Committee shall be advised, in writing, by the Board of the disposition of any appeal previously considered by the Local Committee, and referred to the Board. A copy of such disposition shall be forwarded to the Employee by the Board.

ARTICLE IV. Application, Determination of Eligibility For
Regular Benefits, and Appeal Procedures - cont'd.

- (c) **REGULAR BENEFITS PAYABLE AFTER APPEAL**
In the event that an appeal with respect to entitlement to a Regular Benefit is decided in favour of the Employee, the Regular Benefit shall be paid; provided, however, that if the payment of the Regular Benefit requires Credit Unit cancellation, the Regular Benefit shall be paid only if the Employee did not exhaust Credit Units after the Week of the Regular Benefit in dispute during the same period of layoff.
- (d) With respect to the appeal provisions set forth under this Section (3) only, the term Employee shall include any person who received or was denied the Regular Benefit in dispute.

ARTICLE V.
ADMINISTRATION OF THE PLAN

(1) POWERS AND AUTHORITY OF THE CORPORATION

(a) CORPORATION POWERS

The Corporation shall have such powers and authority as are necessary and appropriate in order to carry out its duties under this Article including, without limitation, the following:

- (1) to obtain such information as the Corporation shall deem necessary in order to carry out its duties under the Plan;
- (2) to investigate the correctness and validity of information furnished with respect to an application for a Regular Benefit;
- (3) to make initial determinations with respect to Regular Benefits;
- (4) to establish reasonable rules, regulations and procedures concerning:
 - (i) the manner in which and the times and places at which applications shall be filed for Regular Benefits, and
 - (ii) the form, content and substantiation of applications for Regular Benefits.In establishing such rules, regulations and procedures, the Corporation shall give due consideration to any recommendations from the Board;
- (5) to designate a location where laid off Employees may appear for the purpose of complying with the Plan requirements;
- (6) to determine the Maximum Funding of each Fund and CUCB;
- (7) to establish appropriate procedures for giving notices required to be given under the Plan;
- (8) to establish and maintain necessary records.

(b) CORPORATION AUTHORITY

Nothing contained in this Plan shall be deemed to qualify, limit or alter in any manner the Corporation's sole and complete authority and discretion to establish, regulate, determine, or modify at any time levels of employment, hours of work, the extent of hiring and layoff, production schedules, manufacturing methods, the products and parts thereof to be manufactured, where and when work shall be done, marketing of its products, or any other matter related to the conduct of its

ARTICLE V. Administration of the Plan - cont'd.

business or the manner in which its business is to be managed or carried on, in the same manner and to the same extent as if this Plan were not in existence; nor shall it be deemed to confer either upon the Union or the Board any voice in such matters.

(2) BOARD OF ADMINISTRATION OF THE PLAN

(a) COMPOSITION AND PROCEDURE

(1) There shall be established a Board of Administration of the Plan consisting of 6 members, 3 of whom shall be appointed by the Corporation (hereinafter referred to as the Corporation members) and 3 of whom shall be appointed by the Union (hereinafter referred to as the Union members). Each member of the Board shall have an alternate.

In the event a member is absent from a meeting of the Board, an alternate may attend, and, when in attendance, shall exercise the powers and perform the duties of such member. Either the Corporation or the Union at any time may remove a member appointed by it and may appoint a member to fill any vacancy among the members appointed by it. The Corporation and the Union each shall notify the other in writing of the members respectively appointed by it before any such appointment shall be effective.

(2) The members of the Board shall appoint an Impartial Chairperson, who shall serve until requested in writing to resign by 3 members of the Board. If the members of the Board are unable to agree upon a Chairperson, the Minister of Labour shall make the appointment; provided, however, that such appointee shall be a jurist of repute. The Impartial Chairperson shall be considered a member of the Board and shall vote only in matters within the Board's authority to determine which the other members of the Board shall have been unable to dispose of by majority vote, except that the Impartial Chairperson shall have no vote concerning determinations made in connection with Section (l)(c)(v) of Article I (contrary to the intent of the Plan).

ARTICLE V. Administration of the Plan - cont'd.

- (3) At least 2 Union members and 2 Corporation members shall be required to be present at any meeting of the Board in order to constitute a quorum for the transaction of business. At all meetings of the Board the Corporation members shall have a total of 3 votes and the Union members shall have a total of 3 votes, the vote of any absent members being divided equally between the members present appointed by the same party. Decisions of the Board shall be by a majority of the votes cast.
- (4) Neither the Board nor Local Committee shall maintain any separate office or staff, but the Corporation and the Union shall be responsible for furnishing such clerical and other assistance as its respective members of the Board and any Local Committee shall require. Copies of all appeals, reports and other documents to be filed with the Board pursuant to the Plan shall be filed in duplicate, with 1 copy to be sent to the Corporation members at the address designated by them and the other to be sent to the Union members at the address designated by them.

(b) POWERS AND AUTHORITY OF THE BOARD

- (1) It shall be the function of the Board to exercise ultimate responsibility for determining whether an Employee is eligible for a Regular Benefit under the terms of the Plan, and, if so, the amount of the Regular Benefit. The Board shall be presumed conclusively to have approved any initial determination by the Corporation unless the determination is appealed as set forth in Section (3)(b) of Article IV.
- (2) The Board shall be empowered and authorized and shall have jurisdiction to:
 - (i) hear and determine appeals by the Employees;
 - (ii) obtain such information as the Board shall deem necessary in order to determine such appeals;
 - (iii) prescribe the form and content of appeals to the Board and such detailed procedures as may be necessary with respect to the filing of such appeals.
 - (iv) direct the Corporation to notify the Trustee to pay Regular benefits pursuant to determinations made by the Board;

ARTICLE V. Administration of the Plan - cont'd.

- (v) to have prepared and distributed on behalf of the Board information explaining the Plan;
 - (vi) to rule upon disputes as to whether any Short Work Week resulted from an act of God as defined in Article VI, Section (5)(d)(1);
 - (vii) to rule upon disputes as to whether any Short Work Week, occurring during a period when the applicable CUCB is less than \$760, is deemed to be Scheduled or Unscheduled; and
 - (viii) perform such other duties as are expressly conferred upon it by the Plan.
- (3) In ruling upon appeals, the Board shall have no authority to waive, vary, qualify, or alter in any manner the eligibility requirements set forth in the Plan, the procedure for applying for Regular Benefits as provided for therein, or any other provisions of the Plan; and shall have no jurisdiction other than to determine, on the basis of the facts presented and in accordance with the provisions of the Plan:
- (i) whether the first stage of appeal, or appeal to the Board was made within the time and in the manner specified in Section (3)(b) of Article IV,
 - (ii) whether the Employee is eligible with respect to the Regular Benefit claimed, and, if so,
 - (iii) the amount of any Regular Benefit payable.
- (4) The Board shall have no jurisdiction to act upon any appeal filed after the applicable time limit or upon any appeal that does not comply with the Board-established procedures.
- (5) The Board shall have no power to determine questions arising under the Collective Bargaining Agreement, even though relevant to the issues before the Board. All such questions shall be determined through the regular procedures provided therefor by the Collective Bargaining Agreement, and all determinations made pursuant to the Agreement shall be accepted by the Board.
- (6) Nothing in this Article shall be deemed to give the Board the power to prescribe in any manner internal procedures or operations of either the Corporation or the Union.
- (7) The Board shall provide for a Local Committee at each non-Windsor Plant of the Corporation to handle appeals from determinations as provided in Section (3)(b)(1) of

ARTICLE V. Administration of the Plan - cont'd.

Article IV; except determinations made in connection with Section (l)(c)(v) of Article I (contrary to intent of Plan).

- (i) The Local Committee shall be composed of 2 members designated by the Corporation members of the Board and 2 members designated by the Union members of the Board. Either the Corporation or the Union members of the Board may remove a Local Committee member appointed by them and fill any vacancy among the Local Committee members appointed by them.
- (ii) Each Local Committee member shall have 1 vote and decisions of the Local Committee shall be by a majority of the votes cast.

(3) DETERMINATION OF DEPENDENTS

In determining an Employee's Dependents for purposes of Regular Benefit determinations, the Corporation (and the Board) shall be entitled to rely upon the official form filed by the Employee with the Corporation for income tax withholding purposes, and the Employee shall have the burden of establishing entitlement to a different number of withholding exemptions than claimed on such form.

(4) TO WHOM REGULAR BENEFITS ARE PAYABLE IN CERTAIN CONDITIONS

Regular Benefits shall be payable only to the eligible Employee except that if the Board shall find that the Employee is deceased or is unable to manage their affairs for any reason, any Regular Benefit payable shall be paid to their duly appointed legal representative, if there be one, and if not, to the spouse, parents, children, or other relatives or dependents of the Employee as the Board in its discretion may determine. Any Regular Benefit so paid shall be a complete discharge of any liability with respect to such Regular Benefit. In the case of death, no Regular Benefit shall be payable with respect to any period following the last day of layoff immediately preceding the Employee's death.

(5) NONALIENATION OF REGULAR BENEFITS

No Regular Benefit shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution, or encumbrance of any kind other than an Authorization for Check-

ARTICLE V. Administration of the Plan - cont'd.

Off of Dues and any attempt to accomplish the same shall be void.
In the event that the Board shall find that such an attempt has been made with respect to any Regular Benefit due or to become due to any Employee, the Board in its sole discretion may terminate the interest of the Employee in the Regular Benefit and apply the amount of such Regular Benefit to or for the benefit of the Employee, the Employee's spouse, parents, children, or other relatives or dependents as the Board may determine, and any such application shall be a complete discharge of all liability with respect to the Regular Benefit.

(6) APPLICABLE LAW

The Plan and all rights and duties thereunder shall be governed, construed and administered in accordance with the laws of the province of Ontario and the Income Tax Act and the administrative rules of Revenue Canada, except that the eligibility of an Employee for, and the amount and duration of, Unemployment Insurance Benefits shall be determined in accordance with the Unemployment Insurance Act of Canada.

ARTICLE VI.
FINANCIAL PROVISIONS AND REPORTS

(1) ESTABLISHMENT OF FUNDS

The Corporation shall maintain two separate and distinct trust funds, an Hourly Fund and a Salary Fund, in accordance with this Plan, with a qualified trust company or companies selected by the Corporation as Trustee. The Corporation's contributions shall be made into the Funds, the assets of which shall be held, invested and applied by the Trustee, all in accordance with the Plan. Regular Benefits shall be payable only from the Funds. The Corporation shall provide in the agreement with the Trustee that the assets of the Funds shall be held in cash and/or invested in those investments, mortgages excepted, which are authorized under the Canadian and British Insurance Companies Act. The Trustee shall not be liable for the making or retaining of any such investment or for realized or unrealized loss thereon whether from normal or abnormal economic conditions or otherwise.

(2) MAXIMUM FUNDING

(a) HOURLY FUND

The Maximum Funding of the Hourly Fund for each calendar month shall be determined by multiplying the Average Full Benefit Rate by 12, and this result by the sum of the average number of Hourly Employees:

- (1) in Active Service, and
- (2) laid off from work but who have Credit Units and are not included in (1).

Such average number of Employees is to be determined by the Corporation as the average during 52 consecutive Weeks ending with the 3rd Sunday preceding the first Monday in the month for which the Maximum Funding is being determined.

(b) SALARY FUND

The Maximum Funding of the Salary Fund for each calendar month shall be determined by multiplying the Average Full Benefit Rate by 9 and this result by the sum of the average number of Salaried Employees:

- (1) in Active Service, and
- (2) laid off from work but who have Credit Units and are not included in (1).

ARTICLE VI. Financial **Provisions** and Reports - **cont'd.**

Such average number of Employees is to be determined by the Corporation as the average during 52 consecutive Weeks ending the 3rd Sunday preceding the first Monday in the month for which the Maximum Funding is being determined.

(c) **AVERAGE FULL BENEFIT RATE**

- (1) The Average Full Benefit Rate for the purpose of determining Maximum Funding shall be computed monthly and shall be the amount determined by dividing
- (i) the total dollar amount of all Full Benefits paid during the 12 months immediately preceding the month for which Maximum Funding is being determined by
 - (ii) the number of such Full Benefits paid.
- (2) A Full Benefit shall mean a Regular Benefit which has not been reduced because of Other Compensation as defined in Section (2)(a) of Article II, and a Levelling Week Benefit.

(3) CREDIT UNIT CANCELLATION BASE

- (a) A CUCB shall be determined for each calendar month in the following manner:
The current market value of the total assets in each Fund as of the close of business on the last day of the immediately preceding month as certified by the Trustee (plus as provided in Section (5)(d) of this Article additional contribution amounts, if any, to be added to the market value of the assets for Automatic Short Week Benefits for Scheduled Short Work Weeks paid during the previous month), shall be divided by the average number of Hourly or Salaried Employees, as the case may be, used in determining Maximum Funding for each Fund for such month.
- (b) The CUCB for any particular month shall be applied to each of the Pay Periods beginning within such month; provided, however, that whenever the CUCB for any particular month beginning prior to September 23, 1996, is less than \$551.76, beginning on or after September 23, 1996, but prior to January 1, 1998, is less than \$568.31, beginning on or after January 1, 1998, but prior to January 1, 1999, is less than \$585.36, or beginning on or after January 1, 1999, is less than \$602.92, the CUCB shall be applied only to the first Pay Period beginning within such month; and thereafter there shall be

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determined a CUCB for each Pay Period until the CUCB for a particular Pay Period equals or exceeds the CUCB stated for such period. When the CUCB for a particular Pay Period equals or exceeds the CUCB stated for such period, the CUCB shall be applied to each Pay Period until a CUCB for the following calendar month shall be applicable. In determining the CUCB for a particular Pay Period, the current market value of the total assets in the appropriate Fund as of the close of business on Friday (preceding such Pay Period, as certified by the Trustee, (plus as provided in Section (5)(d) of this Article, additional contribution amounts, if any, to be added to the market value of the assets for Automatic Short Week Benefits for Scheduled Short Work Weeks paid during the previous month), shall be used.

(4) FINALITY OF DETERMINATION

No adjustment in the Maximum Funding or the CUCB of any Fund shall be made on account of any subsequently discovered error in the computation, or the figures used in making the computations, unless such adjustment is practicable. Any adjustment made shall only be prospective in effect, unless such adjustment would be substantial in the opinion of the Corporation. Nothing in the foregoing shall be construed to excuse the Corporation from making up any shortage in the contributions to any Fund.

(5) CORPORATION CONTRIBUTIONS

(a) HOURLY FUND

With respect to each Pay Period which commences within a month for which the market value of the assets of the Hourly Fund (determined as of the close of business on the last day of the immediately preceding month), as certified by the Trustee, is less than the Maximum Funding, the Corporation shall make a contribution to the Hourly Fund equal to the lesser of the following amounts:

- (1) The amount required to increase the value of the assets of the Hourly Fund (determined as of the date set forth above) to, but not in excess, of 100% of the Maximum Funding of the Hourly Fund; or

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- (2) (a) An amount determined by multiplying
 - (i) the number of straight time hours, time and one-half hours, and double time hours, respectively, for which Hourly Employees shall have received pay from the Corporation (excluding any hours for which benefits hereunder or under the Automatic Short Week Benefit Plan are payable to Hourly Employees) for such Pay Period, by
 - (ii) a number of cents-per-hour, depending upon the percentage relationship of the value of the assets of the Hourly Fund to the Maximum Funding of such Fund, as determined in accordance with Table A below for each such Pay Period that begins prior to September 23, 1996; in accordance with Table B below for each such Pay Period that begins on or after September 23, 1996 but prior to January 1, 1998; in accordance with Table C below for each such Pay Period that begins on or after January 1, 1998 but prior to January 1, 1999; and in accordance with Table D below for each such Pay Period that begins on or after January 1, 1999;

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TABLE A
(For Pay Periods Beginning Prior to 9-23-96)

Percentage Relationship of Fund Assets to <u>Maximum Funding</u>		Applicable Number of Cents per Straight <u>Time Hour</u>	Applicable Number of Cents per Time and One- <u>Half Hour</u>	Applicable Number of Cents per Double Time <u>Hour</u>
At Least	But Less Than			
85.0%	100.0%	\$0.26	\$0.32	\$0.38
77.5%	85.0%	\$0.28	\$0.34	\$0.40
70.0%	77.5%	\$0.31	\$0.37	\$0.43
62.5%	70.0%	\$0.36	\$0.42	\$0.48
55.0%	62.5%	\$0.43	\$0.49	\$0.55
47.5%	55.0%	\$0.51	\$0.57	\$0.63
40.0%	47.5%	\$0.55	\$0.61	\$0.67
32.5%	40.0%	\$0.57	\$0.63	\$0.69
25.0%	32.5%	\$0.58	\$0.64	\$0.70
17.5%	25.0%	\$0.59	\$0.65	\$0.71
10.0%	17.5%	\$0.60	\$0.66	\$0.72
2.5%	10.0%	\$0.61	\$0.67	\$0.73
Less than	2.5%	\$0.62	\$0.68	\$0.74

TABLE B
(For Pay Periods Beginning On Or After 9-23-96 and Before 1-1-98)

Percentage Relationship of Fund Assets to <u>Maximum Funding</u>		Applicable Number of Cents per Straight <u>Time Hour</u>	Applicable Number of Cents per Time and One- <u>Half Hour</u>	Applicable Number of Cents per Double Time <u>Hour</u>
At Least	But Less Than			
85.0%	100.0%	\$0.26	\$0.32	\$0.38
77.5%	85.0%	\$0.28	\$0.34	\$0.40
70.0%	77.5%	\$0.31	\$0.37	\$0.43
62.5%	70.0%	\$0.36	\$0.42	\$0.48
55.0%	62.5%	\$0.43	\$0.49	\$0.55
47.5%	55.0%	\$0.51	\$0.57	\$0.63
40.0%	47.5%	\$0.55	\$0.61	\$0.67
32.5%	40.0%	\$0.58	\$0.64	\$0.70
25.0%	32.5%	\$0.59	\$0.65	\$0.71
17.5%	25.0%	\$0.60	\$0.66	\$0.72
10.0%	17.5%	\$0.61	\$0.67	\$0.73
2.5%	10.0%	\$0.62	\$0.68	\$0.74
Less than	2.5%	\$0.63	\$0.69	\$0.75

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TABLE C
(For Pay Periods Beginning On Or After 1-1-98 and Before 1-1-99)

Percentage Relationship of Fund Assets to Maximum Funding		Applicable Number of Cents per Straight Time Hour	Applicable Number of Cents per Time and One- Half Hour	Applicable Number of Cents per Double Time Hour
At Least	But Less Than			
85.0%	100.0%	\$0.26	\$0.32	\$0.38
77.5%	85.0%	\$0.28	\$0.34	\$0.40
70.0%	77.5%	\$0.31	\$0.37	\$0.43
62.5%	70.0%	\$0.36	\$0.42	\$0.48
55.0%	62.5%	\$0.43	\$0.49	\$0.55
47.5%	55.0%	\$0.51	\$0.57	\$0.63
40.0%	47.5%	\$0.55	\$0.61	\$0.67
32.5%	40.0%	\$0.59	\$0.65	\$0.71
25.0%	32.5%	\$0.60	\$0.66	\$0.72
17.5%	25.0%	\$0.61	\$0.67	\$0.73
10.0%	17.5%	\$0.62	\$0.68	\$0.74
2.5%	10.0%	\$0.63	\$0.69	\$0.75
Less than	2.5%	\$0.64	\$0.70	\$0.76

TABLE D
(For Pay Periods Beginning On Or After 1-1-99)

Percentage Relationship of Fund Assets to Maximum Funding		Applicable Number of Cents per Straight Time Hour	Applicable Number of Cents per Time and One- Half Hour	Applicable Number of Cents per Double Time Hour
At Least	But Less Than			
85.0%	100.0%	\$0.26	\$0.32	\$0.38
77.5%	85.0%	\$0.28	\$0.34	\$0.40
70.0%	77.5%	\$0.31	\$0.37	\$0.43
62.5%	70.0%	\$0.36	\$0.42	\$0.48
55.0%	62.5%	\$0.43	\$0.49	\$0.55
47.5%	55.0%	\$0.51	\$0.57	\$0.63
40.0%	47.5%	\$0.55	\$0.61	\$0.67
32.5%	40.0%	\$0.60	\$0.66	\$0.72
25.0%	32.5%	\$0.61	\$0.67	\$0.73
17.5%	25.0%	\$0.62	\$0.68	\$0.74
10.0%	17.5%	\$0.63	\$0.69	\$0.75
2.5%	10.0%	\$0.64	\$0.70	\$0.76
Less than	2.5%	\$0.65	\$0.71	\$0.77

ARTICLE VI. Financial Provisions and Reports - cont'd.

- (b) If, for any such Pay Period, the total number of hours for which Hourly Employees shall have received pay from the Corporation when multiplied by the applicable number of cents-per-hour are more than the number of hours required to increase the value of the assets of the Hourly Fund to the next higher percentage of Maximum Funding, only the number of hours required to reach the next such higher percentage shall be multiplied by the applicable cents-per-hour set forth in the appropriate table. The remaining hours (the difference between the total number of hours and the lesser number of hours required to reach the next higher percentage) shall be multiplied by the applicable lesser cents-per-hour set forth in the appropriate table for the next higher percentage.

(b) SALARY FUND

With respect to each Pay Period which commences within a month for which the market value of the assets of the Salary Fund (determined as of the close of business on the last day of the immediately preceding month) is less than the Maximum Funding for such Fund, the Corporation shall make a contribution to the Salary Fund equal to the lesser of the following amounts:

- (1) The amount required to increase the value of the assets of the Salary Fund (determined as of the date set forth above) to but not in excess of, 100% of the Maximum Funding of the Salary Fund; or
- (2) An amount determined by multiplying
 - (i) the number of straight time hours, time and one-half hours, and double time hours, respectively, for which Salaried Employees shall have received pay from the Corporation for such Pay Period, excluding the number of hours for which Salaried Employees shall have received pay for casual absence or under the Salary Continuation Plan and also excluding any hours for which Salaried Employees shall have received Benefits hereunder (and subject to the reductions provided for in Subsection (g) of this Section), or under the Automatic Short Week Benefit Plan are payable to Salaried Employees) for such Pay Period, by

ARTICLE VI. Financial Provisions and Reports - *cont'd.*

- (ii) a number of cents-per-hour, depending upon the percentage relationship of the value of the assets of the Salary Fund to the Maximum Funding of such Fund, as determined in accordance with the following tables:

TABLE A
(For Pay Periods Beginning Prior to 9-23-96)

Percentage Relationship of Fund Assets - to <u>Maximum Funding</u>		Applicable Number of Cents per Straight <u>Time Hour</u>	Applicable Number of Cents per Time and One- <u>Half Hour</u>	Applicable Number of Cents per Double Time <u>Hour</u>
At Least	But Less Than			
85.0%	100.0%	\$0.24	\$0.30	\$0.36
77.5%	85.0%	\$0.26	\$0.32	\$0.38
70.0%	77.5%	\$0.29	\$0.35	\$0.41
62.5%	70.0%	\$0.34	\$0.40	\$0.46
55.0%	62.5%	\$0.41	\$0.47	\$0.53
47.5%	55.0%	\$0.49	\$0.55	\$0.61
40.0%	47.5%	\$0.53	\$0.59	\$0.65
32.5%	40.0%	\$0.55	\$0.61	\$0.67
25.0%	32.5%	\$0.56	\$0.62	\$0.68
17.5%	25.0%	\$0.57	\$0.63	\$0.69
10.0%	17.5%	\$0.58	\$0.64	\$0.70
2.5%	10.0%	\$0.59	\$0.65	\$0.71
Less than	2.5%	\$0.60	\$0.66	\$0.72

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TABLE B

(For Pay Periods Beginning On Or After 9-23-96 And Before 1-1-98)

Percentage Relationship of Fund Assets to Maximum Funding		Applicable Number of Cents per Straight Time Hour	Applicable Number of Cents per Time and One- Half Hour	Applicable Number of Cents per Double Time Hour
At Least	But Less Than			
85.0%	100.0%	\$0.24	\$0.30	\$0.36
77.5%	85.0%	\$0.26	\$0.32	\$0.38
70.0%	77.5%	\$0.29	\$0.35	\$0.41
62.5%	70.0%	\$0.34	\$0.40	\$0.46
55.0%	62.5%	\$0.41	\$0.47	\$0.53
47.5%	55.0%	\$0.49	\$0.55	\$0.61
40.0%	47.5%	\$0.53	\$0.59	\$0.65
32.5%	40.0%	\$0.56	\$0.62	\$0.68
25.0%	32.5%	\$0.57	\$0.63	\$0.69
17.5%	25.0%	\$0.58	\$0.64	\$0.70
10.0%	17.5%	\$0.59	\$0.65	\$0.71
2.5%	10.0%	\$0.60	\$0.66	\$0.72
Less than	2.5%	\$0.61	\$0.67	\$0.73

TABLE C

(For Pay Periods Beginning On Or After 1-1-98 And Before 1-1-99)

Percentage Relationship of Fund Assets to Maximum Funding		Applicable Number of Cents per Straight Hour	Applicable Number of Cents per Time and One Half Hour	Applicable Number of Cents per Double Time Hour
At Least	But Less Than			
85.0%	100.0%	\$0.24	\$0.30	\$0.36
77.5%	85.0%	\$0.26	\$0.32	\$0.38
70.0%	77.5%	\$0.29	\$0.35	\$0.41
62.5%	70.0%	\$0.34	\$0.40	\$0.46
55.0%	62.5%	\$0.41	\$0.47	\$0.53
47.5%	55.0%	\$0.49	\$0.55	\$0.61
40.0%	47.5%	\$0.53	\$0.59	\$0.65
32.5%	40.0%	\$0.57	\$0.63	\$0.69
25.0%	32.5%	\$0.58	\$0.64	\$0.70
17.5%	25.0%	\$0.59	\$0.65	\$0.71
10.0%	17.5%	\$0.60	\$0.66	\$0.72
2.5%	10.0%	\$0.61	\$0.67	\$0.73
Less than	2.5%	\$0.62	\$0.68	\$0.74

ARTICLE VI. Financial Provisions and Reports - cont'd.

TABLE D
(For Pay Periods Beginning On Or After 1-1-99)

Percentage Relationship of Fund Assets - to Maximum Funding		Applicable Number of Cents per Straight Time Hour	Applicable Number of Cents per Time and One- Half Hour	Applicable Number of Cents per Double Time Hour
At Least	But Less Than			
85.0%	100.0%	\$0.24	\$0.30	\$0.36
77.5%	85.0%	\$0.26	\$0.32	\$0.38
70.0%	77.5%	\$0.29	\$0.35	\$0.41
62.5%	70.0%	\$0.34	\$0.40	\$0.46
55.0%	62.5%	\$0.41	\$0.47	\$0.53
47.5%	55.0%	\$0.49	\$0.55	\$0.61
40.0%	47.5%	\$0.53	\$0.59	\$0.65
32.5%	40.0%	\$0.58	\$0.64	\$0.70
25.0%	32.5%	\$0.59	\$0.65	\$0.71
17.5%	25.0%	\$0.60	\$0.66	\$0.72
10.0%	17.5%	\$0.61	\$0.67	\$0.73
2.5%	10.0%	\$0.62	\$0.68	\$0.74
Less than	2.5%	\$0.63	\$0.69	\$0.75

(3) If, for any such Pay Period, the total number of hours for which Salaried Employees shall have received pay from the Corporation when multiplied by the applicable number of cents-per-hour are more than the number of hours required to increase the value of the assets of the Salaried Fund to the next higher percentage of Maximum Funding, only the number of hours required to reach the next such higher percentage shall be multiplied by the applicable cents-per-hour set forth in the appropriate table. The remaining hours (the difference between the total number of hours and the lesser number of hours required to reach the next higher percentage) shall be multiplied by the applicable lesser cents-per-hour set forth in the appropriate table for the next higher percentage.

(c) Contributions with respect to Employees at any additional Plants at which the Collective Bargaining Agreement becomes applicable shall commence with respect to the first Pay Period beginning after the date of the agreement extending the

ARTICLE VI. Financial Provisions and Reports - cont'd.

Collective Bargaining Agreement to Employees in the new Bing Unit.

(d) SHORT WORK WEEK CONTRIBUTIONS

- (1) If the market value of the assets of the Hourly Fund as of the preceding December 31 is less than 100% of Maximum Funding, the Corporation shall make a contribution to the Hourly Fund, if required by the following computation, in an amount equal to the amount, if any, by which
 - (a) the total dollar amount of Automatic Short Week Benefits paid during Pay Periods beginning in the preceding calendar year (excluding any such Benefit paid for a layoff resulting exclusively from an act of God, as defined below, or part of such Benefit attributable to the period during which the act of God continues to necessitate the layoff) exceeds
 - (b) the amount determined by multiplying eight cents (\$.08) by the total number of hours for which Hourly Employees received pay from the Corporation based upon which contributions were or would have been required to be paid to the Fund during Pay Periods beginning in such calendar year, minus
 - (c) the total of any contributions made for months within such calendar year pursuant to subsection (2) of this subsection (5)(d), but not in excess of the amount necessary to increase the market Value of the assets of the Hourly Fund to 100% of Maximum Funding.

The term "act of God" as used in this subsection means an occurrence or circumstance directly affecting a Corporation Plant or Plants which results from natural causes exclusively and is in no sense attributable to human negligence, influence, intervention or control: the result solely of natural causes and not of human acts.

- (2) With respect to a month for which the CUCB is less than \$760, the Corporation, in addition to any contribution under Subsection (a) or (b) of this Section, shall contribute to a Fund the lesser of:

ARTICLE VI. Financial Provisions and Reports - cont'd.

- (i) the amount of any Automatic Short Week Benefits paid for Scheduled Short Work Weeks commencing during the preceding month which were offset against Corporation contributions in accordance with Subsection (g) of this Section; or
- (ii) the amount necessary to bring the CUCB up to \$760 for the month with respect to which the contribution is made.

The amount of any such contribution under this Subsection (d) will be added to the market value of the assets of such Fund for purposes of determining the CUCB to be used for all purposes under the Plan for the month with respect to which any such contribution is made to such Fund.

**CONTRIBUTIONS BASED ON
ADVANCE CREDIT ACCOUNT**

If after any required contributions are made under Subsection (a) or (b) and (d) of this Section, the CUCB would otherwise be less than

- (i) \$71.90 if such Pay Period begins prior to September 23, 1996,
- (ii) \$74.06 if such Pay Period begins on or after September 23, 1996, but prior to January 1, 1998,
- (iii) \$76.28 if such Pay Period begins on or after January 1, 1998, but prior to January 1, 1999, and
- (iv) \$78.57 if such Pay Period begins on or after January 1, 1999,

the Corporation shall make additional contributions from the Advance Credit Account to the Fund equal to the lesser of:

- (1) an amount sufficient to pay Regular Benefits otherwise due and payable under the Plan and maintain the CUCB at
 - (i) \$71.90 for such Pay Period prior to September 23, 1996.
 - (ii) \$74.06 for such Pay Period on or after September 23, 1996, but prior to January 1, 1998,

ARTICLE VI. Financial Provisions and Reports - cont'd.

(iii) \$76.28 for such Pay Period on or after January 1, 1998, but prior to January 1, 1999,

(iv) \$78.57 for such Pay Period on or after January 1, 1999,

for such period after deducting the amount of such Regular Benefits; or

(2) a total amount equal to \$17,500,000, less the sum of contributions previously made under this Subsection (5)(e) and not subsequently recovered.

The total amount of contributions made to the Fund by the Corporation under this Subsection (5)(e) shall be immediately recoverable by the Corporation, as provided under Subsection (5)(h)(1)(iv) of this Article. As subsequent contributions are required to be made under this Subsection (5)(e), such contributions shall be made first from any current balance of contributions previously made and subsequently recovered. As of the time the market value of the Fund assets are determined periodically by the Trustee, there shall be added to such market value amount, when required by the provisions of Subsection (4)(a) of Article III for purposes only of calculating the CUCB to determine the credit unit cancellation rate as set forth in the tables in Subsection (4)(a) of Article III; the amount of any current balance of contributions previously made and subsequently recovered. Such making, recovery and again making available contributions by the Corporation shall continue to be repeated as necessary; provided, however, that the outstanding balance of contributions made by the Corporation and not yet recovered at any point in time cannot exceed the maximum amount provided under Subsection (5)(e)(2).

(f) ADDITIONAL CORPORATION CONTRIBUTIONS

If after any required contributions are made to the Hourly Fund under Subsection (a) or to the Salary Fund under Subsection (b), and to either Fund under Subsection (d) of this Section for any Pay Period, the applicable Fund does not have sufficient assets to pay Regular Benefits otherwise due and payable under the Plan, and if there are applications due and payable for Regular Benefits for Weeks as follows:

ARTICLE VI. Financial Provisions and Reports - cont'd.

- (1) Weeks beginning prior to September 23, 1996 during which the CUCB exceeded \$71.89;
- (2) Weeks beginning on or after September 23, 1996, but before January 1, 1998 during which the CUCB exceeded \$74.05;
- (3) Weeks beginning on or after January 1, 1998, but before January 1, 1999 during which the CUCB exceeded \$76.27; or
- (4) Weeks beginning on or after January 1, 1999 during which the CUCB exceeded \$78.56;

the Corporation shall make an additional contribution to the applicable Fund equal to the amount of such Regular Benefits.

(g) CONTRIBUTIONS BASED ON GUARANTEED BENEFIT ACCOUNT

If after any required contributions are made to the Hourly Fund under Subsection (a) or to the Salary Fund under Subsection (b), and to either Fund under Subsections (d), (e) and (f) of this Section, the applicable Fund does not have assets to pay Regular Benefits otherwise due and payable under the Plan to Employees with ten (10) or more years of Continuous Service, the Corporation shall make an additional contribution to the applicable Fund equal to the lesser of:

- (1) an amount sufficient to pay such Regular Benefits; or
- (2) an amount equal to
 - (A) \$9,000,000 for Hourly, and \$352,700 for Salary, less
 - (B) the sum of contributions previously made under this Subsection (g) for Pay Periods beginning on or after September 23, 1996 and not subsequently recovered. The total amount of contributions made to the Fund by the Corporation under this Subsection (5)(g) and the corresponding provisions of the prior Supplemental Unemployment Benefits Plans, beginning with the 1979 Supplemental Unemployment Benefit Plan shall be immediately recoverable by the Corporation, as provided under

ARTICLE VI. Financial Provisions and Reports - cont'd.

subsection (h)(1)(v) of this Article, it being understood that any such recovery on and after September 23, 1996 of the contributions made before that date shall not in any way increase the maximum amount of Corporation contributions provided in this subparagraph (B). The making, recovery, and again making of contributions by the Corporation under Subsections (5)(g) and (5)(h) shall be repeated as necessary; provided, however, that the outstanding balance of such contributions made by the Corporation on and after September 23, 1996 and not recovered at any point in time thereafter shall not exceed the maximum amount provided under Subsection (5)(g)(2)(A).

(h) REDUCTIONS IN CONTRIBUTIONS

- (1) The contributions to the Hourly Fund, as determined under Subsection (a) and (d) of this Section (5), shall be reduced by:
 - (i) the amount of any Automatic Short Week Benefits paid by the Corporation in accordance with the Automatic Short Week Benefit Plan for the period to Hourly Employees (other than Automatic Short Week Benefits for Scheduled Short Work Weeks in Pay Periods with respect to which the CUCB applicable to the Hourly Fund is less than \$760); and
 - (ii) the amounts of any Separation Payments paid by the Corporation in accordance with the Separation Payment Plan; and
 - (iii) the amount of any Corporation contributions to the Hourly Fund under subsection (f) above; and
 - (iv) if the total Corporation contributions to the Fund during a Pay Period under Subsections (a) and (d) exceed the total amount of Regular Benefits paid from the Fund during such Pay Period, an amount equal to five cents-per-hour times the total number of hours for which Hourly Employees shall have received pay from the Corporation (excluding any hours for which Benefits hereunder are payable)

ARTICLE VI. Financial Provisions and Reports - cont'd.

during such Pay Period but not more than the amount by which the total contributions to the Fund exceed the total amount of Regular Benefits paid from the Fund during such Pay Period and not more than the amount of any current balance of contributions previously made but not recovered under Section (5)(e) of this Article; and

- (v) if the total Corporation contributions to the Fund during a Pay Period under subsections (a) and (d) above exceed the total amount of Regular Benefits paid from the Fund during such Pay Period, an amount equal to five cents-per-hour times the total number of hours for which Hourly Employees shall have received pay from the Corporation (excluding any hours for which Benefits hereunder are payable) during such Pay Period but not more than the amount by which the total contributions to the Fund exceed the total amount of Regular Benefits paid from the Fund during such Pay Period and not more than the amount of any current balance of contributions previously made but not recovered under Section (5)(g) of this Article; provided, however, that no reduction in contributions to the Fund shall be made under this item (v) until all required reductions under item (iv) above have been completed and provided further that no reduction in contributions to the Fund shall be made under this item (v) to recover any outstanding balance of contributions made on or after September 23, 1996 under Section (5)(g) of this Article until all required reductions have been completed under this item (v) to recover the entire amount of the outstanding balance of contributions made by the Corporation under the corresponding provisions of Supplemental Unemployment Benefit Plans prior to this Plan, beginning with the 1979 Supplemental Unemployment Benefit Plan, but not recovered before September 23, 1996.

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(2) SALARY FUND

The contributions to the Salary Fund, as determined under Subsection (b) and (d) of this Section (5), shall be reduced by:

- (i) the amounts of Automatic Short Week Benefits paid by the Corporation for the period to Salaried Employees (other than Automatic Short Week Benefits paid for Scheduled Short Work Weeks in Pay Periods with respect to which the CUCB applicable to the Salary Fund is less than \$760); and
- (ii) the amounts of any Separation Payments paid by the Corporation in accordance with the Separation Payment Plan; and
- (iii) the amount of any Corporation contributions to the Salary Fund under Subsection (f) above; and
- (iv) if the total Corporation contributions to the Fund during a Pay Period under subsection (b) above exceed the total amount of Regular Benefits paid from the Fund during such Pay Period, an amount equal to five cents-per-hour times the total number of hours for which Salaried Employees shall have received pay from the Corporation (excluding any hours for which Benefits hereunder are payable) during such Pay Period but not more than the amount by which the total contributions to the Fund exceed the total amount of Regular Benefits paid from the Fund during such Pay Period and not more than the amount of any current balance of contributions previously made but not recovered under Section (5)(g) of this Article.

(i) DEFINITION OF SCHEDULED AND UNSCHEDULED SHORT WORK WEEK

- (1) For purposes of this Plan and of the Automatic Short Week Benefit Plan, a Scheduled Short Work Week with respect to an Employee is a Short Work Week which Management schedules in order to reduce the production of the Plant, department, or other unit in which the

ARTICLE VI. Financial Provisions and Reports - cont'd.

Employee works, to a level below the level at which production of such Plant, department, or unit would be for the Week were it not a Short Work Week, but only where such reduction of production is for the purpose of adjusting production to customer demand, or in the case of a Salaried Employee whose work is not closely related to production, is any Short Work Week, other than described in Subsection (i)(2)(ii) or (i)(2)(iii) below, and other than a Short Work Week which Management schedules because of circumstances beyond its control (such circumstances would include but are not limited to fires, floods, material shortages, or labour disputes), if such circumstances prevent the Salaried Employee from performing their normal work.

- (2) For purposes of this Plan and of the Automatic Short Work Week Benefit Plan, an Unscheduled Short Work Week with respect to an Employee is any Short Work Week:
 - (i) which is not a Scheduled Short Work Week as defined in paragraph (1) of this Subsection;
 - (ii) in which an Employee returns to work from layoff to replace a separated or absent Employee (including an Employee failing to respond or tardy in responding to call), or returns to work, after a full Week of layoff, in connection with an increase in production, but only to the extent that the Short Work Week is attributable to such cause, or
 - (iii) in which the Employee last works during the 2 Weeks immediately preceding the end of a model run in the Employee's department, or returns to work during the 6 Weeks immediately following the start of a new model run in the Employee's department, but not to exceed 1 Week in each case within a calendar year.
- (3) For any Short Work Week which includes both Scheduled and Unscheduled Short Work Week circumstances with respect to an Employee:

ARTICLE VI. Financial Provisions and Reports - **cont'd.**

- (i) the number of hours by which 40 exceeds the Compensated or Available Hours will be deemed to be hours for which an Automatic Short Week Benefit for a Scheduled Short Work Week is paid to the extent such hours do not exceed the hours not worked for reason set forth in Paragraph (1) of Subsection (i) and,
- (ii) any remaining hours will be deemed to be hours for which an Automatic Short Week Benefit for an Unscheduled Short Work Week is paid.

(4) The Corporation

- (i) will, at the time of any Short Work Week layoff that occurs when the applicable CUCB is less than \$760 and involves a substantial number of Employees (other than a Short Work Week resulting from an act of God as defined in Subsection (5)(d)(1) of this Article), give verbal notice to the Union members of the Local Committee of the number of such Employees laid off, by department, and the reason or reasons for such Short Work Week, and
- (ii) will, at the time of any Short Work Week layoff that results from an act of God, as defined in Subsection (5)(d)(1) of this Article, give verbal notice to the Union members of the Local Committee of the number of Employees laid off, by department, and the reason or reasons for such Short Work Week. In addition, with respect to any such Short Work Week, a written notice shall be given to the Union members of the Local Committee and to the Union no later than the end of the Week following the Short Work Week, showing, by department, the number of Employees involved, the total amount of Automatic Short Week Benefits payable, and with respect to (i) above, the reason or reasons for the Short Work Week, and with respect to (ii) above, an explanation of the incident which caused the Corporation to determine that the Layoff was the result of an act of God, as defined in Subsection (5)(d)(1) of this Article.

ARTICLE VI. Financial Provisions and Reports - **cont'd.**

(j) **WHEN CONTRIBUTIONS ARE PAYABLE**

Each contribution by the Corporation shall be made on the first regularly scheduled work day in the second calendar week following the pay day for the Pay Period with respect to which the contribution is being made.

(k) **EFFECT OF WITHHOLDING**

If the Corporation at any time shall be required to withhold any amount from any contribution to the Fund by reason of any federal, provincial, or municipal law or regulation, the Corporation shall have the right to deduct such amount from the contribution and pay only the balance to the Fund.

(l) **NO CONTRIBUTION OBLIGATION**

Notwithstanding any other provisions of this Plan, the Corporation shall not be obligated to make any contribution to:

(1) the Hourly Fund with respect to any Pay Period which begins within a month for which the market value of the assets in the Hourly Fund determined as of the close of business on the last day of the immediately preceding month is equal to or in excess of the Maximum Funding for such Fund and no contribution to the Hourly Fund for any Pay Period shall be in excess of the amount necessary to bring such total market value of the assets in the Hourly Fund up to the Maximum Funding for such Fund.

(2) the Salary Fund with respect to any Pay Period which begins within a month for which the market value of the assets in such Fund determined as of the close of business on the last day of the immediately preceding month is equal to or in excess of the Maximum Funding for such Fund and no contribution to the Salary Fund for any Pay Period shall be in excess of the amount necessary to bring such total market value of the assets in the Fund up to the Maximum Funding for such Fund.

(6) LIABILITY

(a) The provisions of these Articles I through VIII constitute the entire Plan. The provisions of this Article with respect to contributions express each and every obligation of the

ARTICLE VI. Financial Provisions and Reports - cont'd.

Corporation with respect to the financing of the Plan and providing for Regular Benefits. The Corporation shall not be obligated to make up, or to provide for making up, any depreciation, or loss arising from depreciation, in the value of the securities held in any Fund (other than as contributions by the Corporation may be required under the provisions of this Article, when the market value of the assets of any Fund is less than the Maximum Funding); and the Union shall not call upon the Corporation to make up, or to provide for making up, any such depreciation or loss.

- (b) The Board, the Corporation, and Trustee, and the Union, and each of them, shall not be liable because of any act or failure to act on the part of any of the others, and each is authorized to rely upon the correctness of any information furnished to it by an authorized representative of any of the others.
- (c) Notwithstanding the above provisions, nothing in this Section shall be deemed to relieve any person from liability for wilful misconduct or fraud.

(7) NO VESTED INTEREST

No employee shall have any right, title, or interest in or to any of the assets of any Fund, or in or to any Corporation contribution thereto.

(8) CORPORATION REPORTS

The reports provided for in this Section shall be furnished separately, where appropriate, for Hourly Employees and Salaried Employees, respectively.

(a) MARKET VALUE OF FUND ASSETS

Not later than the third Tuesday following the first Monday of each month the Corporation shall furnish a statement to the Union, based on reports from the Trustee, showing for each Fund a reconciliation of the Fund's activity during the preceding month. The total market value of each Fund will be determined as of the close of business on the last day of each month. The reconciliation for the monthly period reported will show the amount and type of Corporation contributions received by each Fund by date, the total amount of Regular

ARTICLE VI. Financial Provisions and Reports - **cont'd.**

and Levelling Week Benefits paid from each Fund, the amount of any expenses charged to each Fund and the amount of gain or loss in the assets of each Fund.

(b) CORPORATION PAYMENTS NOT RECOVERED FROM CORPORATION CONTRIBUTIONS

Not later than the third Tuesday following the first Monday of each month, the Corporation shall furnish a statement to the Union showing for each Fund, with respect to the preceding month's activity, a reconciliation of the amount, if any, of payments paid by the Corporation which could not be offset against Corporation contributions to each Fund and which were deducted from the market value of the assets in each Fund in determining the relationship of the assets of each Fund to Maximum Funding. Such reconciliation will show the total amount of any such additional Corporation payments paid and the total amount of such Corporation payments deducted from the Corporation contributions, during the period covered by the report.

(c) MAXIMUM FUNDING AND CUCB

Not later than the third Tuesday following the first Monday of each month the Corporation shall with respect to each Fund notify the Board and the Union of the amount of the Maximum Funding and the CUCB as determined by it from time to time, under the Plan and shall furnish a statement showing the Average Full Benefit Rate (showing a breakdown of the included number and amount of Full Benefits paid) and the numbers of Employees in each category in each Week and average number used in determining Maximum Funding.

(d) CONTRIBUTIONS AND DIRECT CORPORATION PAYMENTS

Not later than the third Tuesday following the first Monday of each month, the Corporation shall furnish a statement to the Union showing for each Fund for the preceding month:

- (1) The number of hours for which Employees shall have received pay from the Corporation and the number of such hours with respect to which the Corporation shall not have made contributions to each Fund as provided in Section (5)(l) of this Article during each period for which contributions were made to each Fund or would have

ARTICLE VI. Financial Provisions and Reports - **cont'd.**

- been made to each Fund, except for the provision of Section (5)(l) of this Article.
- (2) The amount of the Corporation contributions to each Fund (showing the number of hours and the amount contributed at each applicable number of cents per hour) and the amount of any Scheduled Short Work Week contribution by the Corporation.
 - (3) The amount of Automatic Short Week Benefits by which the respective amounts determined in (2) above were reduced.
 - (4) The number and amount of Separation Payments by which the amount determined in (2) above were reduced.
 - (5) The amount of contributions the Corporation shall have made to the Fund in accordance with Section 5 (e) of this Article VI.
 - (6) The amount of contributions the Corporation shall have made to each Fund in accordance with Section (5)(f) of this Article VI, including the amount of any recovery of such contributions made by the Corporation, pursuant to Section (5)(h)(1)(iv) and Section (5)(h)(2)(iv) of this Article VI.
 - (7) The amount of contributions the Corporation shall have made to each Fund in accordance with Section (5)(g) of this Article VI.
 - (8) The total amount of the Corporation contribution which was made to each Fund.
- (e) BENEFITS PAID FROM EACH FUND
- Not later than the third Tuesday following the first Monday of each month, the Corporation shall furnish a statement to the Union showing the number and amount of payments, if any, made from each Fund during each Week of the preceding month, as:
- (1) Levelling Week Benefits
 - (2) Regular Benefits paid to Employees who were eligible for an Unemployment Insurance Benefit shown separately as Regular Benefits paid with and without reduction for Other Compensation,
 - (2) Regular Benefits paid without reduction for Other Compensation to Employees who were not eligible for an Unemployment Insurance Benefit for one or more of the reasons set forth in Section (l)(c) of Article I (excluding those Regular Benefits paid to Employees for the second

ARTICLE VI. Financial Provisions and Reports - **cont'd.**

week of an Unemployment Insurance waiting period), shown separately for reasons thereunder as follows and not included in any of the foregoing:

- (i) Section (1)(c)(ii) when maximum Regular Benefit amount applies;
 - (ii) all other items under Article I, Section (1)(c).
- (4) Regular Benefits paid with reduction for Other Compensation to Employees who were not eligible for an Unemployment Insurance Benefit for one or more of the reasons set forth in Section (1)(c) of Article I, shown separately for reasons thereunder as follows and not included in any of the foregoing:
- (i) Section (1)(c)(ii) when maximum Regular Benefit amount applies;
 - (ii) all other items under Article I, Section (1)(c).
- (5) Regular Benefits paid to Employees who were eligible with respect to some but not all of the regular work days in a Week, as provided in Section (2)(c) of Article I, and not included in any of the foregoing, shown separately as Regular Benefits paid with and without reduction for Other Compensation.
- (f) On or before April 30 of each year, the Corporation shall furnish to the Union a statement, certified by a qualified independent firm of chartered accountants selected by the Corporation verifying the accuracy of the information furnished by the Corporation during the preceding year pursuant to Subsections (a), (b), (c), (d) and (e) of this Section (8).
- (g) The Corporation or the Trustee shall furnish annually to each Employee who received Regular Benefits, during the year, a statement showing the total amount received and any amount of tax withheld therefrom.
- (h) On or before April 30 of each year, the Corporation shall furnish to the Union a statement showing the number of Employees receiving Regular Benefits during the preceding year, distributed according to the number of such Regular Benefits received.
- (i) On or before April 30 of each year, the Corporation shall furnish to the Union a statement showing the amount of any

ARTICLE VI. Financial Provisions and Reports - cont'd.

contributions made to the Hourly Fund in accordance with Subsection (5)(d)(1) of this Article for Automatic Short Week Benefit Payments.

- (j) On or before January 31 of each year, the Corporation shall furnish to the Union a statement showing the number of Employees to whom Guaranteed Annual Income Credit Units were credited on the preceding Guarantee Date, and the number of Credit Units, both distributed according to the Continuous Service brackets set forth in the table in Section (6) of Article III and according to the number of Credit Units which were credited (number above 13 being grouped in intervals of 5).
- (k) After December 31 of each year, the Corporation shall furnish to each Employee credited with Credit Unit as of each such date a statement showing the number of such Credit Units.
- (l) The Corporation will comply with reasonable requests by the Union for other statistical information on the operation of the Plan which the Corporation may have compiled.

(9) COST OF ADMINISTERING THE PLAN

(a) EXPENSE OF TRUSTEE

The costs and expenses incurred by the Trustee under the Plan and the fees charged by the Trustee shall be charged to the respective Fund.

(b) EXPENSE OF THE BOARD

The compensation of the Impartial Chairperson, which shall be in such amount and on such basis as may be determined by the other members of the Board, shall be shared equally by the Corporation and the Union. Reasonable and necessary expenses of the Board for forms and stationery required in connection with the handling of appeals shall be borne by the Corporation.

The Corporation members and the Union members of the Board and of Local Committees shall serve without compensation from any Fund.

ARTICLE VI. Financial Provisions and Reports - **cont'd.**

(c) COST OF SERVICES

The Corporation shall be reimbursed each year from the respective Fund for the cost to the Corporation of Trustee fees and auditing fees.

(10) REGULAR BENEFIT DRAFTS NOT PRESENTED

If the Trustee has segregated any portion of a Fund in connection with any determination that a Regular Benefit is payable under the Plan and the amount of such Regular Benefit is not claimed within a period of 2 years from the date of such determination, such amount shall revert to such Fund.

ARTICLE VII.
MISCELLANEOUS

(1) GENERAL

(a) PURPOSE OF PLAN

It is the purpose of this Plan to supplement Unemployment Insurance Benefits and not to replace or duplicate them.

(b) RECEIPT OF REGULAR BENEFITS

Neither the Corporation's contributions nor any Regular Benefit paid under the Plan shall be considered a part of any Employee's wages for any purpose except as Regular Benefits are treated as if they were "wages" solely for purposes of income tax withholding as provided under the Federal and Provincial Income Tax Acts. No person who receives any Regular Benefit shall for that reason be deemed an Employee of the Corporation during such period.

(2) EFFECT OF REVOCATION OF INCOME TAX RULINGS

If any rulings which may be obtained by the Corporation holding that contributions to the Fund shall constitute currently deductible expenses under the Canadian Income Tax Act, as now in effect or as it may be hereinafter amended, or under any other applicable federal or provincial income tax law, shall be revoked or modified in such manner as no longer to be satisfactory to the Corporation, all obligations of the Corporation under the Plan shall cease and the Plan shall thereupon terminate and be of no further effect (without in any way affecting the validity or operation of the Collective Bargaining Agreement) except for the purposes set forth in Section (4)(b) of this Article.

(3) SUPPLEMENTATION OF UNEMPLOYMENT INSURANCE BENEFITS

If supplementation is no longer permitted by rulings from Canadian governmental authorities, or by amendments of the Unemployment Insurance Act, the parties shall endeavour to negotiate an agreement establishing a plan for benefits not inconsistent with the purposes of the Plan. Any agreement so reached shall not apply to an employee who is ineligible to receive an Unemployment Insurance Benefit for any of the reasons stated in Section (1)(c) of Article I of the Plan. Such Employee, if otherwise eligible, may apply for and receive a Regular Benefit under the Plan.

ARTICLE VII. Miscellaneous - cont'd.

(4) AMENDMENT AND TERMINATION OF THE PLAN

- (a) As long as any Collective Bargaining Agreement of which this Plan as amended is a part shall remain in effect, the Plan shall not be amended, modified, suspended, or terminated, except as may be proper or permissible under the terms of the Plan or the Collective Bargaining Agreement. Upon the termination of the Collective Bargaining Agreement, the Corporation shall have the right to continue the Plan in effect and to modify, amend, suspend, or terminate the Plan, except as may be otherwise provided in any subsequent Collective Bargaining Agreement between the Corporation and the Union.
- (b) Upon any termination of the Plan, the Plan shall terminate in all respects except that the assets then remaining in the Funds shall be used to pay expenses of administration and to pay Regular Benefits to eligible Employees for a period of one year following termination, if not sooner exhausted. The Plan provisions with respect to the effect of a low CUCB on the payment of Regular Benefits shall not be applicable. At the expiration of the one year period, the parties shall endeavour to negotiate a program for the orderly disposition of any remaining assets of the Funds for Employee benefits not inconsistent with the purposes of the Plan.

(5) INCLUSION OF OTHER CORPORATION EMPLOYEES

It is hereby agreed that any other employees of the Corporation (or of any domestic subsidiary of Chrysler Canada Ltd.) represented by the National Union (CAW-Canada) or any of its Local Unions, by written agreement between Chrysler Canada Ltd. or the domestic subsidiary and the National Union or any such Local Union may be deemed and treated as Employees covered by this Plan, but nothing herein shall constitute such other employees and the Employees therefor covered by this Plan a single unit appropriate for the purpose of collective bargaining, or be evidence that they constitute such a unit.

ARTICLE VII. Miscellaneous - cont'd.

(6) CHANGE IN STATUS OF HOURLY OR SALARIED EMPLOYEE

(a) SPECIAL TERMS DEFINED

As used in this Section, the term

- (1) "Change in Status" means a change in the status of a person from that of an Hourly Employee to that of a Salaried Employee, or from that of a Salaried Employee to that of an Hourly Employee;
- (2) "Prior Fund" means the Hourly Fund and "New Fund" means the Salary Fund in the case of Change in Status of an Hourly Employee to a Salaried Employee; and "Prior Fund" means the Salary Fund and "New Fund" means the Hourly Fund in the case of a Change in Status from Salaried Employee to an Hourly Employee.

(b) CORPORATION CONTRIBUTIONS UPON CHANGE IN STATUS

- (1) In the event of a Change in Status of an Employee, any contribution payable by the Corporation with respect to hours for which the Employee shall have received pay occurring after such Change in Status shall be made to the New Fund, and any contribution payable by the Corporation with respect to hours for which the Employee shall have received pay occurring prior to such Change in Status shall be made to the Prior Fund.
- (2) In the event of a Change in Status of an Employee, any amounts for Automatic Short Week Benefits payable to the Employee by the Corporation for Short Work Weeks occurring after such Change in Status shall be offset against contributions to the New Fund, and any such amounts payable to the Employee by the Corporation for Short Work Weeks occurring prior to such Change in Status shall be offset against contributions to the Prior Fund. (Such offsets are provided for in Section (5)(g)(1)(i) and (5)(g)(2)(i) of Article VI.)
- (3) In the event of a Change in Status of an Employee a contribution will be made to the New Fund from the Prior Fund.

The amount of the contribution will be determined by multiplying

- i) The number of credit units determined under Section 6(c)(1) of this Article, by

ARTICLE VII. Miscellaneous - cont'd.

- ii) The Average Full Benefit Rate of the New Fund as of the Change in Status Date as determined by Section (2)(c)(1) of this Article.

(c) CREDIT UNITS AND PAYMENT OF BENEFIT AFTER CHANGE IN STATUS

- (1) Upon a Change in Status of an Employee, all Credit Units outstanding in the Prior Fund on such date will be transferred to the New Fund.
- (2) After a Change in Status of an Employee, any Regular Benefit payable to such Employee shall be payable from the New Fund and the Credit Units of such Employee shall be cancelled at the rate applicable to the New Fund; however, if an Employee claims when making application for a Regular Benefit and it is established to the satisfaction of the Corporation that such Employee experienced a Change in Status within one calendar year preceding the last day worked in the Bargaining Unit, such Employee shall be entitled, if and to the extent that the Employee would have been eligible for Regular Benefits from the Prior Fund if there had been no Change in Status, to such Regular Benefits from the Prior Fund for any layoff commencing within a year following such Change in Status, and Credit Units shall be cancelled for each such Regular Benefit at the rate applicable to the Prior Fund for the Week for which such Regular Benefit shall be paid.

ARTICLE VIII.

DEFINITIONS

As used herein:

- (1) "Active Service" - An Employee is in Active Service in any Pay Period for which the Employee draws pay; and for the sole purpose of Sections (2)(d)(2), (6)(a) and 6(d) of Article III, an Employee shall be deemed also to be in Active Service:
 - (a) while on an authorized vacation,
 - (b) while on an authorized leave of absence (other than a medical leave) which is limited, when issued, to 90 days or less,
 - (c) during the first 90 days on a medical leave of absence,
 - (d) while on a temporary layoff,
 - (e) while on a disciplinary layoff,
 - (f) while absent without leave up to 5 calendar days from the last day worked,
 - (g) while on strike.
- (2) "Advance Credit Account" means an amount which is determined in accordance with Article VI, Section (5)(e).
- (3) "Automatic Short Week Benefit" means the benefit payable in accordance with the Automatic Short Week Benefit Plan,
- (4) "Bargaining Unit" means a unit of Employees covered by the Collective Bargaining Agreement.
- (5)
 - (a) "Base Hourly Rate" (excluding cost-of-living allowance and any other premiums) as to an Hourly Employee means, with respect to a Regular Benefit, the Employee's straight-time hourly rate on the last day of work in the Bargaining Unit; except, that if the Employee had a higher straight-time hourly rate of record at any time during 13 consecutive weeks ending with the Week which includes the last day worked (hereinafter referred to as the 13 Week Period), Base Hourly Rate shall be such higher rate.
 - (b) "Base Weekly Salary" (excluding cost-of-living allowance and any other premiums) as to a Salaried Employee means, with respect to a Regular Benefit, the Employee's weekly salary during the Pay Period in which the Employee last worked in the Bargaining Unit; except, that if the Employee had a higher weekly salary of record during the 13 Week Period, Base Weekly Salary shall be such higher weekly salary.

ARTICLE VIII. Definitions - cont'd.

- (c) the Base Hourly Rate and Base Weekly Salary determined under (a) or (b) above, shall be adjusted to include:
 - (1) the amount of any applicable cost-of-living allowance in effect with respect to the Week for which the Regular Benefit is paid; and
 - (2) the amount of any wage increase which became effective (pursuant to the Collective Bargaining Agreement) after the day used to establish the Base Hourly Rate or Base Weekly Salary. In such event the amount of increase shall be the amount applicable to the job classification in which the Employee worked on the day for which the Base Hourly Rate or Base Weekly Salary was determined under (a) or (b) above. The Base Hourly Rate or Base Weekly Salary adjustment due to the increase shall be effective with respect to Regular Benefits which may be payable for and subsequent to the Week in which such increase became or becomes effective.
- (6) "Board" means the Board of Administration under the Plan.
- (7) "Collective Bargaining Agreement" means any applicable collective bargaining agreement between the Corporation and the Union which incorporates this Plan, the Separation Payment Plan and the Automatic Short Week Benefit Plan, by reference.
- (8) "Corporation" means Chrysler Canada Ltd.
- (9) "Continuous Service" or "Years of Continuous Service" means, for the purposes of this Plan, the total years of the latest period of unbroken service with the Corporation.
- (10) "Credit Units" mean the units determining duration of an Employee's Regular Benefits which are credited generally by reason of Weeks of Active Service and cancelled at specified rates for the payment of certain Regular Benefits and includes a Guaranteed Annual Income Credit Unit credited pursuant to Section (6) of Article III.
- (11) "CUCB" (Credit Unit Cancellation Base) means an amount determined periodically pursuant to the provisions of Section (3) of Article VI, by dividing the market value of the Fund by the sum of the number of Employees in Active Service plus those laid off with Credit Units.

ARTICLE VIII. Definitions - cont'd.

- (12) "Dependent" means a person recognized as a dependent under the Canadian Income Tax Act for establishing an Employee's withholding tax exemptions.
- (13) "Employee" means an Employee in a Bargaining Unit,
 - (a) "Hourly Employee" means an Employee who at the particular time is paid on an hourly basis.
 - (b) "Salaried Employee" means an Employee who at the particular time is paid on a salary basis.
- (14) "Fund" means the Hourly Fund or the Salary Fund established under the Plan to receive and invest Corporation contributions and to pay Regular Benefits.
 - (a) "Hourly Fund" means the Fund which receives Corporation contributions and from which Regular Benefits may be payable to Hourly Employees.
 - (b) "Salary Fund" means the Fund which receives Corporation contributions and from which Regular Benefits may be payable to Salaried Employees.
- (15) "Guaranteed Benefit Account" means an amount which is determined from time to time in accordance with Article VI, Section (5)(f)(2).
- (16) "Insurance Program" means the insurance program incorporated into any Collective Bargaining Agreement.
- (17) "Local Committee" means the Committee established by the Board with respect to each Plant or Plants to handle Employee appeals from Corporation determinations.
- (18) "Pay Period" means as to an Hourly Employee a period beginning 12:01 a.m. Monday and ending 168 hours thereafter; as to a Salaried Employee a period beginning 12:01 am. Monday and ending 336 hours thereafter.
- (19) "Plan" means the Supplemental Unemployment Benefit Plan as set forth in this Exhibit A-I.

ARTICLE VIII. Definitions - cont'd.

- (20) "Plant" means any manufacturing or assembly plant, parts depot, or other Corporation activity at which there are Employees.
- (21) (a) "Regular Benefit" means the benefit payable to an eligible Employee for a Week of layoff in which the Employee performed no work for the Corporation and for which the Employee received no jury duty pay, bereavement pay or military pay from the Corporation or for which the Employee received holiday pay from the Corporation if the Employee was not eligible for an Automatic Short Week Benefit for such Week.
- (b) "Levelling Week Benefit" means the Regular Benefit payable to an eligible Employee because, with respect to the Week, the Employee was serving an Unemployment Insurance "waiting period" while temporarily laid off out of line of Seniority pending an adjustment of the work force in accordance with the terms of the Collective Bargaining Agreement.
- (22) "Seniority" means Seniority status under the Collective Bargaining Agreement; and "Break in Seniority" means break in or loss of Seniority pursuant to the Collective Bargaining Agreement.
- (23) "Separation Payment" means a lump sum amount payable in accordance with the Separation Payment Plan to an eligible person by reason of qualified layoff and certain separations from the Corporation because of termination or disability.
- (24) "Short Work Week" means a Work Week during which an Employee has less than 40 Compensated or Available Hours as defined in the Automatic Short Week Benefit Plan and (a) during which the Employee performs some work for the Corporation or (b) during which the Employee received some jury duty pay, bereavement pay or military pay from the Corporation, or (c) for which the Employee receives only holiday pay from the Corporation and, for the immediately preceding Week, either received an Automatic Short Week Benefit or had 40 or more Compensated or Available hours.
- (25) "Supplementation" means recognition of the right of a person to receive both an Unemployment Insurance Benefit and a Regular Benefit under the Plan for the same Week of layoff at approximately the same time and without reduction of the Unemployment Insurance Benefit because of the payment of the Regular Benefit under the Plan.

ARTICLE VIII. Definitions - **cont'd.**

- (26) "Trustee" means the trustee or trustees of any Fund established under the Plan.
- (27) "Unemployment Insurance" means an employment insurance benefit as defined by the Canadian Employment Insurance Act.
- (28) "Union" means National Automobile, Aerospace, Transportation and General Workers Union of Canada, (CAW-Canada).
- (29) "Week" when used in connection with eligibility for a computation of Regular Benefits with respect to an Employee means:
(a) a period of layoff equivalent to a Work Week, or
(b) a Work Week for which the total pay received or receivable by an Employee from the Corporation (including vacation pay considered applicable to such Work Week), and any amount of pay which could have been earned, computed, as if payable for hours made available by the Corporation but not worked (excluding however, hours not worked which the Employee had an option to refuse under the Collective Bargaining Agreement or could refuse without disqualification under Section (2)(b)(3) of Article I) is less than 65% of Weekly Straight-Time Pay.
- "Week of layoff" shall include any such Week, provided, however, that if there is a difference between the starting time of a Work Week and of a week under Unemployment Insurance, the Work Week shall be paired with the Unemployment Insurance week which corresponds most closely thereto in time; except that if an Employee is ineligible for an Unemployment Insurance Benefit because of any of the reasons set forth in Section (I)(c) of Article I (excluding the reason under item (iv)) for the entire continuous period of layoff, the week under Unemployment Insurance shall be assumed to be the same as the Work Week. If an Employee becomes ineligible for an Unemployment Insurance Benefit because of reasons set forth in Section (I)(c) of Article I, during a continuous period of layoff, the week under Unemployment Insurance shall be assumed to continue to be, for the duration of the layoff during which the Employee remains so ineligible, the 7-day period for which an Unemployment Insurance Benefit was last paid to the Employee during such continuous period of layoff. Each Week within a continuous period of layoff will not be considered a new or separate layoff.

ARTICLE VIII. Definitions - **cont'd.**

- (30) "Weekly Straight-Time Pay" means an amount equal to an Hourly Employee's Base Hourly Rate (as determined for a Regular Benefit) multiplied by 40; or to a Salaried Employee's Base Weekly Salary (as determined for a Regular Benefit).
- (31) "Work Week" means a period beginning at 12:01 a.m. Monday and ending 168 hours later.

EXHIBIT A-2
SEPARATION PAYMENT PLAN

(1) ELIGIBILITY

- (a) An Employee shall be eligible for a Separation Payment if the Employee:
 - (1) has been on layoff from the Corporation for a continuous period of at least 12 months (or any shorter period determined by the Corporation) and such layoff is not a result of any of the circumstances or conditions set forth in Section (2)(b)(2) of Article I of the Supplemental Unemployment Benefit Plan provided, however, an Employee shall be deemed to have been on layoff from the Corporation for a continuous period if, while on layoff, the Employee accepts an offer of work by the Corporation and subsequently is laid off again within not more than 10 work days from the date reinstated, or
 - (2) is terminated on or after age 60 but is not eligible to receive a pension or a retirement benefit under any Corporation plan or program then in effect, or
 - (3) becomes disabled and would be eligible for total and permanent disability benefits under any Corporation pension plan or retirement program then in effect except that the Employee does not have the years of credited service required to be eligible for such benefits, and in addition to (1), (2) or (3) above;
- (b) the Employee had 1 or more Years of Continuous Service on the last day in Active Service, and such Continuous Service has not been broken except by termination under Subsection (a)(2) above, on or prior to the earliest date on which application can be made to the Corporation;
- (c) the Employee is not eligible to receive a monthly pension or a monthly retirement benefit other than a deferred pension or a deferred retirement benefit under any Corporation plan or program then in effect, and is not eligible to receive a permanent total disability benefit under the Insurance Program;
- (d) the Employee has not refused an offer of work pursuant to any of the conditions set forth in Section (2)(b)(3) of Article I of the

EXHIBIT A-2— Separation Payment Plan - cont'd.

Supplemental Unemployment Benefit Plan, on or after the last day worked in the Bargaining Unit, and prior to the earliest date on which the Employee can make application, provided that refusal after termination under Subsection (a)(2) above shall not result in ineligibility for a Separation Payment;

- (e) the Employee has made application for a Separation Payment prior to 24 months (36 months in the case of an Employee who has 10 or more Years of Continuous Service and is eligible for a Separation Payment determined in accordance with Section (2)(b)(1)) from the commencement date of layoff, termination, or disability, except that an Employee who meets the requirements of Subsection (a)(3) of this Section may make such application on or before the 30th day following the last month for which the Employee was eligible to receive a Group Extended Disability Benefit under the Insurance Program, provided that in the case of layoff no application may be made prior to the completion of 12 continuous months of layoff from the Corporation (or any shorter period determined by the Corporation); and
- (f) the application is received by the Corporation during a Pay Period for which the applicable CUCB is equal to or in excess of
 - (i) \$233.37 if such Pay Period begins prior to September 23, 1996;
 - (ii) \$240.37 if such Pay Period begins on or after September 23, 1996, but prior to January 1, 1998;
 - (iii) \$247.58 if such Pay Period begins on or after January 1, 1998, but prior to January 1, 1999;
 - (iv) \$255.01 if such Pay Period begins on or after January 1, 1999 (in the case of an Employee eligible for a Separation Payment determined in accordance with Section (2)(b)(1) \$71.90 if such Pay Period begins prior to September 23, 1996, \$74.06 if such Pay Period begins on or after September 23, 1996 but prior to January 1, 1998, \$76.28 if such Pay Period begins on or after January 1, 1998 and before January 1, 1999, and \$78.57 if such Pay Period begins on or after January 1, 1999;)

provided, however, that benefits based on applications of otherwise eligible Employees received during a Pay Period for

EXHIBIT A-2 — Separation Payment Plan - cont'd.

which the CUCB for such period is less than the CUCB stated for such period shall become payable in order of dates of receipt by the Corporation during the period of time when the CUCB becomes equal to or in excess of the applicable amount slated above. When the CUCB becomes equal to or in excess of the applicable amount for such period, such Separation Payments shall have priority of payment over any other applications for Separation Payments;

- (g) an Employee who enters the Canadian Armed Forces directly from the employ of the Corporation shall while in such service be deemed, for the purposes of the Plan, as on leave of absence and shall not be entitled to any Separation Payment; and
- (h) the determination of eligibility under this Section (1) shall be based upon the reason for the Employee's last separation from the Corporation, except that layoff of an Employee during the probationary period at one Plant while retaining Seniority status at another Plant shall not be disqualifying if the Employee was separated because the Employee was unsuited for, or unable to do, work available.

(2) PAYMENT

- (a) A Separation Payment shall be payable by the Corporation and only in a lump sum.
- (b) DETERMINATION OF AMOUNT
 - (1) The Separation Payment payable to an eligible Employee who shall meet the conditions with respect to layoff set forth in Section (1)(a) of this Plan shall be an amount determined by multiplying
 - (i) the Employee's applicable Base Hourly Rate or Base Weekly Salary divided by 40, by
 - (ii) the applicable Number of Hours' Pay as shown in the following Table:

EXHIBIT A-2 — Separation Payment Plan - cont'd.

Separation Payment Table

<u>Years of Continuous Service On Last Day in Active Service</u>	<u>Number of Hours per Year</u>
1 but less than 2	50
2 but less than 3	70
3 but less than 4	100
4 but less than 5	135
5 but less than 6	170
6 but less than 7	210
7 but less than 8	255
8 but less than 9	300
9 but less than 10	350
10 but less than 11	400
11 but less than 12	455
12 but less than 13	510
13 but less than 14	570
14 but less than 15	630
15 but less than 16	700
16 but less than 17	770
17 but less than 18	840
18 but less than 19	920
19 but less than 20	1000
20 but less than 21	1085
21 but less than 22	1170
22 but less than 23	1260
23 but less than 24	1355
24 but less than 25	1455
25 but less than 26	1560
26 but less than 27	1665
27 but less than 28	1770
28 but less than 29	1875
29 but less than 30	1980
30 and over	2080

(2) If the applicable CUCB as of the date application is received by the Corporation is below \$275, the amount of such Separation Payment shall be reduced by 1% for each full \$2.75 by which the CUCB is less than \$275 as of such date; provided, however, that with respect to Separation Payments deferred because of the CUCB level, the CUCB in effect as of the date the cheque in

EXHIBIT A-2 — Separation Payment Plan - cont'd.

payment of such Separation Payment is issued by the Corporation shall be used in the above computation.

- (3) If an applicant has been paid a prior Separation Payment under Section (2)(b)(1) and hereafter was hired again by the Corporation within 3 years from the last day worked in the Bargaining Unit:

Years of Seniority for purposes of determining the amount of the current Separation Payment shall mean the sum of the Years of Seniority used to determine the amount of the prior Separation Payment plus any other Years of Seniority which were acquired thereafter and which the Employee has on the last day in Active Service with respect to the current Separation Payment and there shall be subtracted from the number of hours' pay based on the Years of Seniority determined as provided in Clause (A) above, the number of hours' pay used to calculate the prior Separation Payment.

- (c) The Corporation shall deduct from the amount of any Separation Payment as computed under this Plan any amount required to be withheld by the Corporation by reason of any law or regulation, for payment of taxes or otherwise, to any federal, provincial, or municipal government. In determining the amount of any applicable tax entailing personal exemptions, the Corporation shall be entitled to rely on the official forms filed by the Employee with the Corporation for purposes of income tax withholding on regular wages.

(3) EFFECT OF SEPARATION PAYMENT ON SENIORITY

An Employee who accepts a Separation Payment shall cease to be an Employee and shall have Seniority cancelled as of the date the application for the Separation Payment was received by the Corporation.

(4) CORPORATION DETERMINATION OF ELIGIBILITY

The Corporation shall promptly determine an Employee's eligibility for a Separation Payment, and the Separation Payment shall be paid or denied in accordance with such determination.

EXHIBIT A-2 — Separation Payment Plan - cont'd.

(5) OVERPAYMENTS

If the Corporation or the Board determines after issuance of a Separation Payment that the Separation Payment should not have been issued or should have been issued in a lesser amount, written notice thereof shall be mailed to the former Employee who shall return the amount of the overpayment of the Corporation. The Corporation shall add the amount of any such overpayment returned by the former Employee to the amount of contributions required under Section (5) of Article VI of the Supplemental Unemployment Benefit Plan.

(6) REPAYMENT

If an Employee is again employed by the Corporation after receiving a Separation Payment, no repayment (except with respect to an overpayment) of the Separation Payment shall be required or allowed and no Seniority cancelled previously shall be reinstated.

(7) CORPORATION REPORTS

(a) The Corporation shall furnish to the Union, quarterly, a listing showing the names of persons who, during the preceding calendar quarter, accepted a Separation Payment provided under the Separation Payment Plan together with the number of Hours' Pay, deductions, gross and net amounts applicable to each such Separation Payment.

(b) UNION COPIES OF APPLICATIONS AND DETERMINATIONS

The Corporation shall furnish promptly to a Union member of the Board of Administration a copy of each application for a Separation Payment and a copy of all Corporation determinations of Separation Payment ineligibility or overpayment.

(8) NOTICE OF APPLICATION TIME LIMITS

The Corporation shall provide written notice of the time limits for filing a Separation Payment application to all who may be eligible for such payment. The notice shall be mailed to the last address on record not later than 30 days prior to both the earliest and the latest date as of which applications may be filed pursuant to the application time limit provision.

EXHIBIT A-2— Separation Payment Plan - cont'd.

(9) GENERAL

- (a) The provisions of these Sections (1) through (11) constitute the entire Separation Payment Plan (hereinafter referred to as the Plan) and express each and every obligation of the Corporation with respect to the financing of the Plan and providing for Separation Payments.

The Board, the Corporation, the Trustee, and the Union, and each of them, shall not be liable because of any act or failure to act on the part of any of the others, and each is authorized to rely upon the correctness of any information furnished to it by an authorized representative of the others. Notwithstanding the above provisions, nothing in this Section shall be deemed to relieve any person from liability for wilful misconduct or fraud.

- (b) No Separation Payment paid under the Plan shall be considered a part of any Employee's wages for any purpose. No person who received any Separation Payment shall for that reason be deemed an Employee of the Corporation during such period.

(10) AMENDMENT AND TERMINATION OF THE PLAN

As long as any Collective Bargaining Agreement of which this Plan as amended is part shall remain in effect, the Plan shall not be amended, modified, suspended, or terminated, except as may be proper or permissible under the terms of the Plan or the Collective Bargaining Agreement. Upon the termination of the Collective Bargaining Agreement, the Corporation shall have the right to continue the plan in effect and to modify, amend, suspend or terminate the Plan, except as may be otherwise provided in any subsequent Collective Bargaining Agreement between the Corporation and the Union.

(11) DEFINITIONS

Any term used herein which has a counterpart that is defined in the Supplemental Unemployment Benefit Plan shall, unless specifically defined herein, have the same meaning, for the purposes of this Plan, as such term has under the Supplemental Unemployment Benefit Plan.

EXHIBIT A-2 — Separation Payment Plan - cont'd.

- (a) "Active Service" - An Employee is in Active Service in any Pay Period for which the Employee draws pay and for the sole purpose of Sections (1)(b) and (2)(b) of this Plan, an Employee shall be deemed also to be in Active Service:
 - (i) while on an authorized vacation,
 - (ii) while on an authorized leave of absence (other than a medical leave) which is limited, when issued, to 90 days or less,
 - (iii) during the first 90 days on a medical leave of absence,
 - (iv) while on a temporary layoff,
 - (v) while on a disciplinary layoff,
 - (vi) while absent without leave up to 5 calendar days from the last day worked,
 - (vii) while on strike.
- (b) "Base Hourly Rate" (excluding cost-of-living allowance and any other premiums) as to an Hourly Employee means:
 - (1) the Employee's straight-time hourly rate on the last day of work in the Bargaining Unit; except, that if the Employee had a higher straight-time hourly rate of record at any time during 13 consecutive weeks ending with the Week which includes the last day worked (hereinafter referred to as the 13 Week Period), Base Hourly Rate shall be such higher rate;
 - (2) the Base Hourly Rate determined under (b)(1) above, shall be adjusted to include the amount of any applicable cost-of-living allowance in effect with respect to the last day worked in the Bargaining Unit.
- (c) "Base Weekly Salary as to a Salaried Employee means:
 - (1) the Employee's weekly salary during the Pay Period in which he last worked in the Bargaining Unit; except that if the Employee had a higher weekly salary of record during the 13 Week Period, Base Weekly Salary shall be such higher weekly salary;
 - (2) the Base Weekly Salary determined under (c)(1) above, shall be adjusted to include the amount of any applicable cost-of-living allowance in effect with respect to the last day worked in the Bargaining Unit.
- (d) "Plan" means the Separation Payment Plan as set forth in this Exhibit A-2.
- (e) "Applicable CUCB" referred to in this Plan is that of the Fund (i.e., the Hourly Fund or the Salary Fund).

EXHIBIT A-3
AUTOMATIC SHORT WEEK **BENEFIT PLAN**

(1) ELIGIBILITY

- (a) An Employee shall be eligible for an Automatic Short Week Benefit for any Week, if:
 - (1) during such Week the Employee had less than 40 Compensated or Available Hours* and (i) performed some work for the Corporation or (ii) for such Week received some jury duty pay or bereavement pay from the Corporation, or (iii) for such Week, received only holiday pay from the Corporation and, for the immediately preceding Week, either received an Automatic Short Week Benefit or had 40 or more Compensated or Available Hours.
 - (2) the Employee had at least 1 year of Seniority as of the last day of the Week (or during some part of such Week had at least 1 year of Seniority and broke Seniority by reason of death or retirement under the provisions of any Corporation pension or retirement benefit plan);
 - (3) the Employee was on a qualifying layoff, as described in Section (2) of Article I of the Supplemental Unemployment Benefit Plan for some part of the Week, or was ineligible as defined under the Collective Bargaining Agreement for pay from the Corporation for all or part of a period of jury duty, bereavement, or short term active duty of 30 days or less because the Employee was called to active service in the Military Reserve by Provincial or Federal authorities in case of public emergency during the Week, and during all or part of such period would otherwise have been on qualifying layoff under the Plan.
- (b) No application for an Automatic Short Week Benefit will be required of an Employee. However, if any Employee believes they are entitled to an Automatic Short Week Benefit for a Week which they did not receive on the date when Automatic Short Week Benefits for such Week are paid, they may file written application therefor within 60 calendar days after such date in accordance with procedures established by the Corporation.
- (c) An Automatic Short Week Benefit payable under this Plan for a Week shall be in lieu of any Regular Benefit payable under the

EXHIBIT A-3 — Automatic Short Week Benefit Plan - cont'd.

provisions of the Supplemental Unemployment Benefit Plan for that Week.

- (c) An Employee who enters the Canadian Armed Forces directly from the employ of the Corporation shall while in such service be deemed, for the purposes of this Plan, as on leave of absence and shall not be entitled to an Automatic Short Week Benefit.

(2) DETERMINATION OF AMOUNT

- (a) The Automatic Short Week Benefit payable to any eligible Employee for any Week shall be an amount equal to the product of the number by which 40 exceeds their Compensated or Available Hours, counted to the nearest tenth of an hour, multiplied by 80% of either their Base Hourly Rate or Base Weekly Salary divided by 40. An Employee, who breaks Seniority during a Week by reason of death or retirement under provisions of any Corporation pension or retirement benefit plan and is eligible for an Automatic Short Week benefit with respect to certain hours of layoff during the Week prior to the date Seniority is broken, will receive an amount computed as provided in this Subsection based on the number by which the hours for which the Employee would regularly have been compensated exceeds Compensated or Available Hours with respect to that part of the Week prior to the date Seniority is broken.
- (b) Notwithstanding any other provisions of this Plan:
 - (1) Any Automatic Short Week Benefit with respect to an Unscheduled Short Work Week shall be reduced by 20%, but in no event to less than \$5.00 by reason of such reduction if:

EXHIBIT A-3 -- Automatic Short Week Benefit Plan - cont'd.

The Week For Which A Benefit Is Paid B e g i n s	The CUCB Applicable To The Week For Which A Benefit Is Paid Is	And As of the Last Day Of The Week For Which Such Benefit Is Paid To The Employee's Continuous Service Is:
Prior to September 23, 1996	\$71.90 -- \$233.36 Below 233.37	1 to 5 years 5 to 20 years
After September 23, 1996 but prior to January 1, 1998	\$74.06 -- \$240.36 Below 240.37	1 to 5 years 5 to 20 years
After December 31, 1997 but prior to January 1, 1999	\$76.28 -- \$247.57 Below 247.58	1 to 5 years 5 to 20 years
After December 31, 1998	\$78.57 -- \$255.00 Below 255.01	1 to 5 years 5 to 20 years

(2) If the applicable CUCB for any Week shall be less than \$71.90 for Weeks beginning prior to September 23, 1996, \$74.06 for Weeks beginning on or after September 23, 1996, but prior to January 1, 1998, \$76.28 for Weeks beginning on or after January 1, 1998, but prior to January 1, 1999, or \$78.57 for Weeks beginning on or after January 1, 1999, no Automatic Short Week Benefit **with respect to an Unscheduled Short Work Week for an Employee with less than 10 years of Continuous Service as of the last day of the Week for, which such Automatic Short Week Benefit is being computed shall be paid at any time.**

(c) The Corporation shall deduct from the amount of any Automatic Short Week Benefit as computed under this Plan any amount required to be withheld by the Corporation by reason of any law or regulation, for payment of taxes or otherwise to any federal, provincial or municipal government. In determining the amount of any applicable tax entailing personal exemptions, the Corporation shall be entitled to rely on the official forms filed by the Employee with the Corporation for purposes of income tax withholding on regular wages.

EXHIBIT A-3 — Automatic Short Week Benefit Plan - cont'd.

(3) METHOD OF PAYMENT

Automatic Short Week Benefits shall be payable by the Corporation.

(4) CORPORATION DETERMINATION OF ELIGIBILITY

The Corporation shall promptly determine the Employee's eligibility for an Automatic Short Week Benefit, and such Automatic Short Week Benefit shall be paid or denied in accordance with such determination. If the Corporation determines that an Employee is not entitled to an Automatic Short Week Benefit with respect to the Week for which application for such Automatic Short Week Benefit is made, it shall notify the Employee promptly, in writing, of the reason(s) for the determination.

(5) OVERPAYMENT

(a) If the Corporation or the Board determines that any Automatic Short Week Benefits paid under this Plan should not have been paid or should have been paid in a lesser amount, written notice thereof shall be mailed to the Employee receiving such Automatic Short Week Benefit(s) who shall return the amount of the overpayment to the Corporation; provided, however, that no such repayment shall be required if the cumulative overpayment is \$3 or less or if notice has not been given within 120 days from the date the overpayment was established or created, except that no such time limitation shall be applicable in cases of fraud or wilful misrepresentation.

(b) If the Employee shall fail to return such amount of overpayment promptly, the Corporation shall arrange to reimburse the Trustee for the amount of overpayment (other than overpayment of Automatic Short Week Benefits paid for Scheduled Short Work Weeks in Pay Periods with respect to which the applicable CUCB is less than \$760) by making a deduction from any future Automatic Short Week Benefits (not to exceed \$20 from any 1 Automatic Short Week Benefit except in cases of fraud or wilful misrepresentation) otherwise payable to such Employee by the Corporation, or to make a deduction from compensation payable by the Corporation to such Employee (not to exceed \$50 from any 1 pay cheque in the case of an Hourly Employee and \$100 in the case of a Salaried Employee except in cases of fraud or wilful misrepresentation), or both. The Corporation is

EXHIBIT A-3 — Automatic Short Week Benefit Plan - cont'd.

authorized to make the deduction from the Employee's compensation as provided under this subsection and to pay the amounts deducted to the Trustee.

- (c) If the Corporation determines that an Employee has received an Automatic Short Week Benefit for any Week with respect to all or part of which the Employee has received an Unemployment Insurance Benefit, the full amount of such Automatic Short Week Benefit, or a portion of such Automatic Short Week Benefit equivalent to the Unemployment Insurance Benefit or that part thereof applicable to such Week, whichever is less, shall be treated as an overpayment in accordance with this Section.

(6) CORPORATION REPORTS

- (a) Not later than the third Tuesday following the first Monday of each month, the Corporation shall furnish to the Union a statement showing the number and amount of Automatic Short Week Benefits, if any, paid by the Corporation during each Week of the preceding month; and with respect to any Week for which the amount of Scheduled Automatic Short Week Benefits are not deductible from Corporation contributions because of the trust fund position, the number and amount of Scheduled and Unscheduled Benefits paid, respectively.
- (b) The Corporation shall furnish promptly to a Union member of the Local Committee a copy of all Corporation determinations of Automatic Short Week Benefit ineligibility or overpayment.

(7) GENERAL

- (a) The provisions of these Sections (1) through (9) constitute the entire Automatic Short Week Benefit Plan (hereinafter referred to as the Plan) and express each and every obligation of the Corporation with respect to financing of this Plan and providing for Automatic Short Week Benefits.

The Board, the Corporation, and the Union, and each of them, shall not be liable because of any act or failure to act on the part of any of the others, and each is authorized to rely upon the correctness of any information furnished to it by an authorized representative of any of the others.

EXHIBIT A-3 — Automatic Short Week Benefit Plan - *cont'd.*

Notwithstanding the above provisions, nothing in this Section shall be deemed to relieve any person from liability for wilful misconduct or fraud.

- (b) No question involving the interpretation or application of the Plan shall be subject to the grievance procedure provided for in the Collective Bargaining Agreement.

(8) AMENDMENT AND TERMINATION OF THE PLAN

So long as the Collective Bargaining Agreement of which this Plan is a part shall remain in effect, the Plan shall not be amended, modified, suspended or terminated, except as may be proper or permissible under the terms of the Plan or the Collective Bargaining Agreement. Upon the termination of the Collective Bargaining Agreement, the Corporation shall have the right to continue this Plan in effect and to modify, amend, suspend or terminate this Plan, except as may be otherwise provided in any subsequent Collective Bargaining Agreement between the Corporation and the Union.

(9) DEFINITIONS

Any term used herein which has a counterpart that is defined in the Supplemental Unemployment Benefit Plan shall, unless specifically defined herein, have the same meaning, for the purposes of this Plan, as such term has under the Supplemental Unemployment Benefit Plan.

As used herein:

- (1) (a) "Base Hourly Rate" (excluding cost-of-living allowance and any other premiums) as to an Hourly Employee means the highest straight-time hourly rate paid an Employee in the Bargaining Unit during the Pay Period in which the Short Work Week occurs;
- (b) "Base Weekly Salary" (excluding cost-of-living allowance and any other premiums) as to a Salaried Employee means the weekly salary rate paid an Employee in the Bargaining Unit during the Pay Period in which the Short Work Week occurs:

EXHIBIT A-3 — Automatic Short Week Benefit Plan - cont'd.

- (c) The Base Hourly Rate or Base Weekly Salary determined under (a) or (b) above shall be adjusted to include:
 - (i) the amount of any applicable cost-of-living allowance in effect with respect to the Week for which the Automatic Short Week Benefit is paid; and
 - (ii) the amount of any wage increase which became effective (pursuant to the Collective Bargaining Agreement) after the day used to establish the Base Hourly Rate or Base Weekly Salary. In such event the amount of increase shall be the amount applicable to the job classification in which the Employee worked on the day for which the Base Hourly Rate or Base Weekly Salary was determined under (a) or (b) above.

- (2) "Compensated or Available Hours" for a Week shall be the sum of:
 - (a) all hours for which an Employee receives pay from the Corporation including, in the case of Hourly Employees, paid absence allowance paid on a casual day basis as provided for in the Vacation Plan section of the Collective Bargaining Agreement but excluding (i) vacation pay except as provided in Section (2)(b) below, and, in the case of Salaried Employees, (ii) vacation pay allocated to the designated vacation weeks in accordance with Section 2(a)(3) of Article II of the Supplemental Unemployment Benefit Plan, with each hour paid at premium rates to be counted as 1 hour; plus

 - (b) all hours represented by vacation pay, including, in the case of Hourly Employees, hours for which an Employee received paid absence allowance paid on other than a casual day basis, pursuant to the Vacation Plan section of the Collective Bargaining Agreement, on the basis that 40 hours, or such fewer hours for which vacation pay was received, shall be applicable to the vacation week to which the Employee is entitled under the Vacation Plan section of the Collective Bargaining Agreement, and the remainder of such vacation hours, if any, shall be applied to any additional week of Corporation designated vacation received by the Employee; plus

EXHIBIT A-3 -Automatic Short Week Benefit Plan - cont'd.

- (c) in the case of Salaried Employees, all hours represented by payments for casual absence or under the Salary Continuation Plan; plus
 - (d) all hours scheduled for or made available to an Employee by the Corporation but not worked after having been given reasonable notice (including any period on leave of absence); provided, however, if the hours made available but not worked were:
 - (i) straight-time hours which the Employee had an option to refuse under the Collective Bargaining Agreement or which the Employee could refuse without disqualification under Section (2)(b)(3) of Article I, or
 - (ii) overtime hours which the Employee was prohibited from working due to written restrictions concerning the number of hours that the Employee could work on a given day or in a given Week, imposed by the Employee's personal physician and concurred in by the Plant Medical Director,
such hours are not to be considered as hours made available by the Corporation; plus
 - (e) all hours not worked by an Employee because of any of the reasons disqualifying the Employee from receiving a Regular Benefit under Section (2)(b)(2) and (2)(b)(4) of Article I of the Supplemental Unemployment Benefit Plan; plus
 - (f) all hours not worked by the Employee which are in accordance with a written agreement between Plant Management or their designated representative and the Plant Shop Committee or which are attributable to the absenteeism of other Employees.
 - (g) effective for Weeks with respect to which the Employee has 1 or more Years of Continuous Service, Compensated or Available Hours as determined under this Definition (2) will exclude any hours of overtime except overtime hours worked or made available on the day a Short Shift occurs.
- (3) "Plan" means the Automatic Short Week Benefit Plan as set forth in this Exhibit A-3.

EXHIBIT **A-3** -Automatic Short Week Benefit Plan - **cont'd.**

- (4) "Short Shift" means a work day or shift in which an Employee has less than 8 hours compensated or available.
- (5) "Week" when used in connection with eligibility for and computation of Automatic Short Week Benefits with respect to an Employee means a Short Work Week.

LETTERS

(A-1) SUB PAYMENT INFORMATION
— REPORTING REQUIREMENTS

This is to confirm our understanding that the Corporation will furnish information weekly to the Financial Secretary of each Local Union as soon as practicable concerning the names of employees who receive Regular Benefits under the Supplemental Unemployment Benefit Plan and the amount of such Regular Benefits.

(A-2) BENEFIT CONTINUATION

This will confirm our understanding that if the Supplemental Unemployment Benefit Plan (hereinafter called the "Plan") should terminate as provided for in Section (2) of Article VII of the Plan because of revocation of the governmental rulings referred to in that Section, or if as contemplated by Section (3) of Article VII of the Plan supplementation should no longer be permitted by rulings from Canadian governmental authorities or by amendments of the Employment Insurance Act, Separation Payments and Automatic Short Week Benefits shall continue to be paid during the period the Plan is being amended or renegotiated as necessary to obtain the required governmental rulings, but in no event beyond one year from the date of termination of the Plan.

The amount of Separation Payments and Automatic Short Week Benefits paid during any period when the Plan is not in effect shall be recovered by the Corporation by offsetting such amount against future Corporation contributions required under Section (5)(a) or (b) and (d) of Article VI to the appropriate Fund under the Plan after it has been amended and reinstated, or, if not reinstated, against the money which the Corporation would be obligated to pay under Section 2 of the Agreement Covering The Supplemental Unemployment Benefit Plan, The Separation Payment Plan, and The Automatic Short Week Benefit Plan.

Any term used in this letter which is defined in the Plan shall have the same meaning herein as in the Plan, unless the context clearly indicates otherwise.

LETTERS - cont'd.

(A-3) AVERAGE FULL BENEFIT CALCULATION

For purposes of calculating the Average Full Benefit the number and amount of Full Regular Benefits paid from the Fund for the second week of the Waiting Period under unemployment insurance shall not be used in the calculation of the Average Full Benefit Rate. The number and amount of such Benefits shall be reported separately from other Full Benefits on the monthly SUB report.

(A-4) INTERPRETATION OF SUB PLAN LANGUAGE REGARDING WORKERS' COMPENSATION BENEFITS

During the current negotiations the Union expressed some concern regarding a possible interpretation of the provisions of Article I, Section (2)(b)(4)(i) of the SUB Plan which could result in denying a Regular Benefit or Automatic Short Week Benefit to an otherwise eligible Employee who is claiming a benefit under a Workers' Compensation law while not totally disabled. This is to advise you that the provisions of Article I, Section (2)(b)(4)(i) of the Plan will not be interpreted to disqualify an Employee on layoff from Regular Benefits or Automatic Short Week Benefits solely because the Employee is eligible for or claiming a permanent partial or scheduled loss benefit under a Workers' Compensation law or law providing benefits for occupational injury or disease so long as the injury or disease does not prevent the Employee from working.

(A-5) MEMORANDUM ACCOUNT

The contributions made by the Corporation to the Memorandum Account under the agreement contained in a letter dated November 5, 1976 from the Corporation addressed to and accepted by the National Union, (CAW-Canada), shall continue to be maintained by the Corporation in the Memorandum Account during the term of this Agreement.

Under the Supplemental Unemployment Benefit Plan as amended by the Agreement regarding Supplemental Unemployment Benefit Plan incorporated in the collective bargaining agreements dated today's date between the Corporation and the Union, Maximum Funding for the Salary Fund is determined by using a multiplier of nine (9) in connection with the Average Full Benefit Rate and the specified average number of employees. Notwithstanding such provision, the Corporation will make a calculation, on each date that it makes a contribution to the Salary Fund

LETTERS - cont'd.

pursuant to the Plan, of the amount it would have contributed if a multiplier of twelve (12) had been used instead of nine (9) in determining Maximum Funding. The Corporation will accumulate in a Memorandum Account the additional amounts it would have contributed to the Salary Fund through using a multiplier of twelve (12).

In addition, on each date that the Corporation makes a contribution to the Salary Fund, the Corporation will increase the balance of the Memorandum Account by an amount equal to \$0.01 multiplied by the number of hours used in calculating any Corporation contributions required under Subsection (5)(b)(2) of Article VI of the Plan.

The balance in the Memorandum Account shall not be used in determining contributions to the Salary Fund but shall be used in determining additions to the Memorandum Account. For purposes of Section (3) of Article VI of the Plan, the balance in such Memorandum Account shall be added to the current market value of the total assets in the Salary Fund in each determination of a CUCB for the Salary Fund.

The Corporation shall have no obligations to contribute the amount in the Memorandum Account to the Salary Fund unless and until the assets in the Salary Fund, before making any contributions at the time otherwise payable under Section (5)(f) of Article VI of the Plan, become less than the amount required to pay the Regular Benefit in the full amount that would be otherwise due and payable. If such event should occur, the Corporation will contribute to the Salary Fund an amount equal to the lesser of (i) the amount which together with the assets in the Salary Fund (before making any contributions at the time otherwise payable under Section (5)(f) of Article VI of the Plan) will be sufficient to pay such Regular Benefits in the full amount that would be otherwise due and payable, or (ii) the balance at the time in the Memorandum Account. The amount so contributed shall be deducted from the balance in the Memorandum Account for all calculations made thereafter under this letter.

The Corporation will provide the Union with monthly reports showing, for the Memorandum Account, the relevant items for which it provides monthly SUB data.

This letter and the Memorandum Account shall terminate on the expiration date of the Collective Bargaining Agreements in which the Plan is incorporated by reference, and (1) the multiplier in effect immediately prior to such termination shall be changed from nine (9) to

LETTERS - cont'd.

twelve (12), (2) the amount then in the Memorandum Account shall be contributed by the Corporation to the Salary Fund at that time, or on such later date as may be agreed upon by the Corporation and the Union, and (3) the Regular Contributions schedule shall be increased by \$.01 for each hour for which regular contributions are made. Should this letter terminate for any reason before the expiration date of the Collective Bargaining Agreements, the Corporation shall immediately contribute the amount then in the Memorandum Account to the Salary Fund, and the Plan shall be amended to increase the multiplier referred to above from nine (9) to twelve (12) and increase the Regular Contributions schedule by \$.01 per hour for each hour for which regular contributions are payable.

Any term which is defined in the Plan and which is used in this letter shall have the same meaning in this letter as it has in the Plan.

(A-6) SUB PLAN UNDERSTANDING!;

This will confirm the following understandings between the Corporation and the Union in regard to the SUB Plan incorporated in the Collective Bargaining Agreement between us dated as of the date of this letter.

1. Reporting of Credit: Unit **Balance** on Pay Cheque
In lieu of the annual statement requirements under Article VI, Section (8)(k) of the Plan, an Employee's current Credit Unit balance shall be shown on each weekly or bi-weekly pay cheque stub. Employees not receiving either pay cheque or SUBenefit drafts during the latter part of a calendar year will be furnished an annual statement of Credit Unit balance.
2. **Local** Union Notification of Credit Unit Cancellation Rates
The Corporation will furnish to the Union member of the Local SUB Committee the applicable CUCB for periods for which the number of Credit Units to be cancelled upon receipt of a Benefit by an Employee with one to five years of Continuous Service is greater than 1.00.
3. Determination of Date **SUBenefit** Overpayment **Established** or Created
For purposes of compliance with the 120 day time limit established by Article II, Section (5) of the Plan for notifying Employees of any SUBenefit overpayment which results solely from a Corporation

LETTERS - *cont'd.*

error in calculating a SUBenefit, such 120 day period shall be determined as beginning on the date of issue of the SUBenefit draft or cheque involved. Any term which is defined in the Plan and which is used in this letter shall have the same meaning as it has in the Plan.

(A-7) DETERMINING A QUALIFYING LAYOFF IN THE EVENT OF SEVERE WEATHER

During negotiations you requested an explanation as to how Corporation determinations are made that employees are or are not on a qualifying layoff, within the meaning of Article I, Section (2) of the Supplemental Unemployment Benefit Plan, in the event of severe weather constituting an act of God.

In making these decisions the Corporation considers the following factors:

- Weather conditions in relation to normally expected weather for the area and the experience of local government agencies and the population in dealing with such weather.
- Existence of legally enforceable government directive affecting a substantial number of employees, that any motorist will receive a substantial fine for any driving in the affected area.
- Disaster area declarations.
- Weather related experience of other area employers (especially any other automotive manufacturers in the area).
- Road closings in the vicinity of the facility which prevent reasonable access to the facility.
- Effect of severe weather on the facility, e.g., collapsed walls, power outages, inability to move stock, etc.
- School closings.
- Airport closings.
- Government office closings.
- Postponement or cancellation of public or private events.
- Shutdown or serious weather-related impairment of rail and truck transportation.
- Attendance and tardiness patterns in the plant and other Corporation facilities in the area.

No single factor in and of itself may be determinative. These factors are considered as a whole based on a reasonable assessment. The critical determination is the impact of the severe weather, based on the pertinent factors listed above, on employees and facilities.

LETTERS - cont'd.

It was also agreed by the parties during these negotiations that an employee who reports for work on a day for which a Corporation determination is made that a qualifying layoff, by reasons of severe weather, exists with respect to employees in such plant who did not report for work, all hours worked by such reporting employee will be disregarded in calculating Compensated or Available hours for the Week and such employees shall be deemed to be on qualified layoff for the shift.

(A-8) NON BARGAINING UNIT TO BARGAINING UNIT TRANSFERS

During negotiations, the Corporation and the Union discussed the access to SUB for an Employee whose status changed from non-Bargaining Unit to Bargaining Unit as the result of a Unit becoming newly organized.

The parties agreed that in instances when a Unit not having a significant number of employees becomes newly organized, an Employee of such Unit will have non-Bargaining Unit SUB Credit Units transferred to the Bargaining Unit Salary or Hourly Fund, as appropriate, but in no event will this Employee have more than 52 Credit Units (104 Credit Units for Employees with 10 or more Years of Seniority) credited, including any Credit Units earned subsequent to the status change.

(A-9) COMBINED IMP / VTEP LIABILITY

During the 1990 negotiations the parties discussed the structuring of the two separate maximum Corporation liability amounts for the Income Maintenance Benefit Plan and the Voluntary Termination of Employment Benefit Plan.

The parties agreed that in the event that anticipated utilization of one benefit alternative relative to the other results in a significant imbalance in the remaining liability amounts relative to anticipated benefits, the parties will meet to discuss the appropriateness of making adjustments within the combined total Fund liabilities of the Plans to ensure that employee benefit demands can be met.

**(A-10) UNRECOVERED ACA / GBA FROM THE
1989 BRAMPTON-BRAMALEA SUB PLAN**

Notwithstanding the provisions of Article VI, Section 5(h) of the SUB Plan, this will confirm our understanding that the recovery from Corporation contributions of the outstanding amounts accrued under

LETTERS - cont'd.

Article VI, Section 5(c) (ACA) and Section 5(e) (GBA) of the 1989 Brampton-Bramalea SUB Plan, and not recovered during the term of the 1989 SUB Plan will be recovered from Corporation contributions made under the provisions of the 1990 merged SUB Plan beginning on or after January 1, 1993.

(A-1) CREDIT UNIT CANCELLATION AGREEMENT

Notwithstanding the provisions of Article III, Section 4 of the SUB Plan, this will confirm our understanding that for the period ending January 1, 1993, credit units will be cancelled at a rate not greater than one credit unit per SUBenefit paid.

In order to ensure that the CUCB does not fall to a level at which more than one credit unit per SUBenefit paid would be cancelled, for employees with between one and five years seniority, the Corporation will make available up to \$1,000,000 from a Contingency Benefit Account (CBA) to be used to make contributions to the SUB Fund in an amount sufficient to keep the market value of the SUB Fund at a level of not less than \$13,900,000 during the period ending January 1, 1993.

In the event that CBA contributions are insufficient to keep the market value of the SUB Fund at \$13,900,000, and notwithstanding the provisions of Article VI, Section 5(e) of the SUB Plan, the Corporation will make available up to \$2,000,000 from the Advance Credit Account (ACA) in order to keep the market value at such a level.

The CBA and any outstanding balance will cease to exist as of January 1, 1993, however recovery of ACA contributions shall be in accordance with the provisions of Article VI, Section 5(h)(iv) of the SUB Plan beginning on and after January 1, 1993 until such amount is fully recovered.

(A-12) SUB PLAN INTENT

The parties acknowledge that the intent under the SUB plan is to provide SUE benefits that initially "top-up" Unemployment Insurance Compensation. The parties further acknowledge that historically the payment of Regular Benefits has followed this approach. The Company and Union representatives agree that in the future Regular Benefits will continue to be determined in this manner.

LETTERS - cont'd.

In the event that it is determined that this intent has been purposely circumvented (i.e., initial application for Regular Benefits is made after exhaustion of Unemployment Insurance Benefits) the Unemployment Insurance maximum benefit at the time of SUB application will be deducted from Regular Benefits,

**(A-13) SUB PLAN CONTRIBUTIONS BASED ON
SHORT WORK WEEK BENEFITS PAID**

During these negotiations the Corporation and the Union agreed that the Corporation Contribution to the SUB Plan based on Short Work Week Benefits paid (Article VI, Section (5)(d)(1)) will be discontinued effective with the week ending September 19, 1993. The Contribution payable in January 1994 will be the lesser of the balance outstanding as of September 19, 1993 or the Contribution, if any, that would have been required based on the year end balance for the entire 1993 calendar year.

Notwithstanding the above, the Contribution previously required under Article VI, Section (5)(d)(1) will continue to be calculated and will be added to Contributions required under the Advance Credit Account (ACA) provisions of the SUB Plan (Article VI, Section (5)(e)(2)) should the contributions from the ACA made and not yet recovered equal the maximum available (\$17,500,000).

At the expiration of this Agreement any balance calculated but not yet required to supplement ACA in accordance with the above paragraph will be eliminated.

**(A-14) PLANT CHANGEOVERS IN
EXCESS OF 3 MONTHS**

During these negotiations the parties discussed a method to support payment of SUBenefits during plant changeovers that exceed 3 months in duration.

The parties agreed that the Corporation will provide additional contributions to the SUB Fund in an amount equal to the value of Regular Benefits paid to employees laid off as a result of a plant changeover for the period that exceeds 3 months in duration.

LETTERS - cont'd.

These additional contributions will be subject to the following conditions:

- (1) No additional contributions will be provided if the Percentage Relationship of Fund Assets to Maximum Funding is greater than 40%.
- (2) Total additional contributions will not exceed \$5.0M per plant changeover.

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%.

**(A-15) SUB CONTRIBUTIONS BASED ON THE
INCOME MAINTENANCE PLAN (IMP)
MAXIMUM LIABILITY ACCOUNT**

During these negotiations the parties agreed that if after any required contributions are made to the SUB Fund, the applicable SUB fund does not have assets to pay Regular Benefits otherwise due and payable under the Plan to employees with 5 or more years of Continuous Service, the Corporation shall make an additional contribution to the applicable Fund equal to the lesser of:

- i) an amount sufficient to pay such Regular Benefits; or
- ii) (a) an amount equal to the Maximum Corporation Liability Amount as provided for under Section 14(c) of the Income Maintenance Benefit Plan, less
(b) the sum of contributions previously made under the terms of this agreement plus all benefits paid under the IMP Plan.

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%.

Contributions made and not yet recovered under this Agreement, to the extent that they create an imbalance between the remaining liability amounts between the IMP Plan and the Voluntary Termination of Employment Plan will be disregarded when considering adjustments within the combined total Fund liabilities of the Plans.

EXHIBIT B -
INCOME MAINTENANCE BENEFIT PLAN AND
VOLUNTARY TERMINATION OF EMPLOYMENT PLAN

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EXHIBIT B
SUPPLEMENTAL AGREEMENT COVERING THE
INCOME MAINTENANCE BENEFIT PLAN (Exhibit B-1)
AND
VOLUNTARY TERMINATION OF EMPLOYMENT PLAN (Exhibit B-2)

On this 17th day of September, 1996, Chrysler Canada Ltd., hereinafter referred to as the Corporation, and CAW Locals 444, 1498 and 195 at Windsor, 1090 at Ajax, 1459 at Etobicoke and 1285 at Bramalea and the National Automobile, Aerospace, Transportation and General Workers Union of Canada, (CAW-Canada), said Local Unions and National Union, (CAW-Canada), hereinafter referred to jointly as Union, on behalf of the employees covered by the Collective Bargaining Agreement of which this Supplemental Agreement becomes a part, agree as follows:

SECTION 1. ESTABLISHMENT OF THE PLANS

- (a) This Agreement covering the Income Maintenance Benefit Plan (Exhibit B-1), and the Voluntary Termination of Employment Plan (Exhibit B-2), shall become effective on the first Monday coincident with or immediately following the effective date of the Collective Bargaining Agreement of which this Agreement is a part.
- (b) The Income Maintenance Benefit Plan and the Voluntary Termination of Employment Plan, which are attached as Exhibits B-1 and B-2 to this Supplemental Agreement (Exhibit B) between the parties dated September 17, 1996, will be established as set forth in Exhibits B-1 and B-2 attached hereto, effective as of September 23, 1996 except as otherwise specified in this Agreement and the Plans* and maintained by the Corporation for the duration of the Collective Bargaining Agreement of which this Agreement is a part, subject to the terms and conditions of such Plans attached to this Agreement as Exhibits B-1 and B-2.

*The definitions of Section 19 of Exhibit B-1 are applicable to this Agreement as if fully set forth herein.

SECTION 2. TERMINATION OF THE PLANS PRIOR TO EXPIRATION DATE

In the event the Income Maintenance Benefit Plan shall not become effective by reason of Section 5 of this Agreement or if the rulings described in Section 5 shall be revoked or modified in such manner so as to no longer be satisfactory to the Corporation, notice of such event shall be provided to the Union within five working days, and all obligations of the Corporation under this Agreement and the Income Maintenance Benefit Plan and the Voluntary Termination of Employment Plan shall cease and the Plans shall thereupon terminate and be of no further effect.

Thereafter the parties shall negotiate for a period of sixty days, or a mutually satisfactory longer period, from the date of notice to the Union of receipt of such unfavourable rulings, with respect to adopting a program adhering as closely as possible to the language and intent of the provisions outlined in Exhibit B-1 for which favourable rulings may be obtained.

SECTION 3. OBLIGATIONS DURING TERM OF THIS AGREEMENT

During the term of this Agreement, neither the Corporation nor the Union shall request any change in, deletion from, or addition to the Income Maintenance Benefit Plan or the Voluntary Termination of Employment Plan or this Agreement; or be required to bargain with respect to any provision or interpretation of such Plans or this Agreement; and during such period no change in, deletion from or addition to any provision, or interpretation, of such Plans or this Agreement, nor any dispute or difference arising in any negotiations pursuant to Section 2 of this Agreement, shall be an object of, or a reason or cause for, any action or failure to act, including, without limitation, any strike, slowdown, work stoppage, lockout, picketing or other exercise of economic force, or threat thereof, by the Union or the Corporation.

**SECTION 4. TERM OF AGREEMENT:
NOTICE TO MODIFY OR TERMINATE**

This Agreement shall remain in full force and effect without change until 11:59 p.m., September 14, 1999. As of that date this Agreement may be terminated, modified, changed, or continued, subject to and in accordance with the terminal provisions of the Collective Bargaining Agreement of which this Agreement is a part.

Anything herein which might be construed to the contrary notwithstanding, however, it is understood that termination of this Agreement under this Section shall not have the effect of automatically terminating the Income Maintenance Benefit Plan or the Voluntary Termination of Employment Plan which shall continue only for eligible Employees laid off during the term of the Collective Bargaining Agreement.

Any notice under this Section shall be in writing and shall be sufficient to the Union if it is sent by mail addressed to the National President, National Automobile, Aerospace and Agricultural Implement Workers Union of Canada, (CAW-Canada), 205 Placer Court, Willowdale, Ontario, or to such other address as the Union shall furnish to the Corporation in writing; and to the Corporation to the Vice-President Human Resources, Chrysler Canada Ltd., Windsor, Ontario, or to such other address as the Corporation shall furnish to the Union, in writing.

SECTION 5. GOVERNMENTAL RULINGS

- (a) This Agreement and the Income Maintenance Benefit Plan and the Voluntary Termination of Employment Plan incorporated in Exhibits B-1 and B-2 hereof shall not be effective prior to receipt by the Corporation of rulings, satisfactory to the Corporation, from Canadian governmental authorities:
- (1) permitting Supplementation as defined in the Income Maintenance Benefit Plan, and
 - (2) from the Minister of National Revenue holding that the Income Maintenance Benefit Plan is acceptable to the Minister of National Revenue as a "registered supplemental unemployment benefit plan" under the provisions of Section 145 of the Canadian Income Tax Act, Chapter 63, SC 1970-71-72, as amended, now in effect or as hereafter may be amended during the term of this Supplemental Agreement.
- (b) The Corporation shall apply promptly for the rulings described in subsection (a) of this Section.
- (c) Notwithstanding any other provisions of this Agreement or the Income Maintenance Benefit Plan or the Voluntary Termination of Employment Plan, the Corporation, with the consent of the National President, National Automobile, Aerospace and Agricultural Implement Workers Union of Canada, (CAW-Canada), may, during the term of this Agreement, make revisions in such Plans not inconsistent with the purposes, structure, and basic provisions thereof which shall be necessary to obtain or maintain any of the rulings referred to in subsection (a) of this Section 5 or in Section 18 of the Income Maintenance Benefit Plan. Any such revisions shall adhere as closely as possible to the language and intent of the provisions outlined in such Plans.
- (d) In the event that rulings acceptable to the Corporation are not obtained, or having been obtained shall be revoked or modified so as to be no longer satisfactory to the Corporation, and it is determined by the Corporation that the Income Maintenance Benefit Plan cannot become effective without such rulings, the Corporation, within five working days after receipt of notice of disapproval, will give written notice thereof to the Union and this Agreement, the Income Maintenance Benefit Plan and the Voluntary Termination of Employment Plan shall thereupon have no force or effect, in which event Section 2 of this Agreement shall apply.

SECTION 6. GENERAL PROVISIONS

r.

(a) Board of Administration

(1) Establishment

There shall be established a Board of Administration (hereinafter referred to as the Board) consisting of six members, three of whom shall be appointed by the Corporation (hereinafter referred to as the Corporation members), and three of whom shall be appointed by the Union (hereinafter referred to as the Union members). Either the Corporation or the Union at any time may remove a member appointed by it and may appoint a member to fill any vacancy among the members appointed by it. Both the Corporation and the Union shall notify each other in writing of the members respectively appointed by them before any such appointments shall be effective.

The Corporation and Union members of the Board shall appoint an impartial third person to act as an Impartial Chairperson who shall serve until such time as requested to resign by three members of the Board. In the event that the Corporation and Union members of the Board are unable to agree upon an Impartial Chairperson, the Minister of Labour shall make the selection; provided, however that such appointee shall be a jurist of repute. The Impartial Chairperson shall be considered a member of the Board and shall vote only on matters within the Board's authority to determine where the other members of the Board shall have been unable to dispose of the matter by majority vote, except that the Impartial Chairperson shall have no vote concerning determinations made in connection with Section 14 of the Income Maintenance Benefit Plan.

(2) Powers and Authority of the Board

- (i) It shall be the function of the Board to exercise ultimate responsibility for determining whether an Employee is eligible for IMP Benefits under the terms of the Income Maintenance Benefit Plan or a Payment under the terms of the Voluntary Termination of Employment Plan, and, if so, the amount of the IMP Benefit or Voluntary Termination of Employment Payment. The Board shall be presumed conclusively to have approved any initial determination by the Corporation unless the determination is appealed as prescribed in this Section 6.

SECTION 6. General Provisions - cont'd.

- (ii) The Board shall be empowered and authorized and shall have jurisdiction to:
 - (aa) hear and determine appeals by Employees pursuant to this Section 6;
 - (bb) obtain such information as the Board shall deem necessary in order to determine such appeals;
 - (cc) prescribe the form and content of appeals to the Board and such detailed procedures as may be necessary with respect to the filing of such appeals;
 - (dd) direct the Corporation to pay IMP Benefits or Voluntary Termination of Employment Payments pursuant to determinations made by the Board;
 - (ee) prepare and distribute, on behalf of the Board, information explaining the Plans;
 - (ff) make any determination with respect to reducing the amount of IMP Benefits or Voluntary Termination of Employment Payments in connection with the status of the Maximum Corporation Liability Amount as provided for under Section 14(c)(2) of the Income Maintenance Benefit Plan. The Impartial Chairperson of the Board shall have no authority to participate in any such discussions or to vote to reduce any IMP Benefits or Voluntary Termination of Employment Payments; and
 - (gg) perform such other duties as are expressly conferred upon it by this Agreement.
- (iii) In ruling upon appeals, the Board shall have no authority to waive, vary, qualify, or alter in any manner the eligibility requirements set forth in the Income Maintenance Benefit Plan or the Voluntary Termination of Employment Plan, the procedure for applying for IMP Benefits or Voluntary Termination of Employment Payments as provided herein, or any other provisions of the Plans; and shall have no jurisdiction other than to determine, on the basis of the facts presented and in accordance with the provisions of the Plans:
 - (aa) whether the appeal to the Board was made within the time and in the manner specified in this Section 6,
 - (bb) whether the Employee is an eligible Employee with respect to the Plans, and, if so,
 - (cc) the amount of any IMP Benefit or Voluntary Termination of Employment Payment payable.

SECTION 6. General Provisions - cont'd.

- (iv) The Board shall have no jurisdiction to act upon any appeal not made within the time limit and in the manner specified in this Section 6.
- (v) The Board shall have no jurisdiction to determine questions arising under the Collective Bargaining Agreement, even though relevant to the issues before the Board. All such questions shall be determined through the regular procedures provided therefor by the Collective Bargaining Agreement, and all determinations made pursuant to such Agreement shall be accepted by the Board.
- (vi) Nothing in this Section or in the Plans shall be deemed to give the Board the power to prescribe in any manner internal procedures of operations of either the Corporation or the Union.
- (vii) The Board shall make recommendations to the Corporation with respect to the Corporation's establishment of rules, regulations and procedures for carrying out the Corporation's duties under the Plans as provided for under Section 1 l(a) of the Income Maintenance Benefit Plan, and the Corporation shall give consideration to such Board recommendations.
- (viii) The Board may provide for a Local Committee at a Facility of the Corporation. The Local Committee shall be composed of 2 members designated by the Corporation members of the Board and 2 members designated by the Union members of the Board. Appointments to the Local Committee shall become effective when the members' names are exchanged in writing between the Union and the Corporation. Either the Corporation or the Union members of the Board may remove a Local Committee member appointed by them and fill any vacancy among the Local Committee members appointed by them.

Any individual appointed by the Union as a member of a Local Committee shall be an Employee having Seniority at the Facility where, and at the time when, the Employee is to serve as a member of the Local Committee.

In addition to their regularly appointed Local Committee members, the Union members of the Board may name 1 additional Employee, who qualifies under the above, as an alternate Local Committee member to serve during temporary specified periods when the Local Committee member is absent from the Facility during scheduled working hours and unable to

SECTION 6. *General Provisions - cont'd.*

serve on the Committee. The Corporation members of the Board may also name 1 alternate Local Committee member to serve during temporary specified periods. The alternate Local Committee member may serve on the Local Committee when the party desiring the alternate member to serve gives notice, locally, to the other party of such temporary service and the period thereof.

(3) Quorum; Voting

To constitute a quorum for the transaction of business, there shall be required to be present at any meeting of the Board at least two Union members and two Corporation members. At all meetings of the Board the Corporation members shall have a total of three votes and the Union members shall have a total of three votes; the vote of any absent member being divided equally between the members present appointed by the same party. Except on matters with respect to which the Income Maintenance Benefit Plan or the Voluntary Termination of Employment Plan specifies otherwise, decisions of the Board shall be by a majority of the votes cast, with the Impartial Chairperson empowered to cast the deciding vote in cases where there shall have been a tie vote.

(4) Compensation and Expenses

The compensation of the Impartial Chairperson, which shall be in such amount and on such basis as may be determined by the other members of the Board, shall be shared equally by the Corporation and the Union. The Corporation members and the Union members of the Board or any Local Committee shall serve without compensation. Reasonable and necessary expenses of the Board for forms and stationery required in connection with the handling of appeals shall be borne by the Corporation.

(5) Liability of Members of the Board

The Board and any member thereof shall be entitled to rely upon the correctness of any information furnished by the Union or the Corporation. Neither the Board nor any of its members, nor the Union, nor any officer of or any other representative of the Union, nor the Corporation, nor any officer of or any other representative of the Corporation, shall be liable because of any act or failure to act on the part of the Board, or any of its members, to any person whatsoever, except that nothing

SECTION 6. General Provisions - cont'd.

herein shall be deemed to relieve any such individual from liability for their own fraud or bad faith.

- (6) Anything herein which might be construed to the contrary notwithstanding, however, it is understood that the members of the Board of Administration and the members and alternate of the Local Committees provided for under this Section 6(a) of this Agreement shall be the same persons as those appointed to similar positions under Article V, Sections (2)(a) and (2)(b)(7) of the SUB Plan.
- (b) Appeal Procedures for Benefits
- (1) Applicability of Appeal Procedure
The appeal procedure set forth in this Section may be employed only for the purposes specified in this Section.
 - (2) Procedure for Appeals
 - (i) An Employee may appeal from the Corporation's written determination with respect to the payment or denial of an IMP Benefit or Voluntary Termination of Employment Payment by filing a written appeal with the Board on a form provided for that purpose.
 - (ii) Such appeal shall be filed in writing within 30 days following the date of mailing of the determination appealed. With respect to an appeal that is mailed, the date of filing shall be the postmarked date of the appeal. No appeal filed after such 30-day period will be valid.
 - (iii) Such appeals shall specify the respects in which the Plan(s) is claimed to have been violated, and shall set forth the facts relied upon as justifying a reversal or modification of the determination appealed from.
 - (iv) The handling and disposition of each appeal to the Board shall be in accordance with regulations and procedures established by the Board. Such regulations and procedures shall provide that in situations where a number of Employees either have applied for and were denied an IMP Benefit or Voluntary Termination of Employment Payment or were paid such Benefit or Payment and believe that they were entitled to such payment in a greater amount, under substantially identical conditions, an appeal may be filed with respect to one of

SECTION 6. General Provisions - cont'd.

such Employees and the decision of the Board thereof shall apply to all such Employees.

- (v) The Employee or the Union members of the Board may withdraw an appeal to the Board at any time before it is decided by the Board.
- (vi) There shall be no appeal from the Board's decision. It shall be final and binding upon the Union, its members, the Employee, and the Corporation. The Union shall discourage any attempt of its members to appeal, and shall not encourage or cooperate with any of its members in any appeal, to any court or administrative agency from a decision of the Board, nor shall the Union or its members by any other means attempt to bring about the settlement of any claim or issue on which the Board is empowered to rule hereunder.
- (vii) The Employee shall be advised, in writing, by the Board of the disposition of any appeal.

(c) Notice Copies to Union

Copies of the Corporation notices issued to employees concerning ineligibility for an IMP Benefit or Voluntary Termination of Employment Payment will be furnished to the Union.

(d) Maximum Corporation Liability Amounts

- (1) The Maximum Corporation Liability Amount as provided for under Section 14(c) of the Income Maintenance Benefit Plan shall be an amount equal to \$40,000,000 for hourly employees and \$1,776,500 for salaried employees, reduced by the amount of any benefits payable under the Income Maintenance Benefit Plan for layoffs occurring during the term of the 1990 and 1993 Collective Bargaining Agreements. In the event such benefit payments cause the Maximum Corporation Liability Amount to be exhausted, the Corporation will restore such Maximum Corporation Liability Amount by the amount of such benefit payments.
- (2) The Maximum Corporation Liability Amount as provided under Section 7 of the Voluntary Termination of Employment Plan shall be an amount equal to \$40,000,000 for hourly employees and \$1,762,000 for salaried employees, reduced by the amount of any benefits payable under the Voluntary

SECTION 6. General Provisions - cont'd.

Termination of Employment Plan for layoffs occurring during the term of the 1990 and 1993 Collective Bargaining Agreements. In the event such benefit payments cause the Maximum Corporation Liability Amount to be exhausted, the Corporation will restore such Maximum Corporation Liability Amount by the amount of such benefit payments.

SECTION 7. MISCELLANEOUS

Notwithstanding the provisions of the Income Maintenance Benefit Plan, the provisions of Section 11, Powers and Authority of Corporation, Section 13, Application and Determination of Eligibility, Section 15, Nonalienation of Benefits and Section 16, Miscellaneous, shall to the extent practicable, be equally applicable under the Voluntary Termination of Employment Plan.

In witness hereof, the parties hereto have caused this Agreement to be executed this 17th day of September, 1996.

EXHIBIT B-I
INCOME MAINTENANCE BENEFIT PLAN

SECTION 1. GENERAL

The Income Maintenance Benefit Plan is designed to promote employment stability and avoid layoffs. The Plan provides a weekly income payment and insurance coverage, subject to the terms, conditions and limitations contained herein (including the definitions contained in Section 19 hereof), for eligible Employees who become laid off from the Corporation on or after the Effective Date and during the term of the Collective Bargaining Agreement.

SECTION 2. ELIGIBILITY FOR AN IMP BENEFIT

An Employee at Work on or after the Effective Date and laid off during the term of the Collective Bargaining Agreement shall be eligible for an IMP Benefit for any Week beginning on or after September 23, 1996, if with respect to such Week the Employee meets all of the following conditions:

- (a) Was, for the entire Week, on a qualifying layoff as described in Section 3 and such Week occurs within the IMP Benefit Period immediately following the last Week for which the Supplemental Unemployment Benefit was paid that exhausted the Employee's entitlement for Supplemental Unemployment Benefits for the qualifying period of layoff.
- (b) Had at least 5 Years of Seniority under the terms of the Collective Bargaining Agreement, on the last day the Employee Worked prior to the effective date of such layoff and such Years of Seniority had not been broken on or prior to the last day of the Week.
- (c) Has no credit units under the SUB Plan or any other "SUB" Plan of the Corporation and after the qualifying layoff for IMP Benefits has had no credit units cancelled under Article III, Section (3)(d) of the SUB Plan for willfully misrepresenting any material fact in connection with an application for benefits under the SUB Plan; provided, however, that if the Employee has credit units under the SUB Plan or any other "SUB" Plan of the Corporation but the Regular Benefit would be delayed under the SUB Plan for any Week because of exhaustion of the Advance Credit Account and the Guaranteed Benefit Account under the SUB Plan and low SUB

SECTION 2. Eligibility For An IMP Benefit - cont'd.

Plan trust fund position, an eligible Employee may elect to begin receipt of IMP Benefits, in which event the Employee must elect that all remaining credit units shall thereupon be cancelled under the SUB Plan and any other "SUB" Plan of the Corporation.

- (d) Has not received on or after the Effective Date a separation payment under the Separation Payment Plan (or any other "Separation Payment" Plan of the Corporation), unless the Employee returns to Work and thereafter Works 5 years and thereby becomes eligible for any future IMP Benefits that may be available.
- (e) Is either
 - (1) working with a subsequent employer;
 - (2) meets the requirement of able and available for work, utilized by the Canada Employment Centre, for purposes of the receipt of an Unemployment Insurance Benefit and meets the eligibility requirements other than minimum number of qualifying weeks for such Unemployment Insurance Benefit for such Week even though the Employee may have exhausted such Benefits;
 - (3) is participating in a jointly approved vocational training program; or
 - (4)
 - (i) becomes wholly and continuously disabled after such otherwise qualifying layoff began, and
 - (ii) remains wholly and continuously disabled for a period of more than one Week (the period of eligibility shall not include the first Week of such disability), and
 - (iii) is under a doctor's care;provided, however, that such eligibility while disabled shall cease when the Employee becomes eligible for a disability retirement benefit under the Retirement Plan. If the Employee has exhausted Unemployment Insurance Benefits, any reporting requirements associated with Unemployment Insurance Benefit eligibility will not apply under this paragraph.
- (f) Except when eligible while disabled under subsection (e)(4) of this Section, maintains an active registration for such Week with the Canada Employment Centre for purposes of locating employment opportunities.
- (g) Reports on a Timely Basis, as required, to the Corporation:

SECTION 2. Eligibility For An IMP Benefit - cont'd.

- (1) Income from Other Sources,
 - (2) Statutory Benefits,
 - (3) evidence of active registration with the Canada Employment Centre,
 - (4) changes in employment status.
- (h) Provides the Corporation or governmental agencies, as required, with any waivers, releases and reasonable evidence that may be required by such agencies or the Corporation for purposes of verifying the Employee's eligibility for and amount of IMP Benefits.
- (i) Has made an application for IMP Benefits in accordance with procedures established by the Corporation.

SECTION 3. CONDITIONS WITH RESPECT TO LAYOFF

- (a) A layoff for purposes of this Plan includes any Seniority layoff except an inverse Seniority layoff resulting from a reduction in force, including a layoff resulting from the discontinuance of a Facility or an operation, and any layoff occurring or continuing because the Employee was unable to do the work offered by the Corporation, although able to perform other work in the Facility to which the Employee would have been entitled if the Employee had sufficient Seniority.
- (b) An Employee's layoff for any Week shall be deemed qualifying for purposes of this Plan only if:
- (1) such layoff was for the entire Week;
 - (2) such layoff was from the Bargaining Unit;
 - (3) such layoff was not for disciplinary reasons, and was not a consequence of:
 - (i) any strike, slowdown, work stoppage, picketing (whether or not by Employees), or concerted action, at a Corporation Facility or Facilities, or any dispute of any kind involving Employees, whether at a Corporation Facility or Facilities or elsewhere,
 - (ii) any fault attributable to the Employee,
 - (iii) any war or hostile act of a foreign power (but not government regulation or controls connected therewith),
 - (iv) sabotage (including but not limited to arson) or insurrection,
 - (v) any act of God, or

SECTION 3. Conditions With Respect To Layoff - cont'd.

- (vi) the sale of a Corporation Facility to another employer and the Employee did not receive an offer of employment from the new employer;
- (4) the Employee is not eligible to retire under any Corporation pension or retirement program;
- (5) at a time when the Employee was on an otherwise qualifying layoff for purposes of this Plan or after having been advised that the Employee would be placed on such a layoff in the future, the Employee did not refuse or fail to appear for an employment interview or related pre-employment physical examination (unless for Good Cause) or refuse any offer of employment (including employment with the Corporation outside the Bargaining Unit) which the Employee was then capable of performing at another Corporation Facility, or at the Corporation Facility where the Employee last Worked, the acceptance of which could have avoided, delayed or reduced the period of the layoff that otherwise would have qualified the Employee for IMP Benefits, except that until 2 years immediately following the Employee's last day Worked, or if less, the last day of eligibility for a regular Supplemental Unemployment Benefit, the Employee may refuse an offer which the Employee has a right to refuse under the Collective Bargaining Agreement in which the Employee has Seniority, and still remain eligible for a regular benefit under the SUB Plan.

If the employment or employment interview which was refused is at a different Corporation Facility which is more than 80 kilometers from the Employee's address of record for purposes of the Plan and from the Corporation Facility where the Employee last worked or is currently working for the Corporation, the Employee shall not be ineligible hereunder unless with respect to an employment offer the Corporation shall have offered to pay a Relocation Allowance, or with respect to an employment interview, the Corporation offers to pay reasonable expenses actually incurred to attend the interview; provided, however, that an otherwise eligible Employee may refuse either a Corporation offer of employment in a Province other than the Province in which the Corporation Facility where the Employee last worked or is currently working for the Corporation is located, or a temporary part-time position with the Corporation and with respect to either such refusal will remain eligible for IMP Benefits; and

SECTION 3. Conditions With Respect To Layoff - cont'd.

- (6) the Employee retains Years of Seniority under the Collective Bargaining Agreement.

SECTION 4. DESCRIPTION OF IMP BENEFITS

An Employee eligible for IMP Benefits, in accordance with Section 2 of this Plan, is entitled to an IMP Income Benefit and to IMP Insurance Coverage as provided in this Section, and reduced as provided in this Section and in Section 5, until the Employee's eligibility for such Benefits is terminated, or until the Maximum Corporation Liability Amount, as defined in Section 14(c), has been reached.

(a) IMP Income Benefit

- (1) At the time of layoff an income level will be calculated for each Employee who thereafter may be eligible for an IMP Income Benefit. For eligible Employees, the income level will equal 60% of Weekly Before-Tax Base Earnings, as of the Employee's last day Worked prior to the qualifying layoff.
- (2) The gross amount of the IMP Income Benefit payable to an eligible Employee will equal the income level reduced by offsets provided under Section 5 of the Plan.

(b) IMP Insurance Coverage

An Employee who is eligible to receive IMP Benefits will receive IMP Insurance Coverage, as determined in accordance with this paragraph, until termination of IMP Benefits. The IMP Insurance Coverage consists of Health Care and Life and Accidental Death and Dismemberment Insurance.

SECTION 5. IMP INCOME BENEFIT OFFSETS

- (a) The IMP Income Benefit described in Section 4(a) is reduced by gross income or payments that an Employee receives or is eligible to receive from the following sources:
 - (1) Statutory Benefits,
 - (2) Income from other Sources in excess of the greater of the amount disregarded as earnings by Unemployment Insurance or 20% of such Income received or receivable (except disability, termination and supplemental unemployment benefit pay will be offset at 100%); provided, however, that with respect to a Week for which an Employee has received an Unemployment Insurance "waiting period" credit, the reduction for Income from other Sources shall be such amount in excess

SECTION 5. IMP Income Benefit Offsets - cont'd.

- of the greater of an amount equal to 25% of the Employee's Unemployment Insurance benefit rate or 20% of such Income received or receivable by the Employee for such Week,
- (3) The amount of any pay in lieu of notice of termination of employment, mass termination or plant closing or similar payment required under Federal or Provincial law.
- (b) In addition, an Employee's outstanding debts to the Corporation or trustees of any Corporation benefit plan or program, and an Employee's unrepaid overpayments under the SUB Plan shall be offset against IMP Income Benefits. The amount of IMP Income Benefits that are offset by SUB overpayments or outstanding debts to the Corporation or trustees of any Corporation plan or program, shall be paid to the Corporation or trustee of the SUB Plan fund or other Corporation plan or program, as applicable.

**SECTION 6. RELATIONSHIP BETWEEN
GOVERNMENTAL REQUIRED SEPARATION OR
SEVERANCE PAY AND PLAN BENEFITS**

The IMP Benefits described in Section 4 shall be applied to reduce the amount of any separation, severance payment or similar payment required by Federal or Provincial law by reason of any plant closing.

SECTION 7. DURATION OF IMP BENEFITS

- (a) The period for which IMP Benefits are payable to an eligible Employee under this Plan (hereinafter referred to as the IMP Benefit Period) shall be a period of consecutive Weeks equal in number to the number of IMP Units credited to the Employee under the provisions of Section 7(b) below, beginning the week immediately following the last Week for which the Employee received a supplemental unemployment benefit under the SUB Plan and with respect to which the Employee exhausted Credit Units under the SUB Plan or following such Week the Employee elected to cancel Credit Units under the provisions of Section 2(c) of this Plan.
- (b) Upon the Employee's exhaustion of SUB Plan Credit Units, the Employee will be credited with 52 IMP Units under this Plan in accordance with the following table:

SECTION 7. Duration of IMP Benefits - cont'd.

<u>Employee's Years of Seniority* on Last Day Worked Prior to Qualifying Layoff for IMP Benefits</u>	<u>Number of IMP Units Credited</u>
5 - 6	26
6 - 7	32
7 - 8	38
8 - 9	45
9 and over	52

*Fractional Years of Seniority shall be disregarded

- (c) IMP Units will be cancelled for each and all IMP Income Benefits paid to the Employee under this Plan in the same manner as, and at a rate equal to the credit unit cancellation rate that would have applied to the Employee in accordance with Years of Seniority for, credit units under the SUB Plan for the payment of a supplemental unemployment benefit paid for the first Week for which the Employee is eligible for an IMP Benefit under this Plan.
- (d) Any IMP Units remaining to the Employee's credit at the end of the Employee's IMP Benefit Period and after the expiration of the IMP Benefit application time limit for the final Week of the Employee's IMP Benefit Period, will be permanently forfeited.

SECTION 8. TERMINATION OF IMP BENEFIT!;

An Employee's eligibility for IMP Benefits will permanently terminate (even though the Employee may not have applied for or yet become eligible to receive IMP Benefits for any period) upon the earliest of:

- (a) Death,
- (b) Retirement,
- (c) Acceptance of a Voluntary Termination of Employment Payment as provided under the Voluntary Termination of Employment Plan,
- (d) Acceptance of a separation payment under the Separation Payment Plan (or any other "Separation Payment" Plan of the Corporation),

SECTION 8. Termination of IMP Benefits - cont'd.

- (e) Refusal of or failure to appear for an employment interview or related pre-employment physical examination, (unless for Good Cause), or refusal to accept any offer of employment which the Employee is capable of performing (including employment with the Corporation outside the Bargaining Unit) at any Corporation Facility (except that refusal of an offer which the Employee has a right to refuse under the Collective Bargaining Agreement in which the Employee had Seniority within two years from the last day at Work, or if less, the last day of eligibility for a regular SUB Plan benefit, will not terminate eligibility hereunder); provided that if the employment or interview is at a different Corporation Facility which is more than 80 kilometers from the Employee's address of record for purposes of the Plan and the Corporation Facility where the Employee last worked for the Corporation, the Corporation offers to pay a Relocation Allowance, or with respect to an employment interview, the Corporation offers to pay reasonable expenses actually incurred to attend the interview. Refusal of either a Corporation offer of employment in a Province other than the Province where the Corporation Facility at which the Employee last worked or is currently working for the Corporation is located, or a temporary part-time position with the Corporation, shall not terminate an otherwise eligible Employee's eligibility under the Plan,
- (f) Failure of an Employee to Report on a Timely Basis, the following information to the extent the information would offset IMP Benefits:
 - (1) Income from Other Sources;
 - (2) Statutory Benefits;
 - (3) Changes in Employment status,
- (g) Refusal of an Employee, otherwise eligible for IMP Benefits, to apply for a Statutory Benefit that would or could offset IMP Benefits following a request by the Corporation to apply for such benefit,
- (h) Loss of Years of Seniority for any reason,
- (i) Failure of an Employee to file an application for Corporation employment in accordance with the Employment Application Procedure and any pertinent letter(s) attached to the Collective Bargaining Agreement in accordance with the application procedure established pursuant to the provisions of the letter(s); provided, however, that failure to apply with respect to employment in a Province other than the one in which the Corporation Facility at which the Employee last worked is located, will not cause termination of the Employee's IMP Benefit entitlement under the Plan.

SECTION 9. IMP BENEFIT OVERPAYMENTS

- (a) If the Corporation or the Board determines that any benefit paid under the Plan should not have been paid or should have been paid in a lesser amount, written notice thereof shall be mailed to the Employee receiving such benefit and the Employee shall return the amount of the overpayment to the Corporation; provided, however, that no such repayment shall be required if the cumulative overpayment is \$3 or less, or if notice has not been given within 120 days from the date the overpayment was established and the overpayment was caused solely by Corporation error.
- (b) If the Employee shall fail, within 30 calendar days following receipt or attempted delivery of notice of such overpayment, to return the overpayment to the Corporation, the Employee's future IMP Benefits will be reduced by such IMP Benefit overpayment; provided, however, that the Corporation shall include in such overpayment notice a statement that eligibility for IMP Benefits will be so reduced. The Corporation shall have the right to make or arrange to have made deductions for such overpayments from any present or future amounts which are or become payable by the Corporation to such Employee.

SECTION 10. WITHHOLDING TAX

The Corporation shall deduct from the amount of any payment under the Plan any amount required to be withheld by the Corporation by reason of any law or regulation, for payment of taxes or otherwise, to any federal, provincial or municipal government.

In determining the amount of any applicable tax entailing personal exemptions, the Corporation shall be entitled to rely on the official form filed by the Employee with the Corporation for purposes of income tax withholding.

SECTION 11. POWERS AND AUTHORITY OF THE CORPORATION

- (a) Corporation Powers
The Corporation shall have such powers and authority as are necessary and appropriate in order to carry out its duties under the Plan, including, without limitation, the power to:
 - (1) obtain such information as it shall deem necessary to carry out its duties under the Plan;
 - (2) investigate the correctness and validity of information furnished with respect to an application for an IMP Benefit;

SECTION 11. Powers and Authority of the Corporation - **cont'd.**

- (3) make initial determinations with respect to IMP Benefits;
 - (4) establish reasonable rules, regulations and procedures concerning:
 - (i) the manner in which and the times and places at which an application shall be filed for IMP Benefits,
 - (ii) the form, content and substantiation of the application for IMP Benefits;
 - (iii) the allocation of Statutory Benefits and Income from Other Sources that are not directly attributable to specific Weeks for purposes of determining IMP Benefits;
 - (5) determine the amount of Corporation funds that have been expended under the Plan to ensure that the Maximum Corporation Liability Amount, as defined under Section 14(c), will not be exceeded;
 - (6) establish appropriate procedures for giving notices required to be given under the Plan;
 - (7) establish and maintain necessary records;
 - (8) furnish the Union an annual report for each calendar year as to Corporation expenditures counted against the Maximum Corporation Liability Amount; and
 - (9) prepare and distribute information explaining the Plan.
- (b) Corporation Authority
Nothing contained in the Plan shall be deemed to qualify, limit or alter in any manner the Corporation's sole and complete authority and discretion to establish, regulate, determine or modify at any time levels of employment, hours of work, the extent of hiring and layoff, production schedules, manufacturing methods, the products and parts thereof to be manufactured, where and when work shall be done, marketing of its products, or any other matter related to the conduct of its business or the manner in which its business is to be managed or carried on, in the same manner and to the same extent as if the Plan were not in existence; nor shall it be deemed to confer upon the Union any voice in such matters.
- (c) Applicable Law
The Plan and all rights and duties thereunder shall be governed, construed and administered in accordance with the laws of the Province of Ontario, the Income Tax Act and the administrative rules of Revenue Canada, except that the eligibility of an Employee for, and the amount and duration of Unemployment Insurance

SECTION 11. Powers and Authority of the Corporation - cont'd.

Benefits shall be determined in accordance with the Unemployment Insurance Act of Canada.

SECTION 12. NON-APPLICABILITY OF COLLECTIVE BARGAINING AGREEMENT GRIEVANCE PROCEDURE

No matter respecting the Plan shall be subject to the grievance procedure established in the Collective Bargaining Agreement between the Corporation and the Union.

SECTION 13. APPLICATION AND DETERMINATION OF ELIGIBILITY

(a) IMP Benefits

(1) Application Procedure

(i) Filing Applications

An application for an IMP Benefit may be filed, either in person or by mail, in accordance with procedures established by the Corporation. No application for an IMP Benefit shall be accepted unless it is submitted to the Corporation within 60 calendar days after the end of the Week with respect to which it is made.

(ii) Application Information

Application for IMP Benefits shall be in writing and shall include any information deemed relevant by the Corporation with respect to the determination of the Employee's eligibility for and amount of IMP Benefits and the determination of offsets to such benefits as provided under Section 5 of the Plan.

(2) Determination of Eligibility

When an application is filed for an IMP Benefit and the Corporation is furnished with the evidence and information as required, the Corporation shall have initial responsibility for determining eligibility.

(b) Relocation Allowance

A Relocation Allowance shall be provided under the Plan to help defray the moving costs incurred by eligible Employees and their families relocating as a result of accepting a job offer from the Corporation. A Relocation Allowance will, be payable after the Employee reports and begins work at the Corporation Facility to which relocated, provided the following conditions of eligibility are satisfied:

SECTION 13. Application and Determination of Eligibility - cont'd.

- (1) the Corporation offered a Relocation Allowance and the Corporation Facility to which the Employee relocates is more than 80 kilometers from the Employee's address of record for purposes of the Plan and from the Corporation Facility where the Employee last worked or is currently working for the Corporation; and
 - (2) as a result of the relocation, the Employee changes permanent residence; and
 - (3) the Employee applies for a Relocation Allowance within 1 year of the date the Employee was scheduled to begin work at the Facility to which the Employee has relocated; and
 - (4) the Employee has applied for and received (or is eligible to receive) any statutory relocation, moving or similar payment or allowance under any applicable law, rule or regulation; and
 - (5) the Employee is not eligible to receive a relocation allowance or similar payment for the same relocation under the Collective Bargaining Agreement or under any other plan or program of the Corporation;
- provided, however, that only one Relocation Allowance will be payable in situations where more than one member of a family living in the same residence, is also an Employee being relocated to the same Corporation Facility.
- (c) Notice of Denial
If the Corporation determines that an Employee is not entitled to IMP Benefits or to a Relocation Allowance, it shall notify the Employee promptly, in writing, of such determination, including the reasons therefor, and of the Employee's right to appeal.

SECTION 14. FINANCIAL PROVISIONS AND LIABILITY

- (a) All IMP Benefits shall be payable by the Corporation.
- (1) Any payments made by the Corporation are subject to, and limited by, in the aggregate, the Maximum Corporation Liability Amount as defined under subsection (c) of this Section.
 - (2) If the Corporation at any time shall be required to withhold any amount from IMP Income Benefits by reason of any federal or provincial law or regulation, the Corporation shall have the right to charge such amount against the amount of the Maximum Corporation Liability Amount as defined under subsection (c) of this Section.

SECTION 14. Financial Provisions and Liability - cont'd.

(b) IMP Benefit Cheques Not Presented

If a payment is made under the Plan and the amount of the payment is not claimed within a period of 2 years from the date such payment was made, the amount shall revert to the Corporation and such amount will be credited to the Plan's Maximum Corporation Liability Amount.

(c) Liability

(1) The Plan applies only to eligible Employees laid off on or after the Effective Date and during the term of the Collective Bargaining Agreement. The Corporation's total financial liability for the cost of the Income Maintenance Benefit Plan including payments of IMP Income Benefits (including amounts paid to the trustee of the Supplemental Unemployment Benefit Plan and amounts owed to the Corporation or trustees of other Corporation plans or programs which were offset against the IMP Income Benefit under Section 5), IMP Insurance Coverages, any taxes or contributions imposed on the Corporation by reason of paying IMP Benefits, any Relocation Allowance or interview expenses provided in conjunction with the Plan, and any taxes which reduce IMP Benefits and are paid to the appropriate tax authority by the Corporation, shall be limited to the Maximum Corporation Liability Amount.

(2) If it appears the Maximum Corporation Liability Amount will be reached before all Employees cease eligibility for IMP Benefits, the issue may be discussed by the Corporation and Union and a determination made whether to reduce the amount of IMP Benefits to provide for an equitable means for distribution of the Corporation's remaining obligations.

SECTION 15. NONALIENATION OF BENEFITS

Except as otherwise provided under Section 5 and Section 9 of this Plan, no IMP Benefit shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution, or encumbrance of any kind, and any attempt to accomplish the same shall be void.

In the event that the Corporation shall find that such an attempt has been made with respect to any such IMP Benefit due or to become due to any Employee, the Corporation in its sole discretion may terminate the interest of such Employee in such IMP Benefit and apply the amount of

SECTION 15. Nonalienation of Benefits - cont'd.

such IMP Benefit to or for the benefit of such Employee, the Employee's spouse, parents, children or other relatives or dependents as the Corporation may determine, and any such application shall be a complete discharge of all liability with respect to such IMP Benefit.

SECTION 16. MISCELLANEOUS

- (a) IMP Benefits shall be payable hereunder only to the Employee who is eligible therefor, except that if the Corporation shall find that such an Employee is deceased and has not received all IMP Benefits payable prior to termination by death or is unable to manage their affairs for any reason, any such IMP Benefit payable to the Employee shall be paid to the Employee's duly appointed legal representative, if there be one, and if not, to the spouse, parents, children or other relatives or dependents of such Employee as the Corporation in its discretion may determine. Any IMP Benefit so paid shall be a complete discharge of any liability with respect to such IMP Benefits. In the case of death, no IMP Benefit shall be payable with respect to any period following the Employee's death.
- (b) An Employee's IMP Benefits will not be terminated nor will the Employee be deemed ineligible for IMP Benefits for refusal of, or failure to appear for, an employment interview, or refusal to accept employment where such employment, at the time of such refusal or failure, would have been in a bargaining unit at a location at which a strike, lockout or other labour dispute is or was in progress and the Employee would not have been disqualified for Unemployment Insurance Benefits by such action.

SECTION 17. AMENDMENT AND TERMINATION OF THE PLAN

So long as Exhibit E1, Supplemental Agreement covering the Income Maintenance Benefit Plan, shall remain in effect and subject to Section 14(c), the Plan shall not be amended, modified, suspended, or terminated, except as may be proper or permissible under the terms of the Plan or such Agreement.

Upon the termination of such Exhibit B, Supplemental Agreement, the Corporation shall have the right to continue the Plan in effect and to modify, amend, suspend, or terminate the Plan, except as may be otherwise provided in any subsequent agreement between the Corporation and the Union, and except that the Plan shall continue for

SECTION 17. Amendment and Termination of the Plan - **cont'd.**

eligible Employees laid off during the Collective Bargaining Agreement and eligible for IMP Benefits hereunder, subject to Section 14(c).

SECTION 18. EFFECT OF REVOCATION OF
GOVERNMENTAL RULINGS

- (a) If any ruling which may be obtained by the Corporation holding that payments under the Plan constitute currently deductible expenses under the Canadian Income Tax Act, Chapter 63, S.C. 1970-71-72, as amended, as now in effect or as hereafter may be amended, or under any other applicable federal or provincial income tax law, shall be revoked or modified in such manner so as to be no longer satisfactory to the Corporation, all obligations of the Corporation under the Plan shall cease and the Plan shall thereupon terminate and be of no further effect (without in any way effecting the validity or operation of the Collective Bargaining Agreement).
- (b) **Supplementation of Unemployment Insurance Benefits**
If Supplementation is no longer permitted by rulings from Canadian governmental authorities, or by amendments of the Unemployment Insurance Act, the parties shall endeavour to negotiate an agreement establishing a plan for benefits not inconsistent with the purposes of the Plan.

SECTION 19. DEFINITIONS

As used herein:

- (1) "Act of God" under the Plan shall have the same meaning as it has for a qualifying layoff under the SUB Plan.
- (2) "Bargaining Unit" means a unit of Employees covered by the Collective Bargaining Agreement.
- (3) "Base Hourly Rate" means the straight-time hourly rate, including cost-of-living allowance, but excluding all other premiums and bonuses of any kind, of an Employee on the last day at Work in the Bargaining Unit prior to layoff, except that if the Employee was paid at a higher straight-time hourly rate in 1 or more Bargaining Units at any time during the 13 consecutive Weeks ending with the Week which includes the last day worked, Base Hourly Rate shall be such higher rate.

SECTION 19. Definitions - cont'd.

- (4) "Canada Employment Centre" means the federal agency responsible for the administration of:
 - (i) benefits provided under any federal or provincial laws to persons on account of their unemployment;
 - (ii) programs to identify employment opportunities; or
 - (iii) training or education programs that may assist an individual in qualifying for better paying employment opportunities.
- (5) "Collective Bargaining Agreement" means the currently effective collective bargaining agreement between the Corporation and the Union which incorporates this Plan by reference.
- (6) "Corporation" means Chrysler Canada Ltd.
- (7) "Effective Date" means September 23, 1996.
- (8) "Employee" means a full-time employee in a Bargaining Unit covered by the Plan, including such a person laid off from Corporation employment in such a Bargaining Unit and who is eligible for an IMP Benefit except that an "Employee at Work" means a full-time employee in such a Bargaining Unit who receives pay for regular hours scheduled by the Corporation and Worked within such a Bargaining Unit on or after the Effective Date.
- (9) "Employment Application Procedure" means any procedures by which an Employee may file an application for employment with the Corporation under the Collective Bargaining Agreement as well as any other hiring agreements negotiated between the Corporation and the Union as contained in any local Agreement. Such applications are to be filed within twelve (12) months after the last day worked prior to layoff.
- (10) "Facility" shall be deemed to include any manufacturing or assembly plant, works, parts depot, or other Corporation activity or location in or out of which an Employee Works.
- (11) "Good Cause" for refusing to interview or failing to appear for an interview or related physical examination or failing to file a timely application under the Employment Application Procedure, is deemed to exist if there is a justifiable reason, determined in accordance with a standard of conduct expected of an individual acting as a reasonable person in light of all the circumstances. Justifiable reasons include, but are not limited to, the following:

SECTION 19. Definitions - cont'd.

- (i) Acts of God that prevent an individual from getting to an interview or related physical examination;
 - (ii) Personal physical incapacity;
 - (iii) Death occurring in the Employee's immediate family which could have otherwise been covered as bereavement time under the Collective Bargaining Agreement if the Employee were at Work in the Bargaining Unit; and
 - (iv) Jury duty.
- (12) "Health Care" means health care coverages as specified in Article VIII of the Insurance Program. Coverage shall not include Dental Benefits.
- (13) "Income from Other Sources" means any income by reason of or related to any employment (for example, wages, tips, commission, bonuses, vacation pay, disability pay, supplemental unemployment compensation and termination pay) of the Employee.
- (14) "IMP Benefit" means an IMP Income Benefit and IMP Insurance Coverage, provided to an eligible Employee under the provisions of this Income Maintenance Benefit Plan.
- (15) "IMP Income Benefit" means the income benefit payable for a Week to an eligible Employee under Section 4(a) of the Plan which is subject to offset in accordance with Section 5.
- (16) "IMP Insurance Coverage" means Health Care coverages and Life and Accidental Death and Dismemberment Insurance coverage provided to eligible Employees under the Plan as defined in subsection 4(b) of the Plan.
- (17) "Life and Accidental Death and Dismemberment Insurance" means Life Insurance coverage as specified in Article III of the Insurance Program. Coverage shall not include Sickness and Accident or Extended Disability coverage.
- (18) "Maximum Corporation Liability Amount" means the established amount, expressed in dollars, of the Corporation's total financial liability for the cost of this Plan under the provisions of Section 14(c) of this Plan.
- (19) "Plan" means the Income Maintenance Benefit Plan as set forth in this Exhibit B-1.

SECTION 19. Definitions - cont'd.

- (20) "Relocation Allowance" means an amount equal to the amount provided under the Relocation Allowance Plan, Exhibit D to the Collective Bargaining Agreement, less any statutory relocation, moving allowance or similar payment paid or payable under any applicable law, rule or regulation.
- (21) "Reports on a Timely Basis" or "Report on a Timely Basis" means that the Employee must fully furnish the information required to establish eligibility for and the amount of any IMP Benefits within 60 calendar days after the end of the Week with respect to which IMP Benefits are sought and with respect to any additional information requested by the Corporation within 60 days of such Corporation request, unless the Employee can demonstrate that the information was furnished at the earliest time when it could be obtained with diligence or that the failure was clearly inadvertent. Failure to report earnings from any subsequent employment or any Unemployment Insurance Benefits will not be considered inadvertent. Upon discovery that the Employee failed to furnish certain information required, clearly through inadvertence, the Employee shall promptly furnish the information.
- (22) "Retirement" means retirement regardless of age or type, under the Pension Plan established by agreement between the Corporation and the Union or any other pension plan or retirement program maintained by the Corporation.
- (23) "Seniority" means seniority status under terms of the Collective Bargaining Agreement as of the date of a layoff qualifying for IMP Benefits hereunder.
- (24) "Separation Payment Plan" means the Separation Payment Plan, Exhibit A-2 to the Collective Bargaining Agreement.
- (25) "Statutory Benefits" means payments which the Employee receives or which without a means test would be available (upon application if necessary) as a result of federal, provincial, or municipal laws, regulations or statutes, including, without limitation, such income received or receivable as an Unemployment Insurance Benefit, or benefits under the Canada or Quebec Pension Plan, governmental pensions, and Weekly lost-time benefits under Workers' Compensation; provided, however, that Statutory Benefits shall not include amounts which would be available to the Employee, but which the Employee has not received, and which require a means

SECTION 19. Definitions - cont'd.

test in order to be eligible. The foregoing are intended to be examples only and do not limit the types of present or future Statutory Benefits which shall be offset under the Plan.

- (26) "SUB Plan" means the Supplemental Unemployment Benefit Plan, Exhibit A-1; the Separation Payment Plan, Exhibit A-2 or the Automatic Short Week Benefit Plan, Exhibit A-3, as applicable, to the Collective Bargaining Agreement.
- (27) "Supplementation" means recognition of the right of a person to receive both an Unemployment Insurance Benefit and an IMP Income Benefit under the Plan for the same Week of layoff at approximately the same time and without reduction of the Unemployment Insurance Benefit because of the payment of the IMP Income Benefit under the Plan.
- (28) "Unemployment Insurance Benefit" means an employment insurance benefit as defined by the Canadian Employment Insurance Act.
- (29) "Union" means National Automobile, Aerospace, Transportation and General Workers Union of Canada, (CAW-Canada) and CAW Locals 444, 1498, 195, 1090, 1459 and 1285 at Bramalea.
- (30) "Voluntary Termination of Employment Payment" means a payment of a benefit under the Voluntary Termination of Employment Plan.
- (31) "Voluntary Termination of Employment Plan" means the Voluntary Termination of Employment Plan, Exhibit B-2 to the Collective Bargaining Agreement.
- (32) "Week" when used in connection with eligibility for and computation of IMP Benefits with respect to an Employee, means a period of layoff equivalent to a Work Week. "Work Week" means 7 consecutive days beginning on Monday at the regular starting time of the shift to which the Employee is assigned, or was last assigned immediately prior to being laid off, or other appropriate 7 day period.
- (33) "Weekly Before-Tax Base Earnings" means an amount equal to an Employee's Base Hourly Rate as of the last day Worked prior to layoff, including cost-of-living allowance but excluding all other premiums and bonuses of any kind, multiplied by 40.

SECTION 19. Definitions - cont'd.

- (34) "Work" or "at Work" or "Worked" means receiving pay for regular hours scheduled by the Corporation and worked within the Bargaining Unit.
- (35) "Years (or Year) of Seniority" means for all purposes of this Plan and for those purposes only, the longest Seniority an Employee has in any Bargaining Unit except that in determining an Employee's "longest Seniority", if the Employee has Seniority (or if, while in Active Service as defined under the SUB Plan, the Employee acquires Seniority) in a Bargaining Unit at the time Seniority is broken in another Bargaining Unit under the time for time provisions of the Collective Bargaining Agreement or because the Employee refuses recall at such other Bargaining Unit, or if Seniority is broken in a Bargaining Unit because the Employee quits to respond to recall to another Bargaining Unit, such lost Seniority shall be included in "Years of Seniority".

EXHIBIT B-2
VOLUNTARY TERMINATION OF EMPLOYMENT PLAN

An Employee otherwise eligible for IMP Benefits under the Income Maintenance Benefit Plan may elect to receive a Voluntary Termination of Employment Payment in lieu of future IMP Benefits.

SECTION 1. ELIGIBILITY

An Employee at Work on or after the Effective Date shall be eligible for a Voluntary Termination of Employment Payment if the Employee shall meet the conditions set forth in either (a), (b), or (c) below:

- (a) the Employee has at least 5 Years of Seniority under the terms of the Collective Agreement and is terminated from the active employment rolls of the Corporation as defined in the Supplemental Unemployment Benefit Plan applicable to Employees in the Employee's Bargaining Unit, with eligibility for a Voluntary Termination of Employment Payment pursuant to step (6) of the provisions for plant closing, multi-plant site or step (6) of the provisions for permanent job loss in the parties' understandings dated September 17, 1996 concerning benefit entitlements in restructuring actions, under the terms and conditions set forth in such understandings; or
- (b) the Employee is on a qualifying layoff for purposes of the Supplemental Unemployment Benefit Plan applicable to Employees in the Employee's Bargaining Unit, and
 - (1) had at least 5 Years of Seniority under the terms of the Collective Agreement on the last day the Employee Worked prior to the effective date of such layoff and such Years of Seniority have not been broken prior to the date of the Employee's application for a Voluntary Termination of Employment Payment,
 - (2) has not received on or after the Effective Date and subsequent to the effective date of such layoff a Separation Payment under the Separation Payment Plan applicable to Employees in the Employee's Bargaining Unit (or any other "Separation Payment" Plan of the Corporation), unless the Employee returns to Work and thereafter Works 5 years and thereby becomes eligible for any future Voluntary Termination of Employment Payments that may be available,

SECTION 1. Eligibility - cont'd.

- (3) is at the time the Employee shall apply for a Voluntary Termination of Employment Payment not eligible to receive a monthly pension or a monthly retirement benefit other than a deferred pension or a deferred retirement benefit under any other Corporation plan or program then in effect and at the time such layoff became effective did not meet the minimum age and Credited Service requirements for, or was not offered, Special Early Retirement under the Non Contributory Pension Plan applicable to Employees in the Employee's Bargaining Unit,
 - (4) has not been on layoff from the Bargaining Unit for a continuous period of 24 months (36 months in the case of an Employee who has 10 or more Years of Seniority as of the Employee's last day worked prior to layoff), and
 - (5) has to the Employee's credit a credit unit or fraction thereof under the Supplemental Unemployment Benefit Plan applicable to Employees in the Employee's Bargaining Unit and elects to (i) cancel all the Employee's remaining credit units under such Supplemental Unemployment Benefit Plan and any other "SUB" Plan of the Corporation and (ii) waive any prospective eligibility the Employee may otherwise have for IMP Benefits under the Income Maintenance Benefit Plan in order to elect a Voluntary Termination of Employment Payment; or
- (c) the Employee is otherwise eligible for IMP Benefits under Section 2 of the Income Maintenance Benefit Plan, and
- (1) is at the time the Employee shall apply for a Voluntary Termination of Employment Payment ineligible to receive a monthly pension or a monthly retirement benefit other than a deferred pension or a deferred retirement benefit under any other Corporation plan or program then in effect and at the time the Employee's layoff became effective did not meet the minimum age and Credited Service requirements for, or was not offered, Special Early Retirement under the Non Contributory Pension Plan applicable to Employees in the Employee's Bargaining Unit,
 - (2) has not refused any employment interview or offer of work by the Corporation pursuant to any of the conditions set forth in

SECTION 1. Eligibility - cont'd.

Section 3(b)(5) of the Income Maintenance Benefit Plan on or after the last day the Employee Worked for the Corporation and prior to the date of which the Employee makes application, and

- (3) has made application for Voluntary Termination of Employment Payment prior to the last day of the Week with respect to which the Employee's final Week of Income Maintenance Benefit entitlement applies and as of such application date has unbroken Years of Seniority under the Plan.

SECTION 2. DETERMINATION OF AMOUNT AND PAYMENT

- (a) Subject to the Maximum Corporation Liability Amount defined in Section 7 a Voluntary Termination of Employment Payment shall be payable by the Corporation and only in a lump sum.
- (b) The Voluntary Termination of Employment Payment payable to an eligible Employee who shall meet the conditions of eligibility set forth in Section 1 (a), 1(b) or 1(c) of this Plan shall be an amount determined in accordance with the Employee's Years of Seniority on the last day worked prior to the Employee's qualifying layoff for IMP Benefits or in the case of Voluntary Termination of Employment Payment payable to an Employee eligible therefore under Section 1(a), in accordance with the Employee's Years of Seniority on the date the Employee shall apply for such Payment. For eligible Employees with 5 or more Years of Seniority, the gross Payment amount will be in accordance with Table A below for eligible Employees on layoff as a result of the closing of a stand-alone plant and in accordance with Table B below for all other eligible Employees.

SECTION 2. Determination of Amount and Payment - cont'd.

TABLE A

<u>Years of Seniority*</u>	<u>Amount</u>
5 to 6	\$35,000
6 to 7	37,000
7 to 8	39,000
8 to 9	41,000
9 to 10	43,000
10 to 11	45,000
11 to 12	47,000
12 to 13	49,000
13 to 14	51,000
14 to 15	53,000
15 to 16	55,000
16 to 17	57,000
17 to 18	59,000
18 to 19	61,000
19 to 20	63,000
20 to 21	65,000
21 to 22	67,000
22 to 23	69,000
23 to 24	71,000
24 to 25	73,000
25 and over	75,000

*Fractional Years of Seniority shall be disregarded

SECTION 2. Determination of Amount and Payment - cont'd.

TABLE B

<u>Years of Seniority*</u>	<u>Amount</u>
5 to 6	\$20,000
6 to 7	22,000
7 to 8	24,000
8 to 9	26,000
9 to 10	28,000
10 to 11	30,000
11 to 12	32,000
12 to 13	34,000
13 to 14	36,000
14 to 15	38,000
15 to 16	40,000
16 to 17	42,000
17 to 18	44,000
18 to 19	46,000
19 to 20	48,000
20 to 21	50,000
21 to 22	52,000
22 to 23	54,000
23 to 24	56,000
24 to 25	58,000
25 and over	60,000

*Fractional Years of Seniority shall be disregarded

The gross Payment amount will be reduced by the gross amount of IMP Benefits (including an amount equal to the Corporation cost for the Employee's IMP Insurance Coverage) paid to the Employee under the Income Maintenance Benefit Plan as of the date the Payment application is received by the Corporation.

- (c) The Corporation shall deduct from the amount of any Voluntary Termination of Employment Payment as computed under this Plan any amount required to be withheld by the Corporation by reason of any law or regulation, for payment of taxes or otherwise to any federal, provincial, or municipal government.

**SECTION 3. VOLUNTARY TERMINATION OF EMPLOYMENT
PAYMENT OFFSETS**

Any Voluntary Termination of Employment Payment to an eligible Employee will be reduced by the Employee's outstanding debts to the Corporation or to trustees of any Corporation benefit plan or program, including any unpaid overpayments to the Employee under the SUB Plan plus the amount of any pay in lieu of notice of termination of employment, mass termination or plant closing or similar payment required under Federal or Provincial law.

**SECTION 4. RELATIONSHIP BETWEEN GOVERNMENTAL
REQUIRED SEPARATION OR SEVERANCE PAY AND
PLAN BENEFITS**

The Payment described in Section 2 shall be applied to reduce the amount of any separation, severance payment or similar payment required by Federal or Provincial law by reason of any plant closing.

**SECTION 5. EFFECT OF RECEIVING VOLUNTARY TERMINATION
OF EMPLOYMENT PAYMENT**

An Employee who accepts a Voluntary Termination of Employment Payment

- (i) shall cease to be an Employee and shall have Seniority broken at any and all of the Corporation's plants and locations as of the date the Employee's application for a Voluntary Termination of Employment Payment is received by the Corporation and
- (ii) shall have cancelled any eligibility the Employee may otherwise have had for Regular Benefits under the Supplemental Unemployment Benefit Plan and for a Separation Payment under the Separation Payment Plan applicable to Employees in the Employee's Bargaining Unit (or any other "SUB" or Separation Payment Plan of the Corporation) and for IMP Benefits under the Income Maintenance Benefit Plan.

An Employee who receives a Voluntary Termination of Employment Payment, and who is subsequently re-employed by the Corporation will not be eligible for any future Voluntary Termination of Employment Payment until the Employee has Worked 5 years and thereafter becomes eligible for any future Voluntary Termination of Employment Payment that may be available under the Voluntary Termination of Employment. No Seniority used to determine the amount of a previous Voluntary Termination of Employment Payment Plan shall be used in

SECTION 5. Effect of Receiving Voluntary Termination
of Employment Payment - cont'd.

determining a subsequent Voluntary Termination of Employment Payment.

SECTION 6. OVERPAYMENTS

If the Corporation or the Board determines after issuance of a Voluntary Termination of Employment Payment that the Payment should not have been issued or should have been issued in a lesser amount, written notice thereof shall be mailed to the former Employee and such former Employee shall return the amount of the overpayment to the Corporation.

SECTION 7. FINANCIAL PROVISIONS AND LIABILITY

- (a) All Voluntary Termination of Employment Payments shall be payable by the Corporation.
 - (1) Any payments made by the Corporation are subject to, and limited by, in the aggregate, the Maximum Corporation Liability Amount as defined under subsection (c) of this Section.
 - (2) If the Corporation at any time shall be required to withhold any amount from Voluntary Termination of Employment Payments by reason of any federal or provincial law or regulation, the Corporation shall have the right to charge such amount against the amount of the Maximum Corporation Liability Amount as defined under subsection (c) of this Section.
- (b) Voluntary Termination of Employment Payment Cheques Not Presented
If a payment is made under the Plan and the amount of the payment is not claimed within a period of 2 years from the date such payment was made, the amount shall revert to the Corporation.
- (c) Liability
 - (1) The Plan applies only to eligible Employees laid off on or after the Effective Date and during the term of the Collective Bargaining Agreement. The Corporation's total financial liability for the cost of the Voluntary Termination of Employment Plan including Payments under the Plan (including amounts paid to the trustee of the SUB Plan and amounts owed to the Corporation or trustees of other Corporation plans or programs which were offset against the Voluntary Termination of Employment Payment under Section

SECTION 7. Financial Provisions and Liability - cont'd.

3), any taxes or contributions imposed on the Corporation by reason of paying such Payments, and any taxes which reduce such Payments and are paid to the appropriate tax authority by the Corporation, shall be limited to the Maximum Corporation Liability Amount.

- (2) If it appears the Maximum Corporation Liability Amount will be reached before all Employees cease eligibility for Voluntary Termination of Employment Payments, the issue may be discussed by the Corporation and Union and a determination made whether to reduce the amount of such Payments to provide for an equitable means for distribution of the Corporation's remaining obligations.

SECTION 8. GENERAL

- (a) The provisions of these Sections 1 through 10 constitute the entire Voluntary Termination of Employment Plan and express each and every obligation of the Corporation with respect to financing of the Plan and providing for Voluntary Termination of Employment Payments.

The Board, the Corporation and the Union, and each of them shall not be liable because of any act or failure to act on the part of any of the others, and each is authorized to rely upon the correctness of any information furnished to it by an authorized representative of any of the others.

Notwithstanding the above provisions, nothing in this Section shall be deemed to relieve any person from liability for wilful misconduct or fraud.

- (b) No Voluntary Termination of Employment Payment paid under the Plan shall be considered a part of any Employee's wages for any purpose. No person who receives a Voluntary Termination of Employment Payment shall for that reason be deemed an employee of the Corporation during such period.
- (c) No question involving the interpretation or application of the Plan shall be subject to the grievance procedure provided for in the Collective Bargaining Agreement.

SECTION 9. AMENDMENT AND TERMINATION OF THE PLAN

So long as the Collective Bargaining Agreement of which this Plan is a part shall remain in effect, the Plan shall not be amended, modified, suspended or terminated, except as may be proper or permissible under the terms of the Plan or the Collective Bargaining Agreement. Upon the termination of the Collective Bargaining Agreement, the Corporation shall have the right to continue the Plan in effect and to modify, amend, suspend or terminate the Plan, except as *may* be otherwise provided in any subsequent Collective Bargaining Agreement between the Corporation and the Union.

SECTION 10. DEFINITIONS

Any term used herein which has a counterpart that is defined in the Income Maintenance Benefit Plan shall, unless specifically defined herein, have the same meaning, for purposes of this Plan, as such term has under the Income Maintenance Benefit Plan.

As used herein:

- (1) "Separation Payment Plan" means the Separation Payment Plan, Exhibit A-2 to the Collective Bargaining Agreement.
- (2) "Income Maintenance Benefit Plan" means the Income Maintenance Benefit Plan, Exhibit B-1 to the Collective Bargaining Agreement.
- (3) "Maximum Corporation Liability Amount" means the established amount, expressed in dollars, of the Corporation's total financial liability for the cost of this Plan as defined under the provisions of Section 7 of this Plan.
- (4) "Plan" means the Voluntary Termination of Employment Plan as set forth in this Exhibit B-2.

LETTER

(B-1) COMBINED IMP/VTEP LIABILITY

During these negotiations the parties discussed the structuring of the two separate maximum Corporation liability amounts for the Income Maintenance Benefit Plan and the Voluntary Termination of Employment Benefit Plan.

The parties agreed that in the event that anticipated utilization of one benefit alternative relative to the other results in a significant imbalance in the remaining liability amounts relative to anticipated benefits, the parties will meet to discuss the appropriateness of making adjustments within the combined total Fund liabilities of the Plans to ensure that employee benefit demands can be met.

EXHIBIT C - THE LIFE AND DISABILITY INSURANCE PROGRAM

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EXHIBIT C
THE LIFE AND DISABILITY INSURANCE PROGRAM

Incorporated by reference in the collective bargaining agreement dated September 17, 1996, between Chrysler Canada Ltd. and the National Automobile, Aerospace, Transportation and General Workers Union of Canada, (CAW-Canada) and CAW Locals 444, 1498, 195 (Security Unit), 1090, 1459 and 1285 at Bramalea.

The Life and Disability Insurance Program herein referred to consists of the arrangements hereinafter provided for with regard to group life insurance (including dependent group life insurance and optional group life insurance), group accidental death and dismemberment insurance, group sickness and accident insurance, group reinstated sickness and accident insurance and group extended disability insurance, each of which will become effective as provided in Section VIII.P. hereof, for employees as to whom the collective bargaining agreement to which this Life and Disability Insurance Program is attached applies. This Life and Disability Insurance Program shall continue so long as that collective bargaining agreement is in full force and effect.

The provisions of the Life and Disability Insurance Program are effective for all employees actively at work on or after September 20, 1993 unless otherwise specified. For employees not actively at work the provisions of the Life and Disability Program in effect on the employee's last day worked remain in effect unless specified otherwise herein.

I. GROUP INSURANCE POLICIES

The Corporation now has in effect with The Aetna Life Insurance Company of Canada, group life insurance, dependent group life insurance, optional group life insurance, group accidental death and dismemberment insurance, group sickness and accident insurance, group reinstated sickness and accident insurance and group extended disability insurance policies.

During the period of this Life and Disability Insurance Program, the Corporation will renew said group insurance policies or continue them in effect, with appropriate riders, or will obtain from The Aetna Life Insurance Company, or an affiliate of The Aetna Life Insurance Company, or another insurance company or companies of comparable standing new group insurance policies on terms as similar to those of the existing group insurance policies as the Corporation is reasonably able to obtain, with the provisions hereinafter set forth. The Aetna Life Insurance Company, or an affiliate of The Aetna Life Insurance Company, or such other insurance company or companies are referred to below as the Insurance Company. Said policies, together with any rider or riders incorporated therein, shall determine the rights and obligations of all persons with respect to group life insurance (including dependent group life insurance and optional group life insurance), group accidental death and dismemberment insurance, group sickness and accident insurance, group reinstated sickness and accident insurance and group extended disability insurance under this Life and Disability Insurance Program. A representative of the Corporation and a representative of the Union will sign and approve a copy of each of said policies and each rider thereto.

II. GROUP LIFE INSURANCE

The group life insurance policies referred to in Section I. hereof or any group life insurance policy or policies issued in lieu thereof shall, for the period of this Life and Disability Insurance Program, include, among other things:

- A. provision for making available to employees and retired employees prior to age 65 group life insurance in amounts determined from the schedule of benefits set forth in Section VII. hereof;
- B. provision for making available to employees at or after age 65 and to retired employees who retire at or after age 65, continuing group life insurance in amounts determined as follows:
 - (1) on the first day of the calendar month following the month in which the 65th birthday of an employee or retired employee insured for group life insurance under this Life and Disability Insurance Program occurs, the amount of group life insurance which they had under this Program immediately prior thereto shall be reduced by 2% thereof, and shall be further reduced by an equal amount on the first day of each succeeding month as follows:
 - (a) if the employee or retired employee has 10 or more years of credited service, such reductions shall be made until the amount of their group life insurance under this Program is reduced to 1½% of the amount they had on their 65th birthday, multiplied by the number of years of credited service that they had at their 65th birthday, but in no event to less than \$4,000 for deaths occurring on or after October 29, 1990, or \$4,500 for an employee who retires on or after October 29, 1990.
 - (b) if any employee has less than 10 years of credited service, such reductions shall be made until their employment with the Corporation terminates or until the remaining amount of their group life insurance equals \$500, whichever occurs first, and any amount of group life insurance remaining when their employment with the Corporation terminates shall then be discontinued;

(Credited service shall be that which the employee has under the Pension Plan.)

II. Group Life Insurance - cont'd.

- (2) for purposes of the reduction in life insurance established herein, an employee who becomes insured for group life insurance under this Life and Disability Insurance Program at or after age 65 shall be considered as though the employee had been insured since age 65; and
 - (3) no contributions by an employee or retired employee for group life insurance coverage will be required for any month after the month in which they reach age 65;
- C. provision that the permanent total disability benefits provision for employees becoming permanently and totally disabled prior to age 65 and while insured for group life insurance shall be subject to the following terms, conditions and limitations:
- (1) the permanent total disability benefits will be payable to employees who are totally disabled by bodily injury or disease so as to be prevented thereby from engaging in regular employment or occupation with the Corporation at the plant or plants where they have seniority for remuneration or profit and if this total disability will be permanent and continuous during the remainder of their lives;
 - (2) the permanent total disability benefits will not be payable until the disabled employees have exhausted (a) any sickness and accident insurance benefits to which they are entitled under Section IV. hereof, (b) any reinstated sickness and accident insurance benefits to which they are entitled under Section V. hereof and (c) any extended disability insurance benefits to which they are entitled under Section VI. hereof;
 - (3) employees who have at least ten years of credited service when total disability commences shall not receive any payment or benefits for permanent total disability under the group life insurance policy or policies provided pursuant to this Life and Disability Insurance Program (provision for retiring them having been made under the Pension Plan);
 - (4) the permanent total disability benefits will be payable in a lump sum or in monthly installments as the employee may elect;

II. Group Life Insurance - cont'd.

- (5) in the event that an employee elects payment on a monthly installment basis, the permanent total disability benefits will be payable in monthly installments at the rate of \$20 of each \$1,000 of group life insurance in force for the employee at the time the total disability commences until such amount of insurance, with interest on the unpaid balance, is exhausted (the final installment shall be only for the unpaid balance);
 - (6) if any disabled employee ceases to be permanently and totally disabled and returns to work with the Corporation, the full amount of group life insurance for which they are eligible upon their return, as determined from the schedule of benefits set forth in Section VII. hereof, shall be reinstated, and if they again become permanently and totally disabled, they shall be eligible for the amount of insurance in force when the later disability commenced, less any group life insurance previously paid to them under a policy held by the Corporation;
 - (7) if any disabled employee ceases to be permanently and totally disabled but does not return to work with the Corporation within 31 days thereafter, all insurance and benefits shall cease at the end of such 31 day period, but within such 31 day period the employee may convert the then commuted value of the unpaid installments of their group life insurance into an individual policy; and
 - (8) if any employee dies while monthly installment payments are being made to them, the then commuted value of the unpaid installments shall be paid in a lump sum to the employee's beneficiary;
- D. provision that employees with ten or more years of credited service who, while insured for group life insurance under this Life and Disability Insurance Program, become permanently and totally disabled at or after age 60 but prior to age 65, shall have their group life insurance continued without any premium contribution until they reach age 65, and thereafter their insurance will be reduced as provided in Section II.B. above;
- E. provision that for a layoff (other than a layoff of the type covered by Section II.F. below) or leave of absence, the limit for continuation of an employee's insurance shall be twenty-five months following the end of the month in which the layoff or leave of absence starts, with

II. Group Life Insurance - cont'd.

the Corporation's contributions continuing so that the coverage will be kept in force until the end of the first month following the month in which the layoff or leave commenced, and with the employee contributing for such continuing coverage beginning with the second month following the month in which the layoff or leave commenced at the rate of 50 cents per month per \$1,000 of group life insurance in force; provided, however, that:

- (1) the insurance of any employee who is on leave of absence requested by their Local Union or the National Union to permit them to work for the Local Union or the National Union may be continued until the date such leave or any extension thereof ceases to be operative with the employee contributing at the rate of 60 cents per month per \$1,000 of group life insurance in force, and beginning at the same time as above;
- (2) the insurance of any employee who is on an approved leave of absence because they have become totally disabled while actively at work or because they have physical limitations which require them to be temporarily separated as a total disability, shall be continued for the duration of such leave of absence or a period equal to their seniority, whichever is less, with no employee contributions provided, however, that if an employee's disability leave is cancelled because the period of such leave equalled the length of the employee's seniority the Corporation shall continue to make contributions for the employee's insurance for any month in which the employee continues to receive Extended Disability Benefits provided under Section VI of The Insurance Program subsequent to such cancellation;
- (3) the insurance of any employee who is placed on leave of absence because they are unable to return to work when recalled from a layoff due to their having become totally disabled while on the layoff, shall be continued or reinstated, and such insurance shall be continued for the duration of such leave of absence or a period equal to their seniority on the date of disability, whichever is less, with no employee contributions;

and with the further provision that in each instance if group life insurance is in force when the employee reaches age 65, it shall thereafter be reduced as provided in Section II.B. above;

II. Group Life Insurance - cont'd.

F. provision that for a layoff which meets the conditions set forth in the Supplemental Unemployment Benefit Plan attached as Exhibit A to the Collective Bargaining Agreement between the Corporation and the Union dated September 17, 1996, below called the SUB Plan, the limit for continuation of an employee's insurance shall be thirty-six months following the end of the month next following the month in which the layoff starts, on the following basis:

(1) the Corporation's contribution shall be continued so that the employee's insurance will be kept in force until the end of the first month following the month in which the layoff began. Thereafter the insurance will be continued on the basis of the greater of:

(a) one month of coverage, up to a maximum of twelve months, for each four weeks of Benefits for which the employee is eligible under the SUB Plan on the date layoff begins, in accordance with the following table:

A		B
Maximum Number of Full Weekly SUB Benefits for Which Employee is Eligible		Maximum Number of Months for Which Insurance Will Be Continued Without Cost to Employees'
<u>on Date Layoff Begins</u>		<u>Cost to Employees'</u>
Less than	4	0
4 - 7		
8 - 11		2
12 - 15		3
16 - 19		4
20 - 23		5
24 - 27		6
28 - 31		
32 - 35		8
36 - 39		9
40 - 43		10
44 - 47		11
48 - 52		12

II. Group Life Insurance - **cont'd.**

- (If a laid off employee is initially credited during layoff with Credit Units under the SUB Plan, Maximum Number of Full Weekly SUB Benefits for Which Employee is Eligible shall be determined using the date on which the employee is entitled to be credited with such Credit Units. In applying the above table, the Maximum Number of Benefits (Column A) shall be determined in accordance with the Credit Unit cancellation table contained in the SUB Plan and, except as provided in the table above, changes in an employee's Credit Units or Seniority or in the Credit Unit Cancellation Base during any period of continuous layoff shall not change the Maximum Number of Months (Column B) for which insurance will be continued without cost to the employee.)

provided, however, that in the event the SUB Plan shall terminate, this provision by which insurance is continued without cost to the employee also shall terminate; or

- (b) the number of months of coverage, up to a maximum of twenty-four, for which the employee would be eligible on the basis of the employee's years of seniority on the date layoff begins, in accordance with the following table:

<u>Year(s) of Seniority on Date Layoff Begins</u>	<u>Maximum Number of Months for Which Insurance Will Be Continued Without Cost to Employee*</u>
Less than 1	0
1 but less than 2	2
2 but less than 3	4
3 but less than 4	6
4 but less than 5	8
5 but less than 6	10
6 but less than 10	12
10 and over	24

- (2) Following the expiration of the Maximum Number of Months for which insurance will be continued without cost to the employee, the Corporation will make arrangements so that employees may continue their insurance for a maximum period of twelve additional months by making contributions at the rate of 50 cents per month per \$1,000 of group life insurance in force.

II. Group Life Insurance - cont'd.

- (3) If any employee reaches age 65 while their group life insurance is being continued under this Section II.F., their insurance will thereafter be reduced as provided in Section II.B. above.

G. provision that

- (1) in the case of any employee who loses their seniority because they quit, the employee's insurance and the Corporation's contributions for such insurance will cease as of the date the loss of seniority occurs; and
- (2) in the case of any employee who loses their seniority through discharge, absence from work without notifying the plant as required by the collective bargaining agreement, or failure to return to work when called, the employee's insurance and the Corporation's contributions for such insurance will cease as of the date the loss of seniority occurs; provided, however, that if any such employee is seeking to have their seniority reinstated through the grievance procedure, the limit for continuation of their insurance shall be the period their grievance is pending, with the Corporation contributing for such continuing coverage until the end of the month in which the loss of seniority occurs and the employee thereafter contributing for such continuing coverage at the rate of 50 cents per month per \$1,000 of group life insurance in force, except that in the case of an employee whose grievance is withdrawn and the employee is undergoing treatment for substance abuse, they can continue to pay for the coverage for the period of treatment: and provided further, however, that if the employee is reinstated the Corporation will reimburse them for all the contributions in respect to coverage under this Section G. which the Corporation would have made if the employee had remained on the active payroll;

H. provision that

- (1) any employee insured for group life insurance under this Life and Disability Insurance Program who ceases to be at active work for reasons other than retirement within five years of their normal retirement date, or earlier if they are still insured within five years of their normal retirement date, and who in either case has five or more years of credited service under the Pension Plan as of the date which precedes by five years their

II. Group Life Insurance - cont'd.

normal retirement date, may continue their group life insurance to their normal retirement date by contributing at the rate of 50 cents per month per \$1,000 of group life insurance in force:

- (2) any employee who is approved for a permanent total disability pension under the Pension Plan prior to age 60, shall have their group life insurance continued or if they are under age 65 and not insured on that date, reinstated and thereafter continued, in either case in the amount in force on the day they last worked and without premium contribution, to their 65th birthday, and after their 65th birthday the group life insurance thus continued will be reduced as provided in Section II.B. above;
- (3) any employee insured for group life insurance under this Life and Disability Insurance Program who retires on early pension under the Pension Plan shall have their group life insurance continued without any premium contribution until they reach age 65, thereafter their insurance will be reduced as provided in Section II.B. above; and
- (4) any employee on layoff or leave of absence who is not insured for group life insurance under this Life and Disability Insurance Program and who retires before age 65 under the Pension Plan without returning to work from layoff or leave of absence, shall have their group life insurance reinstated on the first day of the month following the month in which their seniority is cancelled because of such retirement, without contribution by the retired employee, in the amount in force on the date the layoff or leave of absence began, and after age 65 the group life insurance thus reinstated will be reduced as provided in Section II.B. above;

provision for making available in accordance with the terms and conditions of this paragraph to the survivor or survivors, as defined herein, of an employee (which term for purposes of paragraphs I. and J. of this Section II. only, shall include an employee retired on a permanent and total disability pension under the Pension Plan who has not attained the age of 55) who dies while insured for group life insurance under this Life and Disability insurance Program, a Transition Benefit as provided below in this paragraph, payable, if there are survivors living to receive it, commencing on the first day

II. Group Life insurance - **cont'd.**

of the month following the death of the employee, and continuing for not more than 24 months:

- (1) for purposes of this paragraph
 - (a) a "Class A Survivor" means the widow of a deceased male employee and a "Class B Survivor" means the widower of a deceased female employee (the terms "widow" or "widower" shall mean the person to whom the employee at the time of death and for a period of at least one year prior thereto was legally married, or if there is no such person, shall mean a person of the opposite sex who at the time of the employee's death and for an immediately preceding continuous period of at least one year was cohabiting and residing with the employee and publicly represented by the employee as his or her wife, husband or spouse);
 - (b) a "Class C Survivor" means any child of the deceased employee who at the time a Transition Benefit first becomes payable to the child is both unmarried and either (i) under 21 years of age, or (ii) at least age 21 but under age 25 or (iii) totally and permanently disabled at any age over 21; provided, however, that a child under clause (ii) or (iii) must have been legally residing with and dependent upon the employee at the time of the employee's death, but such child shall cease to be a Class C Survivor upon marrying, or if not totally and permanently disabled, upon reaching his or her 25th birthday;
 - (c) a "Class D Survivor" means a parent of the deceased employee for whom the employee had, during the calendar year preceding the employee's death, provided at least 50% of the parent's support;
- (2) effective October 1, 1996, for eligible Class A, Class B, Class C, or Class D survivors, the amount of Transition Benefit shall be \$600 per month, except that the \$600 shall be \$675 in any month in which an eligible Class A or Class B Survivor has a dependent child, as defined in Section II.I.(1)(b) above, and the \$600 shall be \$675 in any month in which an eligible Class C Survivor of such employee is not survived by either

II. Group Life Insurance - cont'd.

parent and for benefits payable on or after October 1, 1997, \$600 and \$675 shall be \$625 and \$700;

for months in which two or more survivors share a Transition Benefit immediately following the death of the employee, each survivor's share is computed as a fraction of the Transition Benefit that would be paid to each of them as a sole survivor, according to their own eligibility for the statutory benefit;

- (3) the Transition Benefit shall be provided without employee contribution and shall be paid as follows:
- (a) if the employee is survived by a Class A Survivor or by a Class B Survivor, the monthly income shall be payable to such survivor; provided, however, that a Class A or Class B Survivor shall not be paid the monthly income for any month for which a higher surviving spouse benefit is payable to the Class A or Class B Survivor under the Pension Plan, and surviving spouse benefits so paid shall be counted as if paid under this Section II.I. for the purpose of determining the maximum number of Transition Benefit payments payable; if the employee is not survived by a Class A Survivor or a Class B Survivor, the monthly income shall be payable to the employee's Class C Survivors, but if the employee is not survived by a Class C Survivor, to the employee's Class D Survivors;
 - (b) if a Class A or Class B Survivor dies while monthly income payments are still payable, any remaining payments will be made, in equal shares, to the employee's then surviving Class C Survivors, but if none are then surviving, in equal shares to the employee's then surviving Class D Survivors; but if none is then surviving, no further monthly income payments shall be made;
 - (c) if a Class C Survivor dies while monthly income payments are still payable, and if any other Class C Survivors are still alive, the monthly income which the deceased Class C Survivor had been receiving shall be paid in equal shares to the then surviving Class C Survivors;
 - (d) if a Class C Survivor dies while monthly income payments are still payable, and if he or she is not survived by

II. Group Life Insurance - cont'd.

another Class C Survivor, any remaining payments will be made, in equal shares, to any Class D Survivors then surviving, but if no Class D Survivor is then surviving, no further monthly income payments shall be made;

- (e) if a Class D Survivor dies while monthly income payments are still payable, and if he or she is survived by another Class D Survivor, the monthly amount which the deceased Class D Survivor had been receiving shall be added to the amount being received by the surviving Class D Survivor; and
 - (f) if a Class D Survivor dies while monthly income [payments are still payable, and he or she is not survived by another Class D Survivor, no further monthly income payments shall be made;
- J. provision for making available in accordance with the terms and conditions of this paragraph to the Class A Survivor or the Class B Survivor, both terms as defined in Section II.I. above, who was 45 years of age or more on the date of death of an employee or whose age (to the nearest 1/12) when combined with the employee's years of credited service under the Pension Plan, both of which shall be determined as of the date of the employee's death, total 55 or more, and who has received 24 monthly payments of the Transition Benefit provided in Section II.I. above, effective October 1, 1996, a Bridge Benefit of \$600 per month or \$675 for any month in which such Survivor has a dependent child as defined in Section II.I.(1)(b) above and for benefits payable on or after October 1, 1997, \$600 and \$675 shall be \$625 and \$700, payable as follows:
- (1) the Bridge Benefit will become payable commencing with the first month following the month for which the 24th monthly payment of the Transition Benefit is paid, unless at that time the Class A or Class B Survivor has remarried; provided, however, that a Class A or Class B Survivor of an employee shall not be paid the Bridge Benefit for any month for which a higher surviving spouse benefit is payable to the Class A or Class B Survivor under the Pension Plan; and
 - (2) the Bridge Benefit will not be paid beyond the earliest to occur of the following: (a) the death of the Class A Survivor or Class B Survivor, or (b) the remarriage of the Class A or Class B

II. Group Life Insurance - cont'd.

Survivor (the term "remarriage" shall mean a legal remarriage, or if there has been no such remarriage, shall mean cohabiting and residing by the survivor with a person of the opposite sex for a continuous period of at least one year during which the survivor publicly represents such person to be his or her wife or spouse), or (c) attainment by the Class A Survivor or Class B Survivor of such age at which Old Age Security benefits become payable, other than on a "needs" basis under any federal or provincial legislation as now in effect or hereafter enacted or amended;

- K. provision for making available to hourly employees the dependent group life insurance set forth in Appendix A to this Life and Disability Insurance Program; provided, however, that in the event of any conflict between the provisions of Appendix A and any other provisions of this Life and Disability Insurance Program, the provisions of Appendix A will supersede such other provisions to the extent they apply to Appendix A;
- L. provision that the Corporation will arrange to make available to hourly employees, the optional group life insurance set forth in Appendix B to this Life and Disability Insurance Program; provided, however, that in the event of any conflict between the provisions of Appendix B and any other provisions of this Life and Disability Insurance Program, the provisions of Appendix B will supersede such other provisions to the extent they apply to Appendix B.

III. GROUP ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

The group accidental death and dismemberment insurance policies referred to in Section I hereof or any group accidental death and dismemberment insurance policy or policies issued in lieu thereof shall, for the period of this Life and Disability Insurance Program, include, among other things:

A. provision for making available to employees and to employees who retire prior to age 65, while insured for life insurance under Section II. of this Life and Disability Insurance Program, group accidental death and dismemberment insurance in the amounts and under the circumstances set forth below:

- (1) if the employee or retired employee has an accidental bodily injury and dies or incurs any of the other losses described below as a result of, and dies within one year of or incurs any of the other losses within two years of such accident, the employee or the employee's designated beneficiary shall receive the following benefits, provided the employee is insured for this coverage at the time of such injury and at the time of such loss:

<u>Loss</u>	<u>Accidental Death & Dismemberment Benefits</u>
Accidental death or accidental loss of more than one of the following: hand, foot, or sight of an eye	Equal to one-half life insurance in force
Accidental loss of one of the following: hand, foot, or sight of an eye	Equal to one-quarter life insurance in force

provided, however, that if loss of life results from accidental bodily injuries caused solely by employment with the Corporation, and results solely from an accident in which the cause and result are unexpected and definite as to time and place, the amount payable as an accidental death and dismemberment benefit shall be an amount equal to the amount of life insurance in force for the employee at the date of the accident;

III. Group Accidental Death and Dismemberment Insurance - cont'd.

(2) for purposes of determining eligibility for benefits the following shall apply:

- (a) loss of a hand or a foot means loss by severance at or above the wrist or ankle joint; and
- (b) loss of sight of an eye means total and irrecoverable loss of sight;

B. provision that no payment shall be made under the accidental death and dismemberment insurance for any loss caused wholly or partly, directly or indirectly, by:

- (1) disease, or bodily or mental infirmity, or medical or surgical treatment thereof,
- (2) any infection, except infection caused by an external visible wound accidentally sustained,
- (3) self-destruction or intentionally self-inflicted injury, while sane or insane,
- (4) war, or any act of war, whether declared or undeclared, or
- (5) the employee's act of aggression, participation in a felonious enterprise or illegal use of drugs,

and that the total amount payable on account of more than one of the losses listed in A above sustained in any one accident shall not exceed an amount equal to one-half the life insurance in force, except that in the event of loss of life resulting from accidental bodily injuries caused solely by employment with the Corporation as set forth in A. above, the total amount payable as an accidental death and dismemberment benefit on account of such accident shall not exceed an amount equal to the amount of life insurance in force for the employee at the date of the accident;

C. provision that group accidental death and dismemberment insurance coverage shall be provided without contribution from the employee or retired employee;

III. Group Accidental Death and **Dismemberment** Insurance - cont'd.

- D. provision that group accidental death and dismemberment insurance coverage shall be provided for any employee and for any employee who retires prior to age 65 and who in either case has life insurance in force under Section II. of this Life and Disability Insurance Program, subject to the following:
- (1) accidental death and dismemberment insurance coverage shall not be continued beyond the end of the month in which an employee or retired employee becomes age 65,
 - (2) accidental death and dismemberment insurance coverage shall not be continued while an employee is receiving permanent total disability benefit payments under Section II.C. above;
- E. provision that in the case of dismemberment claims, the Insurance Company has the right as often as it may reasonably require to examine the person of the employee at its expense while the claim is pending, and that in the case of accidental death claims it has the right to make an autopsy, where not forbidden by law; and
- F. provision that accidental death and dismemberment insurance is not assignable unless the assignment is made in writing and consented to by the Insurance Company in writing.

IV. GROUP SICKNESS AND ACCIDENT INSURANCE

The group sickness and accident insurance policies referred to in Section I. hereof or any group sickness and accident insurance policy or policies issued in lieu thereof shall, for the period of this Life and Disability Insurance Program, include, among other things:

- A. provision for making available to insured employees non-occupational sickness and accident benefits, beginning on the first normal working day of accident disability and the fourth normal working day (excluding as waiting days Saturdays and Sundays or, for employees on seven day operations, such other days as are not normal working days) of sickness disability. Employees who are hospitalized due to a sickness will also receive benefits from the date of hospitalization. Weekly benefit amounts will be determined from the schedule of benefits set forth in Section VII. payable as provided in Section IV.D. hereof; except that the benefit amount shown in the schedule of benefits set forth in Section VII. will be reduced by 25% for any period the employee is otherwise eligible for benefits during any period of disability occurring prior to the day one year of seniority is attained; provided, however, that in the event the Corporation otherwise qualifies for a premium reduction under the Unemployment Insurance Act, such reduced benefit amounts shall not be less than the amount necessary to retain the Corporation's eligibility for Unemployment Insurance premium reduction;
- B. provision that to be eligible for benefits an employee must:
 - (1) become totally disabled while covered for S&A benefits
 - (2) be unable to *perform* all duties of their occupation
 - (3) be under the continuous care of a legally qualified physician who certifies your total disability.
 - (4) furnish written notice of disability on a timely basis as explained in this section.
- C. provision for paying benefits in respect of pregnancy related disabilities in the same weekly benefit amounts as the weekly sickness and accident benefit shown in the schedule of benefits set forth in Section VII. hereof, payable as provided in Sections IV.A. and IV.D. hereof; in addition such benefits will be paid while an

IV. Group Sickness and Accident Insurance - **cont'd.**

employee is on a pregnancy leave of absence or could be placed on such leave by the Corporation in accordance with any pregnancy leave provisions of the relevant Provincial Statutes;

- D. provision for paying benefits for occupational disability arising out of and in the course of any employment on the same terms as would have applied if the disability had been non-occupational in nature but in a weekly benefit amount equal to the amount by which the non-occupational weekly benefit exceeds the weekly amount (whether commuted or not and whether compromised or not as a redemption award or otherwise) that the employee by complying with the provisions thereof, would be entitled to receive for time lost from work under any applicable workers' compensation or occupational disease law (not counting payments specifically for hospitalization, surgical, or medical expenses, payments or specific allowances for loss, or 100 per cent loss of use, of body member or disfigurement, or permanent disability pensions or benefits payable for prolonged and indefinite duration, under workers' compensation laws, for a disability unrelated to the disability for which benefits under this Section IV.C. are payable), payable as provided in Section IV.D. hereof;
- E. provision that weekly non-occupational or occupational sickness and accident benefits:
 - (1) will be paid for a period up to fifty-two weeks, except that any employee who has less than one year of seniority will be paid sickness and accident benefits for up to a period equal to: (a) their seniority on the date of disability, if they have seniority, or (b) the period from the date they were hired to the date of disability, if they do not have seniority, but in no case for more than fifty-two weeks, provided, however, that if any such employee is confined as a bed patient in a legally constituted hospital or is receiving payments because of employment with the Corporation under any applicable workers' compensation or occupational disease law (not counting payments or specific allowances for loss, or 100% loss of use, of member) for the same disability at the date of expiration of the maximum period for which they are entitled to receive sickness and accident benefits, and such benefits were payable for less than fifty-two weeks, benefits will continue to be payable while they continue to be so confined or while they receive such payments, but in no case beyond the end of such fifty-two week period;

IV. Group Sickness and Accident Insurance - **cont'd.**

- (2) will be paid for a partial week at a daily rate calculated by dividing the weekly benefit payable by five (the number of days in the employee's normal work week) and multiplying the quotient by the number of normal working days during which the employee was disabled in the work week for which the partial benefit is being paid; and
 - (3) will not be paid to any employee for any day for which such employee is entitled to holiday pay, or pay for the holiday, as provided in the applicable collective bargaining agreement;
- F. provision that the limit for continuation of an employee's insurance shall be one month following the month in which a layoff or leave of absence starts; however, the insurance of an employee who is on leave of absence requested by their Local Union to permit them to work for the Local Union may be continued until the date such leave or any extension thereof ceased to be operative with the employee contributing at the rate of \$5.00 per month;
- G. provision that the insurance of any employee who is on an approved leave of absence because they have become totally disabled while actively at work or because they have physical limitations which require them to be temporarily separated as a total disability, shall be continued for the duration of such leave of absence or a period equal to their seniority, whichever is less, with no employee contributions, except that if sickness and accident benefits cease, pursuant to the Insurance Company's medical examination, while the employee's doctor continues to certify to total disability and the employee remains on an approved leave of absence, the employee's sickness and accident insurance shall be continued, but in no case will the duration of benefits exceed the maximum period for which benefits would have been payable at the onset of disability as set forth in Section IV.D.(1) above;
- H. provision that in order to qualify for sickness and accident benefits the employee must furnish written notice of claim to the Insurance Company within twenty (20) days after the commencement of any period of disability covered by the policy, or as soon thereafter as is reasonably possible;

IV. Group Sickness and Accident Insurance - **cont'd.**

- I. provision that written proof of loss must be furnished to the Insurance Company within 90 days after the termination of the period for which the Insurance Company is liable, but failure to furnish such proof within the time required shall neither invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity of the employee, later than one year from the time proof is otherwise required; and

- J. provision that any employee who has one or more years of seniority may waive irrevocably any right they may have to receive sickness and accident benefits with respect to any period of disability by completing a waiver form furnished by the Corporation for that purpose, in which case no sickness and accident benefits shall be payable for any period of disability covered by such waiver.

V. GROUP REINSTATED SICKNESS AND ACCIDENT INSURANCE

The group reinstated sickness and accident insurance policies referred to in Section I. hereof or any group reinstated sickness and accident insurance policy or policies issued in lieu thereof shall, for the period of this Life and Disability Insurance Program, include, among other things:

- A. provision for making available weekly reinstated sickness and accident benefits equal in amount to the weekly sickness and accident benefits set forth in Section VII. hereof;
- B. provision that to be eligible for benefits, any employee must:
 - (1) become totally disabled while on a qualifying layoff as defined in the SUB Plan and while insured for group life insurance under Section II. hereof;
 - (2) immediately prior to their becoming disabled, have been eligible for a Regular Benefit under the SUB Plan or have been ineligible therefor because they were employed by another employer;
 - (3) apply for the benefit and furnish the Insurance Company with satisfactory proof of disability; and
 - (4) with respect to each week for which a benefit is claimed
 - (i) be unable to perform all duties of their occupation,
 - (ii) be under a doctor's care, and
 - (iii) have to their credit at least a Credit Unit under the SUB Plan;
- C. provision that:
 - (1) benefits start on the first normal working day following the last day for which a Regular Benefit was payable to the employee if they were receiving Regular Benefits immediately prior to their becoming disabled; otherwise on the first normal working day of qualifying disability; and
 - (2) the benefit for any period shall be reduced by the amount of any Unemployment Insurance Benefit they receive or are eligible to receive for the same period, or any disability benefit they receive for the same period under a plan financed in whole or in part by another employer; and

V. Group **Reinstated** Sickness and Accident Insurance - **cont'd.**

(3) no benefit shall be payable beyond the time that the employees no longer satisfy the disability requirement except that, if they remain on qualifying layoff under the SUB Plan, benefits shall be payable for remaining days in the same week as defined in the SUB Plan for which they do not receive a Regular Benefit;

D. provision that no benefit shall be payable for any week in which:

(1) the employee received a sickness and accident or extended disability benefit under this Life and Disability Insurance Program, or

(2) the Credit Unit Cancellation Base is below the applicable dollar amount at which a Supplemental Unemployment Benefit is payable in accordance with the employee's seniority as provided under the SUB Plan; and

E. provision that the applicable provisions of Section IV. of this Life and Disability Insurance Program, not inconsistent with the provisions of this Section V., shall apply to reinstated sickness and accident benefits under this Section V. in the same way as they apply to group sickness and accident benefits under Section IV.

VI. GROUP EXTENDED DISABILITY INSURANCE

The group extended disability insurance policies referred to in Section I. hereof or any group extended disability insurance policy or policies issued in lieu thereof shall, for the period of this Life and Disability Insurance Program, include, among other things:

- A. provision that any employee who is insured for the sickness and accident benefits provided in Section IV. hereof or the reinstated sickness and accident benefits provided in Section V. hereof, and who, at the date of expiration of the maximum number of weeks for which they are entitled to receive sickness and accident benefits or reinstated sickness and accident benefits and during a continuous period of disability thereafter, is totally disabled so as to be prevented thereby from engaging in regular employment or occupation with the Corporation at the plant or plants where they have seniority for remuneration or profit, shall receive monthly extended disability benefits for the period described in G. - K. below (for an employee who waives receipt of sickness and accident benefits or reinstated sickness and accident benefits, the time they waive such benefits shall be deemed the time through which they are entitled to receive them for purposes of this subsection);
- B. provision that the monthly extended disability benefit is the applicable amount shown in the schedule of benefits in Section VII., reduced by an amount equal to the monthly equivalent of the total of the following benefits for which the employee receiving extended disability benefits is eligible:
 - (1) all benefits under the Pension Plan or any other pension plan or retirement program then in effect to which the Corporation or any of its subsidiaries has contributed;
 - (2) lost time benefits under workers' compensation laws or other laws providing benefits for occupational injury or disease, including lump-sum settlements, but excluding specific allowances for loss, or 100 per cent loss of use, of a body member, or permanent disability pensions or benefits payable for prolonged and indefinite duration, under workers' compensation laws, for a disability unrelated to the disability for which benefits under this Section VI. are payable;

VI. Group Extended Disability Insurance - cont'd.

- (3) disability or old-age benefits to which the person is entitled (primary insurance amount) under any existing or future provincial or federal legislation; and
 - (4) benefits under any provincial or federal law providing benefits for working time lost because of disability;
- C. provision that in determining the amount by which extended disability benefits are reduced:
- (1) the monthly equivalent of benefits paid on a weekly basis is computed by multiplying the weekly benefit rate by 4.33;
 - (2) lump-sum settlements under workers' compensation laws will result in reductions equal to the monthly equivalent of the amount of the workers' compensation benefit to which the employee would have been entitled under applicable law had there been no lump-sum payment, but not to exceed in total the amount of the settlement; and
 - (3) the amounts of the reductions under Section VI.B. above shall not be increased subsequent to the first day for which extended disability benefits are payable, except that the amounts of such reductions may be increased in connection with any adjustment in the original determination of the amount of such benefits;
- D. provision that extended disability benefit computations presume eligibility for statutory disability benefits and disability retirement benefits under the Pension Plan or any other pension plan or retirement program then in effect to which the Corporation or any of its subsidiaries has contributed, but such presumption of eligibility for disability retirement benefits shall not be made with respect to any extended disability benefit payments due for the twelve month period immediately following the date of expiration of the maximum number of weeks for which the employee is entitled to receive sickness and accident benefits or reinstated sickness and accident benefits, and amounts deducted from extended disability benefits on this basis are paid upon presentation of satisfactory evidence that these benefits were applied for and denied; provided, however, that a reduction in extended disability benefits is made in an amount equal to statutory disability benefits (primary insurance amount) that

VI. Group Extended Disability Insurance - **cont'd.**

would have been payable except for refusal to accept vocational rehabilitation services;

- E. provision that benefits payable for less than a full calendar month are prorated on the basis of the ratio of calendar days of eligibility to total calendar days in the month;
- F. provision that the Insurance Company may require each applicant or recipient of extended disability benefits to certify or furnish verification of the amount of his or her income from sources listed in B. above, and the amount of any extended disability benefit payments in excess of the amount that should have been paid, after reduction for such other benefits, may be deducted from future extended disability benefits;
- G. provision that extended disability benefits paid to an eligible applicant shall be for the period commencing the day following the last day of disability included within the period for the maximum number of weekly sickness and accident benefits or reinstated sickness and accident benefits, including weeks in which such sickness and accident benefits or reinstated sickness and accident benefits were not payable under Section IV.B. or were partially or wholly offset because of receipt of workers' compensation benefits;
- H. provision that the maximum period during which extended disability benefits may be payable shall be:
 - (1) in the case of an employee at work on or after October 21, 1985 who has ten or more years of seniority as of the day on which the disability commenced, the number of months commencing with the month in which the date of the expiration of the maximum number of weekly sickness and accident or reinstated sickness and accident benefits occurs and terminating with the end of the month in which the employee attains age 65; and
 - (2) in the case of an employee who has less than 10 years of seniority as of the day on which disability commenced, the number of months by which the employee's full months of seniority at commencement of disability exceeds the period for which the employee is entitled to receive sickness and accident or reinstated sickness and accident benefits.

VI. Group Extended Disability Insurance - cont'd.

In any event extended disability benefits shall not be payable beyond the date of the employee's death, the end of the month in which the employee attains age 65, or the time that the employee no longer satisfies the disability requirements, whichever occurs first; if an employee's return to work with the Corporation is not effective to qualify the employee for a new period of sickness and accident benefits (i.e., an ineffective return to work) or if the employee engages in regular occupation or employment for remuneration or profit, the satisfying of the disability requirement shall not be deemed to end, but the extended disability benefit shall be suspended for the period of the ineffective return to work or the period the employee engages in such occupation or employment;

- I. provision that if monthly extended disability benefits are discontinued because the employee no longer satisfies the disability requirement, and within two weeks of such discontinuance and before the employee returns to work, the employee again becomes disabled so as to satisfy the disability requirement, monthly extended disability benefits will be resumed;
- J. provision that for purposes of applying the maximum period for monthly extended disability benefits, a month in which such benefits are partially or wholly offset by benefit payments from sources listed in B. above, or suspended under H. above or not paid between periods of disability under circumstances described in I. above, are counted as a full month with fractions of the first and last month counted as fractions of a month;
- K. provision that the cumulative total number of months during any previous periods of eligibility for extended disability benefits, regardless of whether for the same or related disabling condition, reduces the maximum number of monthly benefit payments for which the individual is otherwise eligible under subsection H (2) above when extended disability benefits again commence;
- L. provision that there is no ineligibility for extended disability benefits because of work which is determined to be primarily for training under a recognized program of vocational rehabilitation;
- M. provision that the Insurance Company may require an applicant, as a condition of eligibility, to submit to examinations by a physician designated by it for the purpose of determining the employee's initial or continuing disability;

VI. Group **Extended** Disability Insurance - **cont'd.**

- N. provision that benefits shall not be payable for disability resulting from pregnancy or childbirth or resulting complications at any time while an employee is on a pregnancy leave-of-absence or could be placed on such leave by the Corporation in accordance with any pregnancy leave provisions of the relevant Provincial Statutes;
- O. provision that any employee may waive irrevocably any right they may have to receive extended disability benefits with respect to any period of disability by completing a waiver form furnished by the Corporation for that purpose, in which case no extended disability benefits shall be payable for any period of disability covered by such waiver.

VII. SCHEDULE OF BENEFITS

A. Life, Permanent Total Disability, Accidental Death and Dismemberment Benefits

Hourly - Non-Skilled Employees

<u>Base Hourly Rate (1)</u>	<u>Age 65 (2)</u>	<u>Group Life Insurance Amount Before Benefit (3)</u>	<u>Monthly Permanent Total Disability Amount (3)</u>	<u>Accidental Death and Dismemberment Benefit Amount (4)</u>
Less than \$16.05		\$36,500	\$730	\$18,250
\$16.05 but less than 16.40		37,500	750	18,750
16.40 but less than 16.75		38,000	760	19,000
16.75 but less than 17.10		39,000	780	19,500
17.10 but less than 17.45		39,500	790	19,750
17.45 but less than 17.80		40,500	810	20,250
17.80 but less than 18.15		41,500	830	20,750
18.15 but less than 18.50		42,000	840	21,000
18.50 but less than 18.85		43,000	860	21,500
18.85 but less than 19.20		43,500	870	21,750
19.20 but less than 19.55		44,500	890	22,250
19.55 but less than 19.90		45,500	910	22,750
19.90 but less than 20.25		46,000	920	23,000
20.25 but less than 20.60		46,500	930	23,250
20.60 but less than 20.95		47,500	950	23,750
20.95 but less than 21.30		48,500	970	24,250
21.30 but less than 21.65		49,000	980	24,500
21.65 but less than 22.00		50,000	1,000	25,000
22.00 but less than 22.35		50,500	1,010	25,250
22.35 but less than 22.70		51,500	1,030	25,750
22.70 but less than 23.05		52,500	1,050	26,250
23.05 but less than 23.40		53,000	1,060	26,500
23.40 but less than 23.75		54,000	1,080	27,000
23.75 but less than 24.10		54,500	1,090	27,250
24.10 but less than 24.45		55,500	1,110	27,750
24.45 but less than 24.80		56,500	1,130	28,250
24.80 but less than 25.15		57,000	1,140	28,500
25.15 but less than 25.50		58,000	1,160	29,000
25.50 but less than 25.85		58,500	1,170	29,250
25.85 but less than 26.20		59,500	1,190	29,750
26.20 and over		60,500	1,210	30,250

VII. Schedule of Benefits - cont'd.

A. Life, Permanent Total Disability, Accidental Death and Dismemberment **Benefits - cont'd.**

Hourly - Skilled Trades

<u>B a s e</u>	<u>Hourly R a t e</u>	<u>Group Life Insurance Amount Before (1) Age 65 (2)</u>	<u>Monthly Permanent Total Disability Benefit Amount (3)</u>	<u>Accidental Death and Dismemberment Benefit (4)</u>
Less than	\$17.10	\$39,000	\$780	\$19,500
\$17.10 but less than	17.45	40,000	800	20,000
17.45 but less than	17.80	40,500	810	20,250
17.80 but less than	18.15	41,500	830	20,750
18.15 but less than	18.50	42,000	840	21,000
18.50 but less than	18.85	43,000	860	21,500
18.85 but less than	19.20	43,500	870	21,750
19.20 but less than	19.55	44,500	890	22,250
19.55 but less than	19.90	45,500	910	22,750
19.90 but less than	20.25	46,000	920	23,000
20.25 but less than	20.60	46,500	930	23,250
20.60 but less than	20.95	47,500	950	23,750
20.95 but less than	21.30	48,500	970	24,250
21.30 but less than	21.65	49,000	980	24,500
21.65 but less than	22.00	50,000	1,000	25,000
22.00 but less than	22.35	50,500	1,010	25,250
22.35 but less than	22.70	51,500	1,030	25,750
22.70 but less than	23.05	52,500	1,050	26,250
23.05 but less than	23.40	53,000	1,060	26,500
23.40 but less than	23.75	54,000	1,080	27,000
23.75 but less than	24.10	54,500	1,090	27,250
24.10 but less than	24.45	55,500	1,110	27,750
24.45 but less than	24.80	56,500	1,130	28,250
24.80 but less than	25.15	57,000	1,140	28,500
25.15 but less than	25.50	58,000	1,160	29,000
25.50 but less than	25.85	58,500	1,170	29,250
25.85 but less than	26.20	59,500	1,190	29,750
26.20 but less than	26.55	60,500	1,210	30,250
26.55 but less than	26.90	61,000	1,220	30,500
26.90 but less than	27.25	62,000	1,240	31,000
27.25 but less than	27.60	62,500	1,250	31,250
27.60 but less than	27.95	63,500	1,270	31,750

VII. Schedule of Benefits - cont'd.

	Group Life Insurance Amount	Monthly Permanent Total Disability Benefit	Accidental Death and Dismemberment Benefit
Base Hourly Rate (1)	(2)	(3)	(4)
\$27.95 but less than \$28.30	\$64,500	\$1,290	\$32,250
28.30 but less than 28.65	65,000	1,300	32,500
28.65 but less than 29.00	66,000	1,320	33,000
29.00 but less than 29.35	67,000	1,340	33,500
29.35 but less than 29.70	67,500	1,350	33,750
29.70 but less than 30.05	68,500	1,370	34,250
30.05 but less than 30.40	69,000	1,380	34,500
30.40 but less than 30.75	70,000	1,400	35,000
30.75 but less than 31.10	71,000	1,420	35,500
31.10 and over	71,500	1,430	35,750

- (1) "Base Hourly Rate" shall exclude overtime additions to straight-time pay, shift differentials, cost-of-living allowances, payments-in-lieu of vacation, and all other extra compensation. "Base Hourly Rate" to be used in determining the Group Life Insurance, Monthly Permanent Total Disability Benefit and the Accidental Death and Dismemberment Benefit shall be:
- i) the employee's Base Hourly Rate as defined in VII.A(1) above for employees who last worked before September 15, 1997;
 - ii) the employee's Base Hourly Rate as defined in VII.A(1) above, plus the sum of (A) the cost-of-living allowance in effect on September 15, 1997, minus (B) \$.05 for employees who last worked on or after September 15, 1997 but before September 21, 1998;
 - iii) the employee's Base Hourly Rate as defined in VII.A(1) above, plus the sum of (A) the cost-of-living allowance in effect on September 21, 1998 minus (B) \$.05 for employees who last worked on or after September 21, 1998.
- (2) After age 65 the amount shown will be reduced as provided in Section II.B.
- (3) Payable in accordance with Section II.C. in monthly installments until proceeds, with interest, are exhausted.
- (4) Twice the scheduled amount may be payable for an occupational-related death (as defined in Section III.A.(1)).

VII. Schedule of Benefits - cont'd.

B. Sickness and Accident and Extended Disability Benefits

Hourly - Non-Skilled Employees

Base	Hourly Rate	(1) (2)	Weekly	Monthly			
			Sickness & Accident Benefit Amount	Extended Disability Benefit Amount (3)	Schedule I	Schedule II	
	Less than	\$16.05	\$400	\$1,375	\$1,510		
\$16.05	but less than	16.40	410	1,405	1,545		
16.40	but less than	16.75	415	1,435	1,580		
16.75	but less than	17.10	425	1,470	1,610		
17.10	but less than	17.45	435	1,500	1,645		
17.45	but less than	17.80	440	1,530	1,680		
17.80	but less than	18.15	450	1,560	1,710		
18.15	but less than	18.50	460	1,590	1,745		
18.50	but less than	18.85	470	1,620	1,780		
18.85	but less than	19.20	475	1,650	1,810		
19.20	but less than	19.55	485	1,680	1,845		
19.55	but less than	19.90	495	1,710	1,880		
19.90	but less than	20.25	500	1,740	1,915		
20.25	but less than	20.60	510	1,770	1,945		
20.60	but less than	20.95	520	1,800	1,980		
20.95	but less than	21.30	525	1,830	2,015		
21.30	but less than	21.65	535	1,860	2,045		
21.65	but less than	22.00	545	1,890	2,080		
22.00	but less than	22.35	550	1,920	2,115		
22.35	but less than	22.70	560	1,950	2,145		
22.70	but less than	23.05	570	1,985	2,180		
23.05	but less than	23.40	575	2,015	2,215		
23.40	but less than	23.75	585	2,045	2,245		
23.75	but less than	24.10	595	2,075	2,280		
24.10	but less than	24.45	605	2,105	2,315		
24.45	but less than	24.80	610	2,135	2,350		
24.80	but less than	25.15	620	2,165	2,380		
25.15	but less than	25.50	630	2,195	2,415		
25.50	but less than	25.85	635	2,225	2,450		
25.85	but less than	26.20	645	2,255	2,480		
26.20	and over		655	2,285	2,515		

VII. Schedule of Benefits - cont'd.

B. Sickness and Accident and **Extended** Disability Benefits
- cont'd.

Hourly - Skilled Trades Employees

Base Hourly Rate	(1)	Weekly Sickness & Accident Benefit Amount	Monthly	
			Extended Disability Benefit Amount(3)	Schedule I Schedule
Less than \$16.05		\$400	\$1,375	\$1,510
\$16.05 but less than 16.40		410	1,405	1,545
16.40 but less than 16.75		415	1,435	1,580
16.75 but less than 17.10		425	1,470	1,610
17.10 but less than 17.45		435	1,500	1,645
17.45 but less than 17.80		440	1,530	1,680
17.80 but less than 18.15		450	1,560	1,710
18.15 but less than 18.50		460	1,590	1,745
18.50 but less than 18.85		470	1,620	1,780
18.85 but less than 19.20		475	1,650	1,810
19.20 but less than 19.55		485	1,680	1,845
19.55 but less than 19.90		495	1,710	1,880
19.90 but less than 20.25		500	1,740	1,915
20.25 but less than 20.60		510	1,770	1,945
20.60 but less than 20.95		520	1,800	1,980
20.95 but less than 21.30		525	1,830	2,015
21.30 but less than 21.65		535	1,860	2,045
21.65 but less than 22.00		545	1,890	2,080
22.00 but less than 22.35		550	1,920	2,115
22.35 but less than 22.70		560	1,950	2,145
22.70 but less than 23.05		570	1,985	2,180
23.05 but less than 23.40		575	2,015	2,215
23.40 but less than 23.75		585	2,045	2,245
23.75 but less than 24.10		595	2,075	2,280
24.10 but less than 24.45		605	2,105	2,315
24.45 but less than 24.80		610	2,135	2,350
24.80 but less than 25.15		620	2,165	2,380
25.15 but less than 25.50		630	2,195	2,415
25.50 but less than 25.85		635	2,225	2,450
25.85 but less than 26.20		645	2,255	2,480
26.20 but less than 26.55		655	2,285	2,515
26.55 but less than 26.90		660	2,315	2,550
26.90 but less than 27.25		670	2,345	2,580
27.25 but less than 27.60		680	2,375	2,615
27.60 but less than 27.95		685	2,405	2,650
27.95 but less than 28.30		695	2,440	2,680

VII. Schedule of Benefits - cont'd.

Base Hourly Rate (1) (2)	Weekly Sickness & Accident Benefit Amount	Monthly Extended Disability Benefit Amount (3)	
		I Schedule	Schedule II
\$28.30 but less than \$28.65	\$705	\$2,470	\$2,715
28.65 but less than 29.00	710	2,500	2,750
29.00 but less than 29.35	720	2,530	2,780
29.35 but less than 29.70	730	2,560	2,815
29.70 but less than 30.05	735	2,590	2,850
30.05 but less than 30.40	745	2,620	2,880
30.40 but less than 30.75	755	2,650	2,915
30.75 but less than 31.10	760	2,680	2,950
31.10 and over	770	2,710	2,980

- (1) "Base Hourly Rate" shall exclude overtime additions to straight-time pay, shift differentials, cost-of-living allowances, payments-in-lieu of vacation, and all other extra compensation.
- (2) "Base Hourly Rate" to be used in determining the Weekly Sickness and Accident Benefit Amount and the Monthly Extended Disability Benefit Amount shall be:
 - i) the employee's Base Hourly Rate as defined in VII.B.(1) above for employees who last worked before September 15, 1997.
 - ii) the employee's Base Hourly Rate as defined in VII.B.(1) above, plus the sum of (A) the cost-of-living allowance in effect on September 15, 1997 minus (B) \$.05 for employees who last worked on or after September 15, 1997 but before September 21, 1998.
 - iii) the employee's Base Hourly Rate as defined in VII.B.(1) above, plus the sum of (A) the cost-of-living allowance in effect on September 21, 1998 minus (B) \$.05 for employees who last worked on or after September 21, 1998.
- (3) Schedule II applies to eligible employees who on their last day worked preceding a continuous period of disability have ten or more years of credited service under the Pension Plan. Schedule I applies to all other employees eligible for Extended Disability Benefits.

VII. Schedule of Benefits - cont'd.

C. Life, Permanent Total Disability, Accidental Death and Dismemberment Benefits

Salary Employees

<u>Base Hourly Rate (1)</u>	<u>Group Life insurance Amount Before Age 65 (2)</u>	<u>Monthly Permanent Total Disability Benefit Amount (3)</u>	<u>Accidental Death and Dismemberment Benefit Amount (4)</u>
Less than \$688.85	\$58,000	\$1,160	\$29,000
\$688.85 but less than 700.35	59,000	1,180	29,500
700.35 but less than 711.85	60,000	1,200	30,000
711.85 but less than 723.35	61,000	1,220	30,500
723.35 but less than 734.85	62,000	1,240	31,000
734.85 but less than 746.35	63,000	1,260	31,500
746.35 but less than 757.85	64,000	1,280	32,000
757.85 but less than 769.35	65,000	1,300	32,500
769.35 but less than 780.85	66,000	1,320	33,000
780.85 but less than 792.35	67,000	1,340	33,500
792.35 but less than 803.85	68,000	1,360	34,000
803.85 but less than 815.35	69,000	1,380	34,500
815.35 but less than 826.85	70,000	1,400	35,000
826.85 but less than 838.35	71,000	1,420	35,500
838.35 but less than 849.85	72,000	1,440	36,000
849.85 but less than 861.35	73,000	1,460	36,500
861.35 but less than 872.85	74,000	1,480	37,000
872.85 but less than 884.35	75,000	1,500	37,500
884.35 but less than 895.85	76,000	1,520	38,000
895.85 but less than 907.35	77,000	1,540	38,500
907.35 but less than 918.85	78,000	1,560	39,000
918.85 but less than 930.35	79,000	1,580	39,500
930.35 but less than 941.85	80,000	1,600	40,000
941.85 but less than 953.35	81,000	1,620	40,500
953.35 but less than 964.85	82,000	1,640	41,000
964.85 but less than 976.35	83,000	1,660	41,500
976.35 but less than 987.85	84,000	1,680	42,000
987.85 but less than 999.35	85,000	1,700	42,500
999.35 but less than 1,010.85	86,000	1,720	43,000
1,010.85 but less than 1,022.35	87,000	1,740	43,500
1,022.35 but less than 1,033.85	88,000	1,760	44,000
1,033.85 but less than 1,045.35	89,000	1,780	44,500

VII. Schedule of Benefits - cont'd.

Base Hourly Rate (1)	Group Life Insurance Amount Before Age 65 (2)	Monthly Permanent Total Disability Benefit Amount (3)	Accidental Death and Dismemberment Benefit Amount (4)
\$1,045.35 but less than \$1,056.85	\$ 90,000	\$1,800	\$45,000
1,056.85 but less than 1,068.35	91,000	1,820	45,500
1,068.35 but less than 1,079.85	92,000	1,840	46,000
1,079.85 but less than 1,091.35	93,000	1,860	46,500
1,091.35 but less than 1,102.85	94,000	1,880	47,000
1,102.85 but less than 1,114.35	95,000	1,900	47,500
1,114.35 but less than 1,125.85	96,000	1,920	48,000
1,125.85 but less than 1,137.35	97,000	1,940	48,500
1,137.35 but less than 1,148.85	98,000	1,960	49,000
1,148.85 but less than 1,160.35	99,000	1,980	49,500
1,160.35 but less than 1,171.85	100,000	2,000	50,000
1,171.85 but less than 1,183.35	101,000	2,020	50,500
1,183.35 but less than 1,194.85	102,000	2,040	51,000
1,194.85 but less than 1,206.35	103,000	2,060	51,500
1,206.35 but less than 1,217.85	104,000	2,080	52,000
1,217.85 but less than 1,229.35	105,000	2,100	52,500
1,229.35 but less than 1,240.85	106,000	2,120	53,000
1,240.85 but less than 1,252.35	107,000	2,140	53,500
1,252.35 but less than 1,263.85	108,000	2,160	54,000
1,263.85 but less than 1,275.35	109,000	2,180	54,500
1,275.35 but less than 1,286.85	110,000	2,200	55,000
1,286.85 but less than 1,298.35	111,000	2,220	55,500
1,298.35 but less than 1,309.85	112,000	2,240	56,000
1,309.85 but less than 1,321.35	113,000	2,260	56,500
1,321.35 but less than 1,332.85	114,000	2,280	57,000
1,332.85 but less than 1,344.35	115,000	2,300	57,500
1,344.35 but less than 1,355.85	116,000	2,320	58,000
1,355.85 but less than 1,367.35	117,000	2,340	58,500
1,367.35 but less than 1,378.85	118,000	2,360	59,000
1,378.85 but less than 1,390.35	119,000	2,380	59,500
1,390.35 and over	120,000	2,400	60,000

VII. Schedule of Benefits - cont'd.

- (1) "Base Weekly Salary" shall exclude overtime additions to straight-time pay, shift differentials, cost-of-living allowances, and all other extra compensation.

"Base Weekly Salary" to be used in determining the Group Life Insurance, Monthly Permanent Total Disability Benefit and the Accidental Death and Dismemberment Benefit shall be:

- i) the employee's Base Weekly Salary as defined in VII.C(1) above for employees who last worked before September 15, 1997;
 - ii) the employee's Base Weekly Salary as defined in VII.C(1) above, plus the sum of (A) the cost-of-living allowance in effect on September 15, 1997, minus (B) \$2.00 for employees who last worked on or after September 15, 1997 but before September 21, 1998;
 - iii) the employee's Base Weekly Salary as defined in VII.C(1) above, plus the sum of (A) the cost-of-living allowance in effect on September 21, 1998 minus (B) \$2.00 for employees who last worked on or after September 21, 1998.
- (2) After age 65 the amount shown will be reduced as provided in Section II.B.
- (3) Payable in accordance with Section II.C. in monthly installments until proceeds, with interest, are exhausted.
- (4) Twice the scheduled amount may be payable for an occupational related death (as defined in Section III.A.(1)).

VII. Schedule of Benefits - cont'd.

D. Sickness and Accident and Extended Disability Benefits

Salary Employees

Base Hourly Rate (1) (2)	Weekly Sickness & Accident Benefit Amount		Monthly Extended Disability Benefit Amount (3)	
	(1)	(2)	Schedule I	Schedule II
Less than	\$688.85	\$436	\$1,485	\$1,635
\$ 688.85 but less than	700.35	443	1,510	1,660
700.35 but less than	711.85	450	1,535	1,690
711.85 but less than	723.35	457	1,560	1,715
723.35 but less than	734.85	464	1,585	1,745
734.85 but less than	746.35	471	1,610	1,770
746.35 but less than	757.85	478	1,635	1,800
757.85 but less than	769.35	485	1,660	1,825
769.35 but less than	780.85	492	1,685	1,855
780.85 but less than	792.35	499	1,710	1,880
792.35 but less than	803.85	506	1,735	1,910
803.85 but less than	815.35	513	1,760	1,935
815.35 but less than	826.85	520	1,785	1,965
826.85 but less than	838.35	527	1,810	1,990
838.35 but less than	849.85	534	1,835	2,020
849.85 but less than	861.35	541	1,860	2,045
861.35 but less than	872.85	548	1,885	2,075
872.85 but less than	884.35	555	1,910	2,105
884.35 but less than	895.85	562	1,935	2,130
895.85 but less than	907.35	569	1,960	2,160
907.35 but less than	918.75	576	1,985	2,185
918.75 but less than	930.35	583	2,010	2,215
930.35 but less than	941.85	590	2,035	2,240
941.85 but less than	953.35	597	2,060	2,270
953.35 but less than	964.85	604	2,085	2,295
964.85 but less than	976.35	611	2,110	2,325
976.35 but less than	987.85	618	2,135	2,350
987.85 but less than	999.35	625	2,160	2,380
999.35 but less than	1,010.85	632	2,185	2,405
1,010.85 but less than	1,022.35	639	2,210	2,435
1,022.35 but less than	1,033.85	646	2,235	2,460
1,033.85 but less than	1,045.35	653	2,260	2,490
1,045.35 but less than	1,056.85	660	2,285	2,515
1,056.85 but less than	1,068.35	667	2,310	2,545
1,068.35 but less than	1,079.85	674	2,335	2,570
1,079.85 but less than	1,091.35	681	2,360	2,600

VII. Schedule of **Benefits - cont'd.**

Base Hourly Rate	Weekly Sickness & Accident Benefit Amount	Monthly Extended Disability Benefit Amount (3)	
		Schedule I	Schedule I
\$1,091.35 but less than \$1,102.85	\$688	\$2,385	\$2,625
1,102.85 but less than 1,114.35	695	2,410	2,655
1,114.35 but less than 1,125.85	702	2,435	2,680
1,125.85 but less than 1,137.35	709	2,460	2,710
1,137.35 but less than 1,148.85	716	2,485	2,735
1,148.85 but less than 1,160.35	723	2,510	2,765
1,160.35 but less than 1,171.85	730	2,535	2,790
1,171.85 but less than 1,183.35	737	2,560	2,820
1,183.35 but less than 1,194.85	744	2,585	2,845
1,194.85 but less than 1,206.35	751	2,610	2,875
1,206.35 but less than 1,217.85	758	2,635	2,900
1,217.85 but less than 1,229.35	765	2,660	2,930
1,229.35 but less than 1,240.85	772	2,685	2,955
1,240.85 but less than 1,252.35	779	2,710	2,980
1,252.35 but less than 1,263.85	786	2,735	3,010
1,263.85 but less than 1,275.35	793	2,760	3,035
1,275.35 but less than 1,286.85	800	2,785	3,065
1,286.85 but less than 1,298.35	807	2,810	3,090
1,298.35 but less than 1,309.85	814	2,835	3,120
1,309.85 but less than 1,321.35	821	2,860	3,145
1,321.35 but less than 1,332.85	828	2,885	3,175
1,332.85 but less than 1,344.35	835	2,910	3,200
1,344.35 but less than 1,355.85	842	2,935	3,230
1,355.85 but less than 1,367.35	849	2,960	3,255
1,367.35 but less than 1,378.85	856	2,985	3,285
1,378.85 but less than 1,390.35	863	3,010	3,310
1,390.35 and over	870	3,035	3,340

VII. Schedule of Benefits - cont'd.

- (1) "Base Weekly Salary shall exclude overtime additions to straight-time pay, shift differentials, cost-of-living allowances, and all other extra compensation.
- (2) "Base Weekly Salary" to be used in determining the Weekly Sickness and Accident Benefit Amount and the Monthly Extended Disability Amount shall be:
 - i) the employee's Base Weekly Salary as defined in VII.D.(1) above for employees who last worked before September 15, 1997.
 - ii) the employee's Base Weekly Salary as defined in VII.D.(1) above, plus the sum of (A) the cost-of-living allowance in effect on September 15, 1997 minus (B) \$2.00 for employees who last worked on or after September 15, 1997 but before September 21, 1998.
 - iii) the employee's Base Weekly Salary as defined in VII.D.(1) above, plus the sum of (A) the cost-of-living allowance in effect on September 21, 1998 minus (B) \$2.00 for employees who last worked on or after September 21, 1998.
- (3) Schedule II applies to eligible employees who on their last day worked preceding a continuous period of disability have ten or more years of credited service under the Pension Plan. Schedule I applies to all other employees eligible for Extended Disability Benefits.

VIII. GENERAL

- A. During the term of this Life and Disability Insurance Program, the Corporation will pay the premiums required, including any future increases of premiums, for the group insurance referred to in Section I, except for such contributions or payments by employees, retired employees and surviving spouses as are required under the Program. The Corporation shall receive and retain any dividends paid or credits, refunds, or reimbursements, by whatever name called, made in respect of the group insurance referred to in Section I.
- B. When contributions or payments by employees, retired employees or surviving spouses are required, they shall pay their contributions to the Corporation by cheque or money order on or before the 10th day of the month for which coverage is to be provided or, if suitable arrangements can be made, directly to the carrier on or before the due date.
- C. The provision of this Life and Disability Insurance Program relative to group sickness and accident insurance, group reinstated sickness and accident insurance and group extended disability insurance shall not be applicable to employees who are or become subject to laws which now or hereafter may prescribe benefits, by whatever name called, for employees who are disabled by non-occupational sickness or accident, or similar disability, and compliance by the Corporation with such laws shall be deemed full compliance with the provisions of this Life and Disability Insurance Program relative to group sickness and accident insurance, group reinstated sickness and accident insurance and group extended disability insurance with respect to employees subject to such laws. Notwithstanding the foregoing, the Corporation will endeavour to continue to make available for employees, but at no cost to them, group sickness and accident insurance, group reinstated sickness and accident insurance and group extended disability insurance coverage (with such changes as may be required from time to time by changes in the law or regulations or rulings) and will make available to employees subject to such laws, group sickness and accident insurance, group reinstated sickness and accident insurance and group extended disability insurance coverage as nearly equal as practicable to that provided under the applicable insurance policies referred to in Section I hereof; provided, that approval of

VIII General - cont'd.

- (1) the coverage now in force or to be made available as compliance by the Corporation with laws applicable, and
- (2) the contents of the policy and the contract forms of such coverage,

is obtained and continuously maintained from the proper governmental authorities; and provided further that the cost to the Corporation of making such coverage available to employees subject to such laws is not greater than the cost to the Corporation would have been if it had made available group sickness and accident insurance, group reinstated sickness and accident insurance and group extended disability insurance to the same group of employees under the applicable insurance policies referred to in Section I.

- D. The benefits provided for in this Life and Disability Insurance Program shall be in lieu of and in substitution for any and all other plans providing for insurance, disability benefits, payments or coverage of any kind or nature to employees, retired employees, and surviving spouses, for death, sickness, accident, or disability, in which the Corporation participates, other than benefits required by law for occupational death or disability, statutory benefits and the Chrysler Canada Ltd. Retirement Income Plan for Salaried Employees.
- E. A newly hired employee shall become eligible for coverage under this Life and Disability Insurance Program after the Effective Date described in Section VIII.P., or prior thereto under the Life and Disability Insurance Program in effect immediately prior to the Effective Date, on the first day of a calendar month next following the month in which employment commences, except that:
 - (1) a newly hired employee shall not be eligible for sickness and accident insurance benefits until the first day of the fourth calendar month next following the month in which employment commences:
 - (2) in the event the Corporation otherwise qualifies for a premium reduction under the Unemployment Insurance Act, the eligibility date for Sickness and Accident Benefits shall not be later than the date necessary to retain the Corporation's eligibility for Unemployment Insurance premium reduction;

VIII. General - cont'd.

- (3) if an employee dies as a result of bodily injuries prior to becoming insured for group life insurance and group accidental death and dismemberment insurance, such insurance coverage will be provided for such death but only if:
 - (a) a benefit would be payable for such death under Section III. of this Life and Disability Insurance Program if such employee was insured at the time of such injuries;
 - (b) the bodily injuries are caused solely by employment with the Corporation; and
 - (c) the bodily injuries result solely from an accident in which both the cause and result are unexpected and definite as to time and place.
- F. No employee, retired employee or surviving spouse shall be covered under this Life and Disability Insurance Program unless they are eligible and have duly enrolled therefor.

Amounts of group life, group accidental death and dismemberment, group sickness and accident, group reinstated sickness and accident and group extended disability insurance shall be determined in accordance with the schedule of benefits in Section VII. hereof, except that an employee who returns from an occupational disability absence and because of a continuing physical limitation connected with such occupational disability is placed on a job paying a lower rate than the job the employee held immediately prior to his disability absence, will have amounts of group life, group accidental death and dismemberment, group sickness and accident, group reinstated sickness and accident and group extended disability insurance determined in accordance with the higher rate of the former job, as determined by the schedule of benefits in Section VII. hereof, for as long as the employee receives payments under any applicable workers' compensation law in reimbursement for the loss in pay occasioned by such physical limitation.

Each increase or decrease in the amount of an employee's group life, group accidental death and dismemberment, group sickness and accident, group reinstated sickness and accident or group extended disability insurance due to an increase or decrease in pay rate shall become effective automatically on the first day of the

VIII. General - cont'd.

month coinciding with or next following the date the increase or decrease becomes effective; provided, however, that if an employee is both disabled (i.e., ill or injured) and away from work, or is on a layoff or leave of absence, on the date the employee's insurance would otherwise be increased or decreased, the effective date of the increase or decrease in insurance shall be deferred until the employee returns to active work. For insurance purposes, any retroactive change in an employee's rate of pay shall be deemed to become effective on the date of the determination of the change in the rate of pay. Irrespective of the foregoing, if an employee's pay rate on the last day worked preceding the date of illness or injury or the date the employee becomes permanently and totally disabled or the date of the employee's death would, under the schedule of benefits in Section VII, of this Life and Disability Insurance Program, entitle the employee or beneficiary to a higher amount of sickness and accident insurance benefits, reinstated sickness and accident insurance benefits, extended disability insurance benefits, group life insurance or accidental death and dismemberment insurance, payment of benefits shall be on the basis of the higher amount.

- G. If an employee is both disabled (i.e., ill or injured) and away from work, or is on a layoff or leave of absence, on the date any group life, accidental death and dismemberment, sickness and accident, reinstated sickness and accident or extended disability coverage under this Life and Disability Insurance Program (except the coverages referred to in Section II.B., II.D., II.G. and II.H. herein) would otherwise become effective for the employee (including changes in coverage which would otherwise become effective on the Effective Date of this Life and Disability Insurance Program), the effective date of such coverage will be deferred until the date the employee returns to active work. A leave of absence existing on the Effective Date of this Life and Disability Insurance Program for an employee working with a Local Union or the National Union will not operate to defer the effective date of any coverage for such employee under this Life and Disability Insurance Program.

All employees who are covered or receiving or entitled to benefits, or having rights under the coverages in effect prior to the Effective Date of this Life and Disability Insurance Program who are not eligible to become covered thereby on the Effective Date of this Life and Disability Insurance Program, shall retain such status, benefits, or rights in accordance with the conditions, provisions, and

VIII. General - cont'd.

limitations of such coverages so long as they remain ineligible to become covered by this Life and Disability Insurance Program.

- H. If it is determined that any benefit or benefits paid to an employee under the group insurance referred to in Section I. should not have been paid or should have been paid in a lesser amount, written notice thereof shall be given to such employee and the employee shall repay the amount of the overpayment to the Insurance Company. If the employee fails to repay such amount of overpayment promptly, the Insurance Company shall arrange to recover the amount of the overpayment by making an appropriate deduction or deductions from any future benefit payment or payments payable to the employee under the group insurance referred to in Section I., or may request the Corporation to make an appropriate deduction or deductions from future compensation payable by the Corporation to the employee.
- I. If any benefits listed in Section IV.C., D. (3) or Section VI.B. are awarded retroactively, they shall be treated as having been received by the employee during the entire time period for which such benefits were payable and any overpayment of any insurance program benefits shall be calculated accordingly. Recovery of any such overpayment will be made in accordance with Section VIII.H. above.
- J. In the event of any payment to the employee under the Life and Disability Insurance Plan for loss of income for which the employee may have a cause of action against a third party the Trustees of Chrysler Canada Ltd.'s Benefits Plan (the Trustees), their Administrator or Chrysler Canada Ltd. will have their interest subrogated in this regard. This will entitle the Trustees, the Administrator or Chrysler Canada Ltd., to be reimbursed for any amount that the employee recovers for loss of income from both the Trustees, their Administrator or Chrysler Canada Ltd. and the third party, which exceeds the employee's actual loss of income.

The employee will execute and deliver such instruments and papers as may be required and do whatever else is necessary to secure such rights. The employee may take no action which may prejudice the subrogation rights.

VIII. General - cont'd.

The subrogation rights referred to above do not apply to an individual plan purchased by the employee specifically for wage loss replacement.

- K. This Life and Disability Insurance Program is contingent upon and subject to obtaining such approvals as may be necessary from the Insurance Department or corresponding authority of any province or provinces of the coverage documents providing the coverages referred to in this Life and Disability Insurance Program, and the benefits provided, and proposed to be provided, by each of them. As to any group insurance policy, if the Insurance Company shall be unable to change, be unable to issue, or refuse to change or issue, the group insurance policy so as to contain any one or more of the provisions referred to in this Life and Disability Insurance Program, no employee, retired employee or surviving spouse shall have any right or benefit that they would have had under the group insurance policy if it had contained such provision or provisions. As to any other contract or arrangement, if the underwriter shall be unable to change, be unable to issue or provide, or refuse to change, issue, or provide, the contract or arrangement so as to contain or include any one or more of the provisions referred to in this Life and Disability Insurance Program, no employee, retired employee or surviving spouse shall have any right or benefit that they would have had under the contract or arrangement if it had contained or included such provision or provisions. If, for any reason not due to the fault of the Corporation, the Insurance Company or any other underwriter shall terminate or refuse to renew the group insurance policies, contracts, or arrangements, or any of them, the Corporation shall endeavour to obtain new group insurance policies, contracts, or arrangements, or any of them, providing coverage or coverages as similar to those provided by the terminated or not renewed policies, contracts, or arrangements, as the Corporation is reasonably able to obtain.
- L. The Corporation shall be under no obligation by reason of this Life and Disability Insurance Program except in good faith to endeavour to obtain the coverages referred to herein, and to pay its share of the premiums and to fulfill any obligations it undertakes in the group policies, contracts, or arrangements providing the coverages referred to in this Life and Disability Insurance Program.

VIII. General - cont'd.

- M. Any and all references in this Life and Disability Insurance Program to an employee or to employees shall include only employees as to whom the collective bargaining agreement to which this Life and Disability Insurance Program is attached applies, but shall not include retired employees except where the context specifically requires otherwise.
- N. Unless expressly provided in this Life and Disability Insurance Program, neither party shall request, demand, or propose any change in this Life and Disability insurance Program or any modification thereof or supplement thereto, or with respect to any plan or arrangement contemplating payment of benefits of the kinds provided for by this Life and Disability Insurance Program, or with respect to contributions concerning such plan or arrangement, nor shall a change in or addition to this Life and Disability Insurance Program be an object of or a reason for any strike or lockout or other exercise of economic force or threat thereof by the Union or Corporation.
- O. Any reference in this Life and Disability Insurance Program to the Effective Date of this Life and Disability Insurance Program or to the Effective Date shall be construed to mean September 23, 1996, and the provisions of this Life and Disability Insurance Program with regard to group life insurance, group accidental death and dismemberment insurance, group sickness and accident insurance, group reinstated sickness and accident insurance and group extended disability insurance shall, except as otherwise expressly provided herein, become effective on the Effective Date; except as expressly otherwise provided herein, become effective for each locality providing such coverage on September 23, 1996, or such date thereafter as may be practicable for the locality. Until the applicable respective provisions of this Life and Disability Insurance Program become effective in accordance with the above sentence and except as otherwise expressly provided herein, the applicable provisions of the Life and Disability Insurance Program incorporated by reference in the Collective Bargaining Agreement dated September 15, 1993, between the Corporation and the CAW shall continue in effect, but no change in benefits thereunder shall result from any adjustments in pay rates provided for in the Collective Bargaining Agreement to which this Life and Disability Insurance Program is attached, prior to September 23, 1996. Notwithstanding

VIII. General - **cont'd.**

the provisions in Section VIII..F., all changes in coverage resulting from a change made in this Life and Disability Insurance Program from the Life and Disability insurance Program in effect immediately prior to the Effective Date shall become effective in accordance with the first sentence of this Section VIII.P., subject to Section VIII.G. of this Life and Disability Insurance Program.

MEMORANDUM OF UNDERSTANDING

WHEREAS the parties have established a Life and Disability Insurance Program as Exhibit "C" to the Collective Bargaining Agreement dated September 17, 1996, covering employees represented by the Union in Local Union Nos. 444, 1498, 195 (Security Unit), 1090, 1459 and 1285 at Bramalea;

AND WHEREAS the Unemployment Insurance Act, 1971 required that private wage loss replacement plans meet certain criteria for Unemployment Insurance premium reduction;

NOW THEREFORE the parties agree:

The provisions of Section IV.D. (1) of the Life and Disability Insurance Program to the contrary notwithstanding, an insured employee who has 13 weeks but less than 16 weeks of seniority and who is absent from work because of total disability shall be entitled, during the period The Life and Disability Insurance Program qualifies for Unemployment Insurance premium reduction, to receive sickness and accident benefits under the Life and Disability Insurance Program for a maximum period of 15 weeks, provided the employee is otherwise eligible.

APPENDIX A
DEPENDENT GROUP LIFE INSURANCE

I. ELIGIBILITY DATE.

An employee, other than a salaried employee, shall become eligible for dependent group life insurance on the first day of the calendar month next following the month in which the employee acquires one year of seniority provided that the employee has at least one eligible dependent as defined in Section III. below. If the employee does not then have such a dependent, the employee shall become eligible for dependent group life insurance on the first day of the calendar month following the date this condition is first met.

The date that the employee becomes eligible for dependent group life insurance shall be hereinafter referred to as the employee's eligibility date.

II. ENROLLMENT AND EFFECTIVE DATES

The employee's dependent group life insurance shall become effective as set forth below:

- A. If the employee enrolls on or before the employee's eligibility date or during the 31-day period following the employee's eligibility date, insurance becomes effective on the first day of the calendar month following the month in which the employee's first payroll deduction is made, but in no event prior to the eligibility date.
- B. If the employee enrolls subsequent to the 31st day following the employee's eligibility date, or if the employee becomes insured for dependent group life insurance under a schedule and later decides to enroll for a higher amount of insurance under another schedule as set forth in Section IV herein, the employee must furnish evidence satisfactory to the insurance company of each dependent's good health. In the event the insurance company approves the evidence, insurance will become effective on the first day of the calendar month following the month in which the employee's first payroll deduction is made, with respect to those persons whose evidence has been approved and who are still eligible dependents, as defined in Section III. below.

III. DEFINITION OF INDEPENDENT

"Dependent" means (a) the employee's spouse and (b) any unmarried child over 14 days of age (i) of the employee by birth, legal adoption, or legal guardianship, while such child legally resides with and is dependent upon the employee, (ii) of the employee's spouse while such child is in the custody of and dependent upon the employee's spouse and is residing in and a member of the employee's household, (iii) as defined in (i) and (ii) who does not reside with the employee but is the employee's legal responsibility for the provision of health care. A child as defined in (i), (ii) or (iii) is included until the end of the calendar year in which the child attains age 25, or regardless of age if totally and permanently disabled as defined hereinafter, provided that any such child after the end of the calendar year in which the child attains age 21 must be dependent upon the employee within the meaning of the Canadian Income Tax Act and must legally reside with, and be a member of the household of, the employee. "Totally and permanently disabled" means having any medically determinable physical or mental condition which prevents the child from engaging in substantial gainful activity and which can be expected to result in death or to be of long-continued or indefinite duration. "Spouse" means the person to whom the employee is legally married, or, if there is no such person, means a person of the opposite sex who has been cohabiting and residing with the employee for a continuous period of at least one year, and has been publicly represented by the employee as the employee's spouse. No person may be considered a dependent of more than one employee.

The Definition of dependent used in this Appendix shall apply only to the dependent group life insurance set forth herein and shall be entirely independent of any such definition used for the hospital, surgical, medical, prescription drug, dental, vision and hearing aid coverage set forth in Exhibit G - The Health Care Program.

APPENDIX A - Dependent Group Life Insurance - cont'd.

IV. AMOUNT OF INSURANCE

The amount of dependent group life insurance applicable to each dependent is as follows:

	Amount of Insurance						
	Schedule Dependent	Schedule II	Schedule I	Schedule III	Schedule IV	Schedule V	Schedule VI
Spouse	\$ 5,000	\$ 10,000	\$ 15,000	\$ 20,000	\$ 25,000	\$ 30,000	
Child	2,000	4,000	6,000	8,000	10,000	12,000	

. For employees at work on or after October 29, 1990

V. CONTRIBUTIONS

The employee shall contribute the full cost of dependent group life insurance and contributions shall be payable monthly in advance through payroll deductions while actively at work. The required monthly contributions, regardless of the number of dependents on whose account the employee is insured, is as set forth in the following schedule, which is subject to change.

Employee's Age	Monthly Contribution					
	Schedule I	Schedule II	Schedule III	Schedule IV	Schedule V	Schedule VI
Less than 30	\$0.35	\$0.70	\$0.95	\$1.20	\$1.75	\$2.10
30-34	0.45	0.90	1.22	1.55	2.25	2.70
35-39	0.55	1.10	1.50	1.90	2.75	3.30
40-44	0.90	1.80	2.50	3.20	4.50	5.40
45-49	1.50	3.00	4.33	5.65	7.50	9.00
50-54	2.50	5.00	7.40	9.80	12.50	15.00
55-59	3.75	7.50	11.25	15.00	18.75	22.50
60-64	5.75	11.50	17.25	23.00	28.75	34.50
65-69	8.75	17.50	26.25	35.00	43.75	52.50

When the employee attains a birthday which places the employee in a higher age bracket, the monthly contributions will change on the first day of the calendar month following the month in which such birthday occurs.

APPENDIX A - Dependent Group Life insurance - cont'd.

VI. PAYMENT OF BENEFITS

If a dependent dies from any cause while the employee is insured for dependent group life insurance, the amount of such insurance in force on account of the dependent shall be paid in a lump sum to the employee (the employee is the beneficiary for dependent group life insurance). The employee's insurance certificate shall set forth the procedure for payment of insurance in case a dependent dies subsequent to the death of the employee.

This insurance is term insurance without cash, loan or paid-up values.

VII. CONTINUATION OF INSURANCE

An employee may continue dependent group life insurance after the last month for which a payroll deduction was made, while on layoff, leave of absence or retirement, by paying the required monthly contribution in accordance with Section V. above subject to the following time limits:

- A. for twelve months, if the employee is on an approved personal leave of absence;
- B. for the period of the leave, if the employee is on an approved leave of absence to work for the International or Local Union;
- C. for the period (not to exceed twenty four months) equal to that for which the employee may be covered for non-contributory coverage under Section II.F.(1) of this Insurance Program, and thereafter for twelve additional months, if the employee is laid off;
- D. for the period equal to the lesser of (1) the employee's period of disability or (2) the employee's seniority if the employee has less than 10 years of seniority, or (3) to age 65 if the employee has more than 10 years of seniority, if the employee is on an approved disability leave of absence; and
- E. for the period of retirement but not beyond the end of the month in which the employee attains age 70, if the employee is retired.

VIII CESSATION OF INSURANCE

Dependent group life insurance shall automatically cease on the earliest of the following:

- A. The date the employee or retired employee ceases to have a dependent as defined in Section III. above.
- EI. If the employee or retired employee fails to make a required contribution for dependent group life insurance when due, the last day of the calendar month immediately preceding the calendar month for which such contribution was due.
- C. The last day of the calendar month in which the employee or retired employee attains age 70.
- D. The date of discontinuance of dependent group life insurance under the Insurance Program.

The dependent group life insurance on account of any dependent shall automatically cease on the day immediately preceding the date such person ceases to be a dependent as defined in Section III. above.

IX. CONVERSION PRIVILEGE

Upon written application made by a person to the insurance company within 31 days after the date of cessation of the dependent group life insurance on account of such person because of:

- A. the employee's death or cessation of the employee's eligibility for dependent group life insurance unless such cessation was due to discontinuance of dependent group life insurance under the Insurance Program, or
- B. such person's ceasing to be a dependent as defined in Section III. above,

such person shall be entitled to have an individual policy of life insurance only, without disability or accidental means death benefits, issued by the insurance company, without evidence of insurability. Such individual policy shall be upon one of the forms

APPENDIX A - **Dependent** Group Life Insurance - **cont'd.**

then customarily issued by the insurance company, and will provide an individual policy of:

- (a) term insurance for a period of one year; or
- (b) term insurance to the policy anniversary nearest the employee's 65th birthday; or
- (c) life insurance under any regular plan then being issued by the insurance company;

and the premium for such individual policy shall be the premium applicable to the class of risk to which such person belongs and to the form and amount of the individual policy at such person's attained age at the date of issue of such individual policy. The amount of such individual policy shall be equal to (or at the option of such person less than) the amount of dependent group life insurance in force on account of such person on the date of cessation of such insurance.

Any individual policy of life insurance so issued shall become effective at the end of the 31-day period during which application for such individual policy can be made. If, however, the person who is entitled to the privilege of obtaining an individual policy of life insurance dies during such 31-day period, the insurance company shall pay to the employee, whether or not application for such individual policy shall have been made, the maximum amount of life insurance for which an individual policy could have been issued. The employee's insurance certification shall set forth the procedure for payment of insurance in case such person dies subsequent to the death of the employee.

APPENDIX B
OPTIONAL GROUP LIFE INSURANCE

I. ELIGIBILITY DATE:

An employee, other than a salaried employee, who is insured for the Life Insurance provided in accordance with Section II.A. and B., of Exhibit C - The Life and Disability Insurance Program, shall become eligible for Optional Group Life Insurance on the first day of the calendar month next following the month in which the employee acquires one year of seniority.

The date that the employee becomes eligible for Optional Group Life Insurance shall be hereinafter referred to as the employee's eligibility date.

II. ENROLLMENT AND EFFECTIVE DATES

The employee's Optional Group Life Insurance shall become effective as follows:

- A. If the employee enrolls on or before the employee's eligibility date, insurance becomes effective on the eligibility date.
- B. If the employee enrolls during the 31-day period following the employee's eligibility date, insurance becomes effective on the first day of the calendar month next following the date of enrollment.
- C. If the employee enrolls subsequent to the 31st day following the employee's eligibility date, or if the employee becomes insured for Optional Group Life Insurance and later decides to enroll for a higher amount of insurance as set forth in Section III. herein, the employee must furnish evidence satisfactory to the insurance company (a) of the employee's insurability, or (b) that the employee has married or acquired children by birth or adoption during the 31-day period immediately prior to such enrollment. In either case, insurance shall become effective on the first day of the calendar month next following the date the insurance company approves such evidence, provided that in the case of (b) above, the change in status is still in existence.

APPENDIX B - Optional Group Life Insurance - cont'd.

In any event, for an employee to become insured initially or for a higher amount of insurance, the employee must be actively at work on the date the insurance would otherwise become effective. If the employee is not actively at work on such date, the insurance becomes effective on the date the employee returns to active work, provided the employee is then still eligible as set forth in Section I herein.

If the employee becomes insured for Optional Group Life Insurance and later enrolls for a lower amount of insurance as set forth in Section III, herein, the employee shall become insured for such lower amount of insurance on the first day of the calendar month next following the month for which the employee last contributed for the higher amount, whether or not the employee is then actively at work.

III. AMOUNT OF INSURANCE

An employee may elect one of the following amounts of Optional Group Life Insurance: Schedule I - \$10,000, Schedule II - \$20,000, Schedule III - \$30,000, Schedule IV - \$40,000, Schedule V - \$50,000 and for employees at work on or after October 29, 1990 Schedule VI - \$75,000 and Schedule VII - \$100,000.

The amount of Optional Group Life Insurance in force on account of an employee shall be reduced on the first day of the calendar month next following the month in which the employee attains age 66, and on each anniversary of such date, by 20% of the amount of Optional Group Life Insurance in force on the employee's 65th birthday. If after the employee's 65th birthday, an employee either enrolls initially for Optional Group Life Insurance or becomes insured for an increased or decreased amount of insurance, then, for the purpose of the reductions set forth in the preceding sentence, the amount of Optional Group Life Insurance shall be determined as though such initial increased or decreased amount were in force on the employee's 65th birthday.

No Optional Group Life Insurance is provided after the end of the month in which the employee attains age 70.

APPENDIX B - Optional Group Life Insurance - cont'd.

IV. CONTRIBUTIONS

The employee shall contribute the full cost of the Optional Group Life Insurance and contributions shall be payable monthly in advance. The required monthly contribution for each \$1,000 of Optional Group Life Insurance is as set forth in the following table, which is subject to change

<u>Employee's Age</u>	<u>Monthly Contribution</u>
Less than 30	\$ 0.08
30 — 34	0.08
35 — 39	0.12
40 — 44	0.20
45 — 49	0.38
50 — 54	0.65
55 — 59	1.05
60 — 64	1.75
65 — 69	2.60

When the employee attains a birthday which places the employee in a higher age bracket, the monthly contribution will change on the first day of the calendar month next following the month in which such birthday occurs.

V. PAYMENT OF BENEFITS

- A. The amount of Optional Group Life Insurance is payable to the beneficiary of record of the employee in the event of death from any cause while the employee is insured for Optional Group Life Insurance.
- B. At the written request of the beneficiary, Optional Group Life Insurance shall be paid either in a lump sum or in installments. No installment settlement election shall be valid if such settlement would result in installment payments of less than \$10.00 each.
- C. If the insurance is payable in installments and the beneficiary dies before all installments have been paid, the unpaid installments shall be commuted at the rate of interest used in computing the amount of installment payments, and paid in

APPENDIX B - Optional Group Life Insurance - cont'd.

one lump sum to the estate of the beneficiary unless otherwise provided in the election of an installment settlement.

- D. The employee's insurance certificate shall set forth the administrative provisions regarding the recording of beneficiary designations, changes of beneficiary and the procedure for payment of insurance in case there is no beneficiary living at the death of the employee.
- E. This insurance is term insurance without cash, loan or paid-up values.

VI. CONTINUATION OF INSURANCE

An employee may continue Optional Group Life Insurance after the last month for which a payroll deduction was made, while on layoff, leave of absence or retirement, by paying the required monthly contribution in accordance with Section V. above subject to the following time limits:

- A. for twelve months, if the employee is on an approved personal leave of absence;
- B. for the period of the leave, if the employee is on an approved leave of absence to work for the International or Local Union;
- C. for the period equal to that for which the employee may be covered for non-contributory coverage under Section II.F.(1) of this Insurance Program, and thereafter for twelve additional months, if the employee is laid off;
- D. for the period equal to the lesser of (1) the employee's period of disability or (2) the employee's seniority if the employee has less than 10 years of seniority or, (3) to age 65 if the employee has more than 10 years of seniority, if the employee is on an approved disability leave of absence; and
- E. for the period of retirement but not beyond the end of the month in which the employee attains age 70, if the employee is retired.

APPENDIX B - Optional Group Life Insurance - cont'd.

VII. CESSATION OF INSURANCE

Optional Group Life Insurance shall automatically cease on the earliest of the following:

- A. The date the employee ceases to be insured for Life Insurance provided in accordance with Section II.A. and B. of Exhibit C - The Life and Disability Insurance Program.
- B. If the employee fails to make a required contribution for Optional Group Life Insurance when due, the last day of the calendar month immediately preceding the calendar month for which such contribution was due.
- C. The last day of the calendar month in which the employee attains age 70.
- D. The date of discontinuance of Optional Group Life Insurance under the Life and Disability Insurance Program.

VIII. CONVERSION PRIVILEGE

Upon written application made by a person to the insurance company within 31 days after the date of cessation of the employee's Optional Group Life Insurance because of cessation, in accordance with Section II.G.(1) and (2) of the employee's Life Insurance provided in accordance with Exhibit C - The Life and Disability Insurance Program, the employee shall be entitled to have an individual policy of Life Insurance only, without Disability or Accidental Death Benefits, issued by the insurance company, without evidence of insurability. Such individual policy shall be upon one of the forms then customarily issued by the insurance company, and will provide an individual policy of:

(a) term insurance for a period of one year if under age 65; or (b) term insurance to the policy anniversary nearest the employee's 65th birthday; or (c) life insurance under any regular plan then being issued by the insurance company and the premium for such individual policy shall be the premium applicable to the class of risk to which the employee belongs and to the form and amount of the individual policy at the employee's attained age at the date of issue of such individual policy. The amount of such individual policy shall

APPENDIX B - Optional Group Life Insurance - cont'd.

be equal to or, at the option of the employee, less than the amount of the employee's Optional Group Life Insurance in force on account of such person on the date of cessation of such insurance.

Any individual policy of Life Insurance so issued shall become effective at the end of the 31-day period during which application for such individual policy may be made. If, however, the employee dies during such 31-day period, the insurance company shall pay to the employee's beneficiary of record, whether or not the employee shall have made application for such individual policy, the maximum amount of Life Insurance for which an individual policy could have been issued.

APPENDIX C
PROCEDURE FOR REVIEW OF DENIED CLAIMS

To afford employees a means by which they can seek review and possible reconsideration of a denied claim, internal procedures of Chrysler Canada Ltd. and The Aetna Life Insurance Company will provide a procedure along the following lines:

- (1) The formal notification letter from the group insurance representative by which the employee is advised that a claim is denied will inform the employee that if there are any questions regarding the denial they may be referred to the plant group insurance office.
- (2) Upon request, the group insurance office will advise what if anything the employee can do to support the claim for payment of benefits.
- (3) The employee may request a Union representative to discuss insurance matters with local management to obtain this information.
- (4) Upon request, a representative of local management will review the employee's case with the Union representative. At this meeting, there will be furnished to the Union representative all the material pertinent to the claim including any detailed explanation of the reasons for the denial of the claim.
- (5) If, after discussion with the representative of local management, the Local Union representative contests the position of management, the Local Union representative can refer the case to the National Union for review with the Vice-President - Human Resources or a designated representative. At such time the Local Union representative should advise local management of this intention.
- (6) The Corporation and the National Union will review the case, as at present, and if they are unable to resolve their differences the Corporation at the request of the Union will request a review by a mutually agreed upon independent third party and will incorporate in such request the Union's position.
- (7) The third party will report to the National Union and to the Corporation its action as the result of such review. The results of this report will be final and binding on the Corporation, the Union, the employee and the insurance carrier.

LETTERS

(C-i) SICKNESS AND ACCIDENT **BENEFIT** - CONTINUATION

You asked that we provide you with a statement regarding the practice of the Corporation in respect to employees who partially recover from a disability.

The practice will be that if any employee is determined by their physician to have sufficiently recovered from a disability to return to work, they will be examined by the Plant Physician. If the Plant Physician determines that the employee is not physically qualified to work or has physical limitations which make it impossible for the employee to fulfill all aspects of the employee's occupation, the following will apply:

1. If it is determined that the employee's physical condition is such that they are not physically qualified to work, they will qualify for the remainder of their group sickness and accident benefits if they so elect.
2. If it is determined that the employee's physical condition is such that while they cannot do their own job they are able to do some other job than their own, but their seniority does not entitle them to the other job, they will qualify for the remainder of their group sickness and accident insurance benefits if they so elect.
3. If it is determined that the employee's physical condition is such that while they cannot do their own job they are able to do some other job for which their seniority qualifies them, they will be placed on the other job; but if it is later determined that in fact they cannot do the other job, they will qualify for group sickness and accident insurance benefits if they so elect. These employees may either (a) qualify for the remainder of their group sickness and accident benefits if they are unable to do the other job because of the previously existing disability and does not resume medical treatment, or (b) qualify for a new period of group sickness and accident benefits if they are unable to do the other job either because of the previously existing disability or because of a new disability and, in either case, obtains medical treatment and their return to work was for a sufficiently long period to qualify as an "effective return to work".

LETTERS - cont'd.

(C-2) EXTENDED DISABILITY BENEFITS - S.E.R.P.

Section VI.B.(1) of Exhibit C to the collective bargaining agreements we have just negotiated with you provides that extended disability benefits payable under that Section will be reduced by benefits the employee is eligible to receive under any contributory pension or retirement program then in effect to which the Corporation or any of its subsidiaries has contributed.

This will confirm that notwithstanding the requirement of Section VI.B.(1), the reduction of benefits that the employee is eligible to receive under the Chrysler Canada Ltd. Retirement Plan for Salaried Employees, will be limited to 80% of the non-actuarially reduced benefits such employee is eligible to receive under the contributory portion of the Plan and 100% of the non-actuarially reduced benefits such employee is eligible to receive under the non-contributory portion of the Plan.

(C-3) DENIED W.C.B. - SICKNESS AND ACCIDENT BENEFITS

If an employee is disqualified for workers' compensation, the employee will be paid group sickness and accident insurance benefits if the employee otherwise qualifies for such benefits.

(C-4) UNION LEAVE OF ABSENCE - GROUP LIFE

It is agreed that the following procedure will govern continued insurance coverage for employees on Union leave:

Any employee on leave to work for the Local Union will be allowed to maintain all their group insurance coverage by paying the contributions outlined in Exhibit C.

Any employee on leave to work for the National Union will be allowed to maintain their group life (including survivor income benefits) and accidental death and dismemberment, but not sickness and accident, reinstated sickness and accident or extended disability, insurance coverage by paying the contributions outlined in Exhibit C.

The amount of insurance, established at the onset of the employee's leave to work for the Local Union or the National Union, will be upgraded once each year according to the insurance amounts which

LETTERS - cont'd.

would be applicable to their base rate were they working in the plant. The upgrading takes place following contract negotiations, and incorporates any new benefits which may be applicable, and thereafter during the month of December of each year to redetermine the correct amounts of insurance applicable, effective January 1 of the next year, to each such employee.

(C-5) OVERPAYMENT RECOVERY

You asked that we provide you with a statement regarding deductions from future compensation payable by the Corporation which result from group insurance overpayments.

This is to advise you that we intend that these deductions will be made in a reasonable manner so as not to cause employees undue hardship.

(C-6) GROUP LIFE INSURANCE - PLANT VACATION

This will confirm our understanding that group life insurance will be continued at Corporation expense for employees on a leave of absence for vacation contiguous with the plant vacation shutdown period, in accordance with the following:

Notwithstanding Sections II.E. and IV.E., and solely for the purpose of continuing group insurance, an employee's insurance will be continued under the above circumstances during the month following the month(s) in which the designated plant vacation shutdown period occurs.

(C-7) SICKNESS AND ACCIDENT BENEFIT - SUBSTANCE ABUSE

This will confirm our understanding with respect to proof of claim for Sickness and Accident Benefits in the case of an employee who (1) is under treatment for alcohol or drug abuse in a residential or outpatient substance abuse treatment facility approved by O.H.I.P. or in an appropriate facility approved by the Corporation's Chief Medical Officer and (2) meets all the conditions of eligibility for Sickness and Accident benefits set forth in Section IV. of the Insurance Program if the employee is deemed to be under a Doctor's care.

LETTERS - cont'd.

The Corporation will arrange with The Aetna Life Insurance Company to consider as proof of claim a certification that such an employee is wholly and continuously disabled and unable to perform all duties of his or her occupation, when such certification is provided either by the facility's physician director, or by a physician consultant selected by the facility, based on information furnished by and the recommendation of the therapist who is supervising the employee's therapy. The physician director or physician consultant furnishing such certification shall be a licensed doctor of medicine.

(C-8) DISABILITY EVALUATION PROGRAM

The Corporation and the National Union, (CAW-Canada), have agreed to implement a new program known as the "Disability Evaluation Program", designed to provide independent disability evaluations in disputed sickness and accident benefit cases.

The Disability Evaluation Program will continue to be implemented as follows:

- Examinations may be performed by private physicians and/or clinic physicians approved by the Corporation and the National Union, (CAW-Canada). The Corporation and the Union have selected physicians and clinics from among the best qualified, that are sufficient in number, size and location so as to ensure the program operates effectively and efficiently. A physician or clinic may be added to or deleted for cause from the list of approved examiners by the Corporation and the Union.
- The present Telepost system will be continued.
- The Corporation will instruct the carrier to provide all examiners with a description of the employee's job classification duties and to encourage the examiner to inquire of the employee the nature of the employee's job and work environment in order to facilitate the examiner's determination as to whether the employee is able to work.
- On a periodic basis representatives of the Corporation and the Union will meet with an Advisory Committee composed of three representatives selected by the CAW President for Canada on problems as to nature and quality of disability examinations, the performance of approved facilities, and review the overall program

LETTERS - cont'd.

performance and consider recommendations by the Advisory Committee to improve the program.

- Persons responsible for administering claims at the plant level will make a conscientious effort, prior to scheduling examinations particularly for short term disabilities, to:
 - A. make telephone contact to determine the employee's current status, if unknown, and
 - B. refrain from scheduling for an examination any employee who has not filed a claim for sickness and accident benefits for a period of 18 consecutive months immediately prior to the disability absence not including time off the roll due to permanent separation, provided the disability absence does not extend beyond the anticipated duration of disability.
- An employee will be given 48 hours advance written or verbal notification of the scheduling of an examination.
- Examinations will not be performed during a benefit waiting period.
- Reasonable effort will be made to determine by telephone or other means why an employee fails to show up for a scheduled examination.
- Sickness and accident benefits shall terminate as of the date of the examination if the employee is not qualified for benefits, except when the results are not available to the employee by the third working day following the day of the examination, in which case benefits will be payable through the date the results are available to the employee.
- The examination report (both verbal and written) will include, in addition to "able to work" or "not able to work", "able to work with restrictions". An employee found "able to work with restrictions" who reports to the plant for reinstatement without a release to return to work from the attending physician and who is not returned to work as the result of medical restrictions and/or limitations made by the plant physician will continue to receive sickness and accident benefits provided the employee's attending physician continues to certify the employee is totally disabled. The written notification of results to the employee determined to be "able to work" or "able to

LETTERS - cont'd.

work with restrictions" will include instructions to report to the plant for evaluation by the plant physician.

Benefit payments for an employee found "not able to work" after having been released to work by the attending physician will be based on a determination of the plant physician in accordance with letter C-1 (Layoff Disability Option) of Exhibit C to the P & M Agreement. The Group Insurance Representative will advise such employee to report to the plant.

The Corporation will provide to each local Union Benefit Representative (but not more often than every six months), information as to the number of examinations scheduled at the Representative's location and the results, e.g., "able to work", "not able to work" and "able to work with restrictions".

While arrangements may differ from one plant area to another due to such factors as the size of the plant, the area involved or the availability of qualified medical examiners, the program, to the extent possible, will include the following:

- The results of any examination will be final and binding on the Corporation, the Union, the employee and the insurance carrier;
- An employee may be scheduled for one or more examinations during the same disability period; and
- An employee examined by an examiner will be instructed to call the clinic, plant, or insurance carrier, as appropriate, between designated hours on the day of the examination for a verbal report as to whether the employee is "able to work", "not able to work" or "able to work with restrictions".

(C-9) BENEFIT COMMITTEE

During the 1996 negotiations the parties recognized that controlling the cost of the Sickness and Accident Benefit Program is a matter of critical importance to the future viability of the Corporation and to the job security of Union members.

The parties agree to establish a Committee composed of four members, one designated by the CAW President for Canada and one designated by the Chairperson of the Bargaining Committee and two

LETTERS - cont'd.

members designated by the Corporation to study and evaluate the Program. Upon mutual agreement, the committee will engage in activities that may have high potential for cost savings including the implementation of pilot programs designed to improve the functioning of the Program while continuing to provide the level of benefits under and consistent with the intent of the Program. The initial study to be considered by the Committee will be the feasibility of integrating Sickness and Accident benefits with Unemployment Insurance disability benefits.

(C-10) GROUP INSURANCE FUNDING

This will confirm our understanding that the Corporation is considering changing the funding and insurance policy arrangements with respect to Group Life, Accidental Death and Dismemberment (AD&D), Sickness and Accident, including Reinstated Sickness and Accident (S&A) and Extended Disability Benefits (EDB).

Under the new arrangements the first \$10,000 of Group Life and AD&D benefits will, if the Corporation so elects, be self-funded through the use of Corporation funds. The balance of the Group Life and AD&D benefits would be provided under a contract between Chrysler Canada Ltd. and The Aetna Life Insurance Company, or an affiliate of The Aetna Life Insurance Company or another insurance company of comparable standing.

Also, under the new arrangements S&A and EDB benefits will, if the Corporation so elects, be provided under a contract or group policy between Chrysler Canada Ltd. and The Aetna Life Insurance Company, or an affiliate of The Aetna Life Insurance Company or another insurance company of comparable standing and/or a Trust. Chrysler would continue to fund the benefits payable under such arrangement.

The above changes will not affect the level, duration, or the administration of Life or AD&D benefits in excess of \$10,000 or S&A or EDB benefits. While the insured status of the Life and AD&D benefits in excess of \$10,000 will be maintained, the Corporation may elect to discontinue the insured status of the S&A and EDB benefits in which case such benefits will be funded in accordance with generally accepted actuarial principles as determined by an independent actuary.

This will also confirm our understanding that the Corporation and the Union are willing to discuss further changes in funding benefits under

LETTERS - cont'd.

The Insurance Program where such arrangements will lessen the financial impact on the Corporation but do not materially jeopardize the security of the benefits provided to employees.

(C-11) VACATION LEAVE CONTIGUOUS WITH PLANT VACATION

This will confirm our understanding that group life insurance will be continued at Corporation expense for employees on a leave of absence contiguous with the plant vacation shutdown period (other than a leave of absence for vacation or a leave of absence requested by the Local Union to permit an employee to work for the Local Union), in accordance with the following:

1. Notwithstanding the provisions of Sections II.E. and solely for the purpose of continuing group life insurance, an employee will be deemed to be actively on the payroll of the Corporation during the designated plant vacation shutdown period provided such coverages are in force on a Corporation paid basis at the commencement of the designated plant vacation shutdown period.
2. Under the provisions described in 1. above, an employee's coverages will be continued during the month following the month(s) in which the designated plant vacation shutdown period occurs.

(C-12) D.E.P. - MILEAGE

This will confirm our understanding relative to certain employees at Chrysler Canada Ltd. regarding the reimbursement for mileage in travelling to and from medical examinations requested under the D.E.P.

Chrysler Canada will arrange with The Aetna Life Insurance Company for an employee whose place of residence is more than sixty-four (64) kilometers one way from the office where a medical examiner will perform an examination to be reimbursed, upon request, at the rate of eighteen (18) cents per kilometer for kilometers actually driven from such residence to such physician's office and back, using the most direct route available.

If an employee who would otherwise qualify for this payment does not have access to an automobile, the employee may arrange in advance of the examination, for reimbursement of other Insurance Company approved transportation cost.

LETTERS - cont'd.

(C-13) SICKNESS AND ACCIDENT -CERTAIN DISABILITIES

This will confirm our understanding, reached during the current negotiations with respect to certain disability benefits.

Sickness and Accident Benefits will be provided for those employees who claim total disability due to a sterilization or sterilization reversal procedure on the same basis as for other illness claims.

Sickness and Accident Benefits will also be provided to women who are totally disabled and/or hospitalized due to infertility treatment.

(C-14) EXTENDED DISABILITY BENEFITS - MINIMUM

During these current negotiations the Union has expressed concern over the income of certain disabled employees.

To this end Chrysler Canada has agreed to review the current total monthly income of certain disabled employees who are receiving Extended Disability Benefits from The Aetna Life Insurance Company. The review will include a determination of the total monthly income which will include any Chrysler Pension Benefit, Extended Disability Benefit, CPP/QPP Benefits and any Workers' Compensation benefits received.

The Corporation agrees to pay to the employee the difference between the total of these benefits and \$1,400 per month. This special payment will be effective beginning January 1, 1997 and will be made from the Extended Disability Benefit Plan. This payment will continue as long as the employee is entitled to Extended Disability Benefits or until future increases in the CPP/QPP, the Pension Plan, Extended Disability Benefits or the Workers' Compensation Benefits increase the employee's gross monthly income beyond \$1,400.

It is further understood that the employee will be required to provide either a copy of a current CPP/QPP cheque statement or a signed Authorization to Communicate Information form by July 1, 1997. Failure to provide this documentation will cause the special payment to be discontinued and any overpayment will be recovered.

LETTERS - cont'd.

(C-15) DENIED W.C.B. - DISABILITY BENEFITS

During the course of these negotiations you asked that we provide YOU with a statement regarding the treatment of certain employees who have been denied Workers' Compensation Benefits.

This is to advise you that employees who initially apply for Workers' Compensation Benefits which are subsequently denied will be paid disability benefits provided they apply and provide satisfactory proof of disability to The Aetna Insurance Company within 60 days of such denial.

EXHIBIT D
RELOCATION ALLOWANCE PLAN

Incorporated by reference in the collective bargaining agreements dated September 17, 1996, between Chrysler Canada Ltd. and the National Automobile, Aerospace, Transportation and General Workers Union of Canada, (CAW-Canada) and its CAW Locals 444, 1498, 195, 1090, 1459 and 1285 at Bramalea.

(1) ELIGIBILITY

An employee shall be eligible for a Relocation Allowance provided that the employee:

- (a) is engaged on an operation or employed in a department which is transferred from one plant (hereinafter referred to as Prior Plant) to another plant (hereinafter referred to as New Plant) of the Corporation and transfers to the New Plant pursuant to the sections of Collective Bargaining Agreement relating to Transfer of Operations Between Plants and commences work at the New Plant; and
- (b) had seniority on the last day he was in Active Service as defined in Definition (1) of Article VIII of the Supplemental Unemployment Benefit Plan, Exhibit A-1, at the Prior Plant and such Seniority has not been broken by quit on or prior to the date on which the Relocation Allowance is paid; and
- (c) the New Plant is at least 80 kilometers from the Prior Plant and the Employee has moved residence because of the transfer to the New Plant; and
- (d) has made application for a Relocation Allowance within six (6) months after commencing work at the New Plant, in accordance with the procedure established by the Corporation.

(2) PAYMENT

- (a) A Relocation Allowance shall be payable by the Corporation in a lump sum.

EXHIBIT D - Relocation Allowance Plan - cont'd.

(b) The amount of a Relocation Allowance shall be determined from the following table:

Kilometres from the Prior Plant to the New Plant	For Expenses Applicable to	
	Single Employee	Married Employee
80 - 159	\$ 954	\$2,118
160 - 479	1,062	2,334
480 - 799	1,152	2,448
800 - 1,599	1,386	2,892
1,600 or more	1,614	3,324

(3) EFFECT OF OTHER RELOCATION BENEFITS

In the event an employee who is eligible to receive a Relocation Allowance under these provisions is also eligible to receive a Relocation Allowance or its equivalent under any present or future Federal or Provincial legislation the amount of Relocation Allowance provided under this Exhibit D when added to the amount of Relocation Allowance provided by such legislation shall not exceed the maximum amount of Relocation Allowance the employee is eligible to receive under the provisions of this Exhibit D.

- (4) When operations are concurrently transferred between two or more plants, the number of employees to be transferred from one plant will be offset against the number to be transferred to that plant and only the number of employees equal to the net difference will be transferred and entitled to Relocation Allowance.
- (5) A single Relocation Allowance payment will be paid when more than one member of a family living in the same residence are relocated pursuant to the sections of Collective Bargaining Agreement relating to Transfer of Operations between Plants.

EXHIBIT F - LEGAL SERVICES PLAN

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EXHIBIT F
SUPPLEMENTAL AGREEMENT CONCERNING
CAW-CHRYSLER LEGAL SERVICES PLAN

BETWEEN:

CHRYSLER **CANADA** LTD.

hereinafter called the "Corporation"

and

NATIONAL **AUTOMOBILE**, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS **UNION** OF CANADA,
(CAW-CANADA) AND LOCALS **444, 1498, 195, 1090, 1459 AND**
1285 AT BRAMALEA

(hereinafter called the "Union")

The Corporation and the Union, on behalf of the employees covered by the Collective Bargaining Agreements of which this CAW-Chrysler Legal Services Plan (hereinafter referred to as the "Plan") becomes a part, agree as follows:

Section 1. ESTABLISHMENT AND CONTINUANCE OF PLAN

- 1.01 The Plan was established as the UAW-Chrysler Legal Services Plan for UAW Represented Hourly Employees of the Corporation as Exhibit F to the Production and Maintenance Agreement, dated October 21, 1985, between the Corporation and the Union, then known as the International Union, United Automobile, Aerospace and Agricultural Workers of America, for the purpose of providing certain specified, personal legal service benefits to Participants. In a 1987 Agreement the Plan was continued as the CAW-Chrysler Legal Services Plan for CAW Represented Employees and in a 1989 Agreement the Plan was provided to Brampton and Bramalea Represented Hourly Employees effective October 1, 1990. The Plan covers only legal services arising under the laws of Canada and the United States of America, or any province, state, territory or any political subdivision thereof.
- 1.02 The Plan is amended as set forth herein and shall be maintained for the duration of the Collective Bargaining Agreements to which this Plan is a part.
- 1.03 **Inclusion of other Employees and Retirees**
Any other employees or retirees of the Corporation (or of any domestic subsidiary of the Corporation) represented by the National Automobile, Aerospace, Transportation and General Workers Union of Canada, (CAW-Canada) or any of its local unions, being any local union of the National Automobile, Aerospace, Transportation and General Workers Union of Canada, (CAW-Canada), by written agreement between the Corporation or the domestic subsidiary and the National Automobile, Aerospace, Transportation and General Workers Union of Canada, (CAW-Canada) or any such local union, may be deemed and treated as Employees or Retirees covered by this Plan, but nothing herein shall constitute such other employees or retirees and the Employees or Retirees therefore covered by this Plan a single unit appropriate for the purpose of collective bargaining, or be evidence that they constitute such a unit.

Section 2. DEFINITIONS

- 2.01 "Benefits" means the specified, personal legal services and related items which are necessary and appropriate to the particular legal matter covered by the Plan provided pursuant to this Agreement.
- 2.02 "Committee" means the Administrative Committee, as provided for in Section 3 of this Plan.
- 2.03 "Co-operating Lawyer" means a Lawyer, other than a full or part-time employee of the Plan, who has contracted with the Plan to provide one or more Benefits to Participants,
- 2.04 "Covered Dependent" means individual(s) related to an Employee or Retiree in any of the following ways:
- (a) "Spouse" means the individual currently married to a Participant under the laws of the relevant jurisdiction. A spouse by common-law marriage is a Covered Dependent only where such a relationship with the Employee or Retiree has existed for a period of not less than one year. Spouse includes the unremarried, surviving spouse of a deceased Participant. Each Employee or Retiree may have only one Spouse for the purposes of this Plan and if there is more than one Spouse, the Employee or Retiree shall designate the Participant.
 - (b) "Surviving Spouse" means an Employee's or a Retiree's Spouse who survives such person, and who is eligible for surviving spouse benefits under the Chrysler Canada Ltd.-CAW Non-Contributory Pension Plan or is eligible for transition, bridge or health care coverages under the Insurance Plan provided under Exhibit "C", of the Collective Bargaining Agreements of which this Plan is a part. An individual shall cease being a surviving spouse on remarriage.
 - (c) "Eligible Children" provided they meet the requirements of this subsection.
 - (i) Personal Status - the child must be the child by birth, legal adoption, or legal guardianship of the Employee or Retiree, or of the spouse of an Employee or Retiree;

Section 2. Definitions - cont'd.

- (ii) Marital Status -the child must be unmarried;
- (iii) Residency - the child must reside with the Employee, Retiree, Spouse or Surviving Spouse as a member of such Employee's, Retiree's, Spouse's or Surviving Spouses's household, such Employee, Retiree, Spouse or Surviving Spouse must be legally responsible for the child (e.g., child of divorced parents, legal ward, child confined to training institution, child in school);
- (iv) Dependency - the child must be dependent, within the meaning of the Income Tax Act of Canada, upon the Employee, Retiree, Spouse or Surviving Spouse.

Eligibility under Section 2.04(c) ceases at the end of the calendar year in which the child becomes age 25, unless prior to such date the child has been determined to be totally and permanently disabled. For the purposes of this subsection "totally and permanently disabled" shall mean having any medically determinable physical or mental condition which prevents the child from engaging in substantial gainful activity and which can be expected to result in death, or to be of long-continued or indefinite duration, provided that each disabled child who has reached the end of the calendar year in which such child attained 25 years of age must legally reside with or be a member of the household of the Employee, Retiree, Spouse or Surviving Spouse and must be dependent upon the Employee, Retiree, Spouse or Surviving Spouse.

For the purposes of this Section, children of the Employee or Retiree shall include the after-born child by birth of deceased Employee or deceased Retiree.

- 2.05 "Collective Bargaining Agreement" means any Collective Bargaining Agreement between the Corporation and the Union which incorporates this Plan by reference.
- 2.06 "Director" means the individual appointed by the Committee, who is responsible for administering the Plan, set out in Section 3.01 (e) of this Plan.

Section 2. Definitions - cont'd.

- 2.07 "Employee" means any individual who is actively employed by the Corporation in Canada, or who retains seniority rights under the terms of a Collective Bargaining Agreement of which this Plan is a part and who is also a member of the bargaining unit as defined in the Agreement, represented by the Union.
- 2.08 "Fund" means the fund of assets established and maintained to provide Benefits under the Plan, as set out in Section 6 hereof.
- 2.09 "Lawyer" means an individual licensed to practice law in the relevant province and for the purposes of this Plan includes a notary in Quebec and a notary in British Columbia.
- 2.10 "Legal Services Plan Funding Excess" means the dollar amount by which cumulative contributions required by Section 6.02 of this Plan exceeds the cumulative operating expenses of the Legal Services Plan.
- 2.11 "Legal Worker" means any individual, other than a Lawyer or clerical employee, who is employed by the Plan, either on a full or part-time basis, to assist a Lawyer or Co-operating Lawyer in providing benefits.
- 2.12 "Participant" means an Employee, Retiree and/or Covered Dependent as defined in this Section 2.
- 2.13 "Retiree" means any individual who was formerly an Employee, who is eligible for benefits, other than a deferred pension, under the Chrysler Canada Ltd.-CAW Non-Contributory Pension Plan, as amended from time to time.
- 2.14 "Special Contingency Fund Balance" means the dollar amount as determined under Sections 2 and 3 of the Memorandum of Understanding — Covering Special Contingency Fund between Chrysler Canada Ltd. and CAW Canada and its Locals 444, 195, 1090, 1459 and 1285 (Bramalea).
- 2.15 "Staff Lawyer" means a Lawyer employed by the Plan on a full or part-time basis, other than a Co-operating Lawyer.

Section 3. ADMINISTRATION

3.01 Allocation of Power and Duties

The Plan shall be administered by the following, who shall have the powers and duties specified herein and none other:

- (a) Union: name and monitor its members of the Committee, as provided in 3.02 below.
- (b) Corporation: name and monitor its members of the Committee, as provided in 3.02 below.
- (c) Independent Member: act as Chair of the Committee, and carry out such other responsibilities as may be delegated by the Committee members.
- (d) Committee: the Committee shall have such powers and duties, not otherwise assigned by this Section, as are necessary for proper administration of the Plan, including, but not limited to, the following:
 - (i) Select, appoint, remove, direct, and monitor the Director.
 - (ii) Receive the Director's recommendations for staff assistants, and if appropriate, to select, appoint, remove, direct and monitor such staff assistants.
 - (iii) Provide a mechanism, as set out in 3.03 below, for review and adjudication of the appeal of individuals dissatisfied with the actions of the Director, or any representative of the Plan.
 - (iv) In its sole discretion, establish limitations of any Benefit including related fees, but may not expand Benefits or add additional Benefits beyond those specified in Section 5 below.
 - (v) Prescribe uniform rules and regulations, consistent with the provisions of this Plan, for determining an individual's eligibility for Benefits, and for determining whether a claimed Benefit is covered or not.
 - (vi) Prescribe uniform procedures to apply for Benefits under the Plan, and for furnishing evidence necessary to establish entitlement to such Benefits.

Section 3. Administration - cont'd.

- (vii) In its discretion, prescribe uniform procedures for evaluating Benefit usage under the Plan, and collecting data thereon.
 - (viii) Either directly or by delegation, request disbursement from the Fund in accordance with provisions of the Plan, and receive such disbursements. Establish and maintain such depository and other accounts as may be required.
 - (ix) Receive a report, not less frequently than quarterly, together with an annual report, from the Director on the operation and status of the Plan.
 - (x) Receive a report, not less frequently than annually, from the trustee or bank on the status of the Fund.
 - (xi) Prescribe procedures for providing Benefits under the Plan.
 - (xii) Delegate any of the above powers and duties in such manner as the Committee considers necessary and proper.
 - (xiii) In its sole discretion to permit staff lawyers to represent Participants on mixed benefits matters which exceed the prepaid limit and on referral benefits on a fee for service basis in accordance with the fees set forth in the Plan Fee Schedule as determined by the Committee from time to time, provided such benefit is not excluded by Section 5.05 Exclusions.
- (e) Director: In addition to those delegated by the Committee, the Director shall have the following powers and duties:
- (i) Act as the chief executive officer of the Plan.
 - (ii) When duly authorized, take such action in the name of the Plan or the Committee as is necessary to administer the Plan.
 - (iii) Keep the books and records of the Plan and, not less frequently than annually, cause those books to be audited by an independent Chartered Accountant.
 - (iv) Prepare, file and provide to relevant Participants, all required documents and forms in the manner

Section 3. Administration - cont'd.

and with the frequency required by law and regulations thereunder.

- (v) Receive applications for Benefits under the Plan.
- (vi) Make initial determination of *eligibility* for and amount of Benefits.
- (vii) Prepare, and recommend to the Committee an annual budget for the Plan.
- (viii) Prepare, and present to the Committee quarterly and annual reports on the operation and status of the Plan.
- (ix) Select and hire, under procedures approved by the Committee, a financial officer(s), all necessary Staff Lawyers, Legal Workers, clerical personnel and other such personnel as are necessary for the operation of the Plan.
- (x) Negotiate and enter into contracts with Co-operating Lawyers, under such terms and conditions as the Committee may set.
- (xi) Implement procedures, as appropriate, for evaluating Benefit usage under the Plan. Advise and inform the Committee on patterns of Benefit usage. Recommend changes which may be helpful in delivering Benefits and otherwise accomplishing the purposes of the Plan.

3.02 Structure and Operation of the Committee.

The Committee shall have the following structure and functions:

(a) Appointment

The Committee shall consist of three (3) members appointed by the Corporation (hereinafter referred to as Corporation Members); three (3) members appointed by the Union (hereinafter referred to as Union Members); and, as Chair of the Committee, an Independent Member mutually satisfactory to the Corporation and the Union. Either the Corporation or Union may appoint alternate member(s). The Union may remove any Committee Member, or alternate, appointed by it. The Corporation may remove any Committee Member, or alternate, appointed by it. Any removal or appointment shall be effective upon receipt of written notification by the remaining members of the Committee.

Section 3. Administration - cont'd.

(b) Compensation

Union and Corporation members of the Committee will serve without compensation from the Plan. The compensation of the Chair will be paid by the Plan, and will be set by majority vote of the Committee.

The Plan will procure the appropriate fiduciary duty, errors and omissions and related insurance coverage for Committee members, administrative personnel and Staff Lawyers. The Plan will bear the cost of such insurance coverage.

(c) Quorums and Decision

To constitute a quorum at any Committee meeting, at least two (2) Union members and two (2) Corporation members shall be present. At all Committee meetings, the Corporation members shall have 3 votes and the Union members shall have 3 votes. The vote of any absent or abstaining member shall be equally divided between the other members present appointed by the same party. Decisions of the Committee shall be by majority of votes cast and the result shall be final and binding. In the event of a tie vote, the Chair shall cast the deciding vote.

(d) Frequency of Meetings

The Committee shall meet no less frequently than quarterly. Formal minutes of Committee meetings shall be prepared and kept.

(e) Requests for Funds

The Committee shall not request disbursements from the assets of the Fund unless the disbursement is pursuant to the provisions of the Plan.

(f) Limitation on Authority

The Committee shall have no power to add to, subtract from, or modify any of the terms of this Plan, or to waive or fail to apply any requirement of eligibility for a Benefit under the Plan, except as provided by this Agreement. In particular, the Committee shall have no authority to modify or delete any of the exclusions set out in Section 5.05

Section 3. Administration - cont'd.

3.03 Appeal Procedure

Any Participant who, for any reason, is dissatisfied with any action or inaction of a Staff Lawyer, Co-operating Lawyer or Legal Worker in connection with the Plan has a right to complain in writing to the Director, who shall within 30 days prepare a written decision and furnish the Participant with a copy of the written decision. A Participant who is dissatisfied with the Director's decision may, within 30 days after the date of the decision, appeal to the Committee. Appeals shall be in writing and shall specify the reasons claimed to justify a reversal or modification of the Director's decision. The Committee may, by majority vote, adopt procedures governing the handling and types of appeals which it will review. The Committee shall review the merits of any appeal. If the Committee allows an appeal, the Director shall give the participant written notice of the Committee's decision, which shall be final and binding on all parties. If the Committee disallows an appeal, the decision of the Director shall be final and binding on all parties, and the Director shall so notify the Participant in writing.

3.04 Responsibility of Committee Members

Each Committee member may rely upon any such direction, information or action of another Committee member as being proper under this Plan and is not required to inquire into the propriety of any such direction, information or action.

3.05 No Enlargement of Rights

The Corporation's and the Union's rights under existing collective agreements shall not be affected by reason of any of the provisions of this Plan.

Section 4. ELIGIBILITY

4.01 Eligible Persons

The following individuals shall be eligible to receive the Benefits set out in Section 5, provided the individual makes timely and adequate application therefore:

- (a) Employees with at least one year of seniority, provided however, that eligibility ceases for any such Employee who has been continuously laid off for a period exceeding eighteen (18) months after the month in which such

Section 4. Eligibility - cont'd.

Employee's layoff began except eligibility will continue for a maximum of 24 months for any Employee laid off pursuant to the Workers Security Program, as described in the Memorandum to the Collective Bargaining Agreement, if such Employee is eligible to retire at the expiration of the layoff.

- (b) Covered Dependents, including the Spouse and Surviving Spouse, of Employees eligible under 4.01(a), provided however eligibility shall continue for thirty (30) days after the death of the Employee or of the Surviving Spouse.
- (c) Retirees and their Covered Dependents, including Spouse and Surviving Spouse.
- (d) For estate matters only, personal representatives of the estates of those persons who at the date of their death, were eligible to receive benefits under any of sub-sections (a), (b) or (c) above.

4.02 Loss of Seniority

Any otherwise eligible Employee who has lost seniority under the terms of the Collective Bargaining Agreements of which this Plan is a part shall not be eligible to receive Benefits under this Plan. If such an Employee is reinstated and reacquires seniority, the Employee's eligibility, if any, shall resume on the effective date that such Employee reacquires seniority. However, eligibility of such Employee shall not terminate while a grievance is being pursued by the Union under the Agreement.

Section 5. BENEFITS

5.01 Subject to the limitations and exclusions of this and other Sections of this Agreement, the Plan will provide for the Benefits set out in this Section to all Participants who meet the eligibility requirements of Section 4 above.

- 5.02 For the purposes of this Section the following definitions apply:
- (a) Prepaid Benefit: means that the Plan will pay for all lawyer fees in accordance with the Plan Fee Schedule (attached hereto as Attachment I and forming part of this Agreement), as determined by the Committee from time to time.
 - (b) Mixed Benefit: means that the Plan will pay for part of the lawyer fees in accordance with the Plan Fee Schedule as

Section 5. Benefits - cont'd.

determined by the Committee from time to time. The remainder of the lawyer's fees will be charged to the Participant in accordance with the Plan Fee Schedule.

- (c) Referral Benefit: means that the Plan will refer the Participant to a cooperating lawyer, if available, who will only charge the Participant lawyer fees in accordance with the Plan Fee Schedule as determined by the Committee from time to time.

5.03 The following Benefits shall be provided, subject to the limitations and exclusions set out in this and other Sections of this Agreement, as determined by the Committee from time to time:

	<u>Benefit</u>
I Wills and Estates	
1. Wills	Prepaid
2. Powers of Attorney	Prepaid
3. Inter Vivos Trusts	Referral
4. Probate or Administration	
(a) Required	Mixed
(b) Not required	Mixed
5. Litigation or Election Under Family Law Reform Act	Mixed
6. Other	Referral
II Real Estate	
1. Purchase, including incidental mortgages	Prepaid
2. Sale, including incidental discharges	Prepaid
3. Drafting of Agreement of Purchase or Sale	Prepaid
4. Transfer, assignment, quit claim, discharge	Prepaid
5. New Mortgage - not incidental to purchase	Prepaid
6. Foreclosure or Power of Sale	Mixed
7. Litigation	Mixed
8. Other	Referral
III Tenants' Rights	
1. Non Litigation	Prepaid
2. Litigation	Mixed
3. Other	Referral

Section 5. Benefits - cont'd.

	<u>Benefit</u>
I V Family	
A. Uncontested Matters	
1. Guardianship or Committee of Minor or Mental Incompetent	Prepaid
2. Private Adoption	Prepaid
3. Change of Name	Prepaid
4. Domestic Contract	Prepaid
5. Divorce or Annulment	Prepaid
B. Contested Matters	Mixed
C. Other (e.g., uncontested matters not listed above)	Mixed
V Civil Litigation	
1. Personal Injury	Referral
2. Property Damage	Mixed
3. Other (e.g., wrongful dismissal, professional malpractice)	Referral
VI Criminal and Motor Vehicle	
1. Motor Vehicle	
(a) Non-moving	Referral
(b) Moving	Mixed
2. Criminal	Mixed
3. Pardon	Mixed
4. Estreat of Bail	Mixed
5. Other	Referral
VII Consumer/Debtor	
1. Defence of Collection Actions on Personal/ Family Debts	Mixed
2. Personal Bankruptcy	Mixed
3. Consumer Transactions	Mixed
4. Insurance Claims of loss of coverage	Mixed
5. Other (e.g., appeals)	Referral

Section 5. Benefits - cont'd.

VIII Administrative Law	Benefit
1. Veterans Benefit	Mixed
2. Social Assistance Claim	Mixed
3. Citizenship, Immigration, Deportation	Mixed
4. Claims to Taxes by Government	Mixed
5. Canada/Quebec Pension Plan	Mixed
6. Revenue Ministry	Mixed
7. Property Tax Assessment Dispute	Mixed
8. Other (e.g., tax planning)	Referral
5.04	Discretionary Limitations Notwithstanding any other Section of this Agreement, any Benefit set out in this Agreement shall be subject to such limitations as the Committee, in its sole discretion, may impose. The Plan shall not provide, nor shall it be liable for Benefits in excess of such limitations.
5.05	Exclusions Notwithstanding Section 5.03 above, the Plan shall not provide Benefits, or in any other manner pay for the following: (a) Any proceeding against the Corporation and/or Chrysler Corporation, their subsidiaries, their dealers, or any of their directors, officers or agents; (b) Any proceeding against the Union, any of its subordinate or affiliated bodies, or the officers, or agents of such, or against any labour union or association representing Employees of the Corporation; (c) Any proceeding arising under the applicable labour relations acts, labour codes, labour standards acts, as may be amended; (d) Fines and penalties, whether civil or criminal; (e) Any judgment for civil damages, including judicially awarded costs; (f) Any action pending on or before the effective date of the Plan;

Section 5. Benefits - cont'd.

- (g) Legal services which are for a Participant's business, it being understood that real estate matters involving personal use properties containing, three units or less are not for a Participants business;
- (h) Any proceeding involving another eligible Participant as an adverse party, unless the Participants are separately represented by Lawyers who are not in a conflict of interest position;
- (i) Costs attendant to the purchase or sale of real estate, such as registration fees, land transfer taxes, surveys, real estate agent fees and fees for title searches;
- (j) Matters involving Federal, Provincial, Municipal or Local election to any public office;
- (k) Workers' Compensation or Unemployment Insurance matters involving the Corporation;
- (l) Any bankruptcy proceeding that would result in discharge of a debt owed to the Corporation, to Chrysler Corporation, their subsidiaries, dealers, or any of their directors, officers or agents, the Union, or any benefit plan or trust established or maintained by the Corporation;
- (m) Any dispute involving the Plan;
- (n) Proceedings against any benefit plan or arising out of any benefit plan established or maintained by the Corporation, including proceedings against any trust or insurance carrier through which such benefits are provided to the Corporation, its Employees or Retirees; and
- (o) All disbursements such as court filing fees, process serving, transcripts, expert witnesses, etc.

5.06 Co-ordination of Benefits

The Plan shall not be liable to provide Benefits in any matter to the extent that the Participant has a right to substantially identical benefits under the terms of an insurance contract, or

Section 5. Benefits - cont'd.

any other legally-enforceable arrangement. Where multiple coverage results under this Plan by reason of the relation of two (or more) Participants, the Plan shall coordinate prepaid benefits.

If any insurance contract or any other legally enforceable arrangement exists, the services under this Plan shall be secondary to such other coverage.

5.07 Non-assignment of Benefits

Assignment, pledge or encumbrance, of any kind, of Benefits under this Plan shall not be permitted or recognized under any circumstances. Nor shall Benefits be subject to attachment or other legal process for debts of Participants, or Covered Dependents. In the event of any such assignment or attachment of any kind, the Benefit shall automatically terminate and thereafter may be applied by the Committee, in its discretion, for the benefit of the Participant or Covered Dependent.

Section 6. FINANCING

6.01 A Fund shall be established by the Corporation and held by a corporate trustee(s) or bank(s) and used to pay Benefits for Participants and pay administrative expenses of the Plan. The Corporation shall select such corporate trustee(s) or bank(s) and enter into any appropriate agreement for such purposes. The Fund will consist of the monies transferred to it from the Corporation. The trustee or bank shall retain all assets of the Fund, including investment income, if any, for the exclusive benefit of Participants, and it shall be used to pay Benefits for Participants or to pay administrative expenses of the Plan. The assets of the Fund shall not revert to or inure to the benefit of either the Corporation or the Union.

6.02 The Corporation will make available for funding the Plan, an amount equal to

- (a) thirteen cents for each straight time hour worked for months in which the sum of the Legal Services Plan Funding Excess and the Special Contingency Fund Balance exceeds \$1,000,000, or
- (b) eighteen cents for each compensated hour for months in which the sum of the Legal Services Plan Funding

Section 6. Financing - cont'd.

Excess and the Special Contingency Fund Balance is below \$1,000,000.

In the event that funding is required under Section 6.02 (B) above, the Corporation will continue to fund pursuant to such section until the sum of the Legal Services Plan Funding Excess and the Special Contingency Fund Balance exceeds \$2,000,000. The Corporation will transfer monies to the Fund on a monthly basis in an amount sufficient for the administration of the Plan.

Section 7. GENERAL PROVISIONS

- 7.01 This Plan creates no vested rights of any kind. No Participant, nor any person claiming through such Participant, shall have any right, title or interest in or to the Fund, or other property of the Plan, or part thereof.
- 7.02 No matter respecting the delivery or non-delivery of the Benefits provided by this Plan, under the provisions of this Plan shall be subject to the Grievance Procedure established in the Collective Bargaining Agreements of which this Plan is a part.
- 7.03 The Corporation and Union, by mutual agreement, may modify, amend, or terminate this Agreement, in whole or in part.
- 7.04 Provided that the assets of the Fund are adequate, no termination of this Plan shall deprive a participant of legal representation in a matter pending in a court or administrative agency on the date of termination. Rather, the Committee shall, if possible, make appropriate arrangements for representation of the Participant to the conclusion of the matter, or for one (1) year following the date of termination, whichever is lesser. The Plan shall have no liability for representation of the Participant beyond that period. If the assets of the Fund are not adequate to provide such post-termination representation, the Committee shall prorate the Benefits based on the available assets, after deducting necessary administrative expenses.

Section 7. General Provisions - **cont'd.**

- 7.05 Upon termination of this Plan, the Benefits payable shall be only such as can be provided by the assets of the Fund when distributed pursuant to this Section.
- 7.06 The Corporation and the Union shall make any amendments which are required by the Revenue Ministries and other governmental authorities to qualify the Plan under applicable legislation and maintain same. Furthermore, implementation of the Plan shall be subject to subsequent receipt by the Corporation of rulings satisfactory to the Corporation from proper governmental authorities:
- (a) that implementation of such Plan will not have any adverse effect upon any other favourable rulings previously received by the Corporation, and
 - (b) that the Corporation contribution under this Plan is acceptable to the Revenue Ministries as a legitimate business expense deductible from Corporation income under the provisions of applicable income tax acts. The Corporation shall apply promptly for such rulings.
- 7.07 This Plan shall continue and remain in effect during the term of the Collective Bargaining Agreements of which this Plan is a part.

In Witness Whereof, the Corporation and the Union have caused this Plan to be executed by their duly authorized representatives as of the day and year first above written.

**CAW LEGAL SERVICES PLAN
FEE SCHEDULE-JANUARY 1, 1997**

Legal b_l_e_m 'Plan Benefit **Participant Pays

I. Wills and Estates

1. a) Single wills or codicil	\$ 80.(B)	NIL
b) Will or codicil for Spouse	\$ 40.(B)	NIL
2. a) Single Power of Attorney	\$ 60.(B)	NIL
b) Power of Attorney for Spouse	\$ 30.(B)	NIL
3. Probate or Administration (Note: block fee does not include a personal representative's work)		
a) Administration <u>required</u>	\$ 80.(B)	\$ 525.(B)
b) Probate <u>required</u>	\$ 80.(B)	\$ 350.(B)
c) Probate or Administration <u>not required</u>	\$ 80.(H)	\$ 80.(H)
4. Litigation or election under Family Law Reform Act	\$ 80.(H)	\$ 80.(H)
Other:	NIL	\$ 80.(H)

II. Real Estate

1. Purchase, including incidental mortgages		
a) Personal use property (2 year Rule)	\$ 500.(B)	NIL
b) Other	NIL	\$ 500.(B)
c) Adjacent lot purchases, aborted transactions	\$ 500.(H)	NIL
2. Sale, including incidental discharges		
a) Personal use property (2 year Rule)	\$ 350.(B)	NIL
b) Other	NIL	\$ 350.(B)
c) Aborted transactions	\$ 350.(H)	NIL

Attachment I - cont'd.

<u>Legal Problem</u>	<u>'Plan Benefit</u>	<u>**Participant Pays</u>
3. Drafting of Agreement of Purchase or Sale (does not include review or minor amendments)		
a) Personal use property (2 year Rule)	\$ 160.(H)	NIL
b) Other	NIL	\$70.(H)
4. Transfer, assignment, quit claim, discharge (not incidental to purchase or sale or new mortgage); mortgage extension, renewal or amendment	\$ 80.(B)	NIL
5. New Mortgage - not incidental to purchase (includes incidental discharges)		
a) First mortgage	\$ 350.(B)	NIL
b) Other	NIL	\$ 350.(B)
6. Foreclosure or Power of Sale	\$2400.(H)	\$ 80.(H)
7. Litigation		
i) Claim is \$3,000 or less	\$ 80.(H)	\$ 80.(H)
ii) Claim is over \$3,000	\$ 2400.(H)	\$ 80.(H)
Other:	NIL	\$ 80.(H)
<u>III. Tenants' Rights</u>		
1. Non Litigation (personal use property)	\$ 160.(H)	NIL
2. Litigation (personal use property)		
a) Monetary claim only and \$3,000 or less	\$ 80.(H)	\$ 80.(H)
b) Claim over \$3,000 or non-monetary (e.g. eviction)	\$ 2400.(H)	\$ 80.(H)
Other:	NIL	\$ 80.(H)

Attachment I - cont'd.

<u>Legal Problem</u>	<u>'Plan Benefit</u>	<u>'Paysicipant</u>
<u>IV. Family</u>		
1. Guardianship/Committee (Minor or Mental Incompetent)		
a) Uncontested	\$ 470.(B)	NIL
b) Contested	\$ 640.(H)	\$ 80.(H)
2. Private Adoption		
a) Uncontested	\$ 400.(B)	NIL
b) Contested	\$ 640.(H)	5 80.(H)
3. Change of Name		
a) Uncontested	\$ 200.(B)	NIL
b) Contested	\$ 640.(H)	5 80.(H)
4. Domestic Contract		
a) Uncontested	\$ 470.(B)	NIL
b) Contested	\$ 640.(H)	5 80.(H)
5. Divorce or Annulment		
(a) Lawyer for Petitioner		
i) Uncontested	\$ 470.(B)	NIL
ii) Contested	\$ 640.(H)	5 80.(H)
(b) Lawyer for Respondent		
i) Uncontested	\$ 640.(H)	5 80.(H)
ii) Contested	\$ 640.(H)	\$ 80.(H)
6. Quebec Notarial Marriage Contract	5 80.(B)	NIL
7. Spouse or dependent conflict with employee or retiree - NCL	5 80.(H)	N/A
8. Other		
a) Uncontested matters not listed above	\$ 640.(H)	5 80.(H)
b) Contested matters not listed above	\$ 640.(H)	5 80.(H)

Attachment I - cont'd.

<u>Legal Problem -</u>	<u>Plan Benefit</u>	<u>Participant</u>
3. Consumer Transactions (e.g. contracts, warranties)		
a) If \$3,000 or less	\$ 80.(H)	\$ 80.(H)
b) If over \$3,000	\$ 2400.(H)	\$ 80.(H)
4. Insurance Claims or loss of coverage		
a) If \$3000 or less	\$ 80.(H)	\$ 80.(H)
b) If over \$3,000	5 2400.(H)	5 80.(H)
Other: (e.g. appeals)	N I L	5 80.(H)

Administrative Law

1. Veterans Benefit)	
2. Social Assistance Claim (includes Unemployment Insurance, Workers' Compensation and Criminal Injuries Compensation)	) 5 80.(H)	\$ 80.(H)
3. Citizenship, Immigration, Deportation		
4. Claims to taxes; by government (does not include tax planning or preparing tax returns)		
5. Canada/Quebec Pension Plan (initial hearing only))	
6. Revenue Ministry)	
a) Audit	) \$ 2400.(H)	5 80.(H)
b) Administrative proceeding (initial hearing only))	
7. Property Tax Assessment dispute		
Other: (e.g. tax planning)	NIL	5 80.(H)

Attachment I - cont'd.

NOTE. CONFLICTS WITH SPOUSE OR DEPENDENT: In these situations coverage for the spouse or dependent is limited up to one hour reimbursement only.

- Plan Benefit nil or block fee (B) or \$80 per hour (H) up to maximum fee as indicated; Plan benefit does not include GST or any other taxes.
- ** Participant Pays nil or block fee (B) or \$80 per hour (H) as indicated, (plus taxes, disbursements and title search fees).

EXHIBIT G - THE HEALTH CARE PROGRAM

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EXHIBIT G
THE HEALTH CARE PROGRAM

Incorporated by reference in the collective bargaining agreement dated September 17, 1996, between Chrysler Canada Ltd. and the National Automobile, Aerospace, Transportation and General Workers Union of Canada, (CAW-Canada) and CAW Locals 444, 1498, 195 (Security Unit), 1090, 1459 and 1285 at Bramalea.

The Health Care Program herein referred to consists of the arrangements hereinafter provided for with regard to group hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits, each of which will become effective as provided in Section V.K. hereof, for employees as to whom the collective bargaining agreement to which this Health Care Program is attached applies. This Health Care Program shall continue so long as that collective bargaining agreement is in full force and effect.

I. GROUP HOSPITAL, SURGICAL, MEDICAL, DRUG, DENTAL, VISION AND HEARING AID EXPENSE BENEFITS

During the period of this Health Care Program the Corporation agrees to provide for employees and their eligible dependents the health care expense benefits set forth in this section:

A. The hospital, surgical, medical expense benefits provided under:

- (1) The Ontario Health Insurance Plan,
- (2) The semi-private hospital accommodation expense benefits set forth in Appendix "H" to this Health Care Program with respect to "Semi-Private Hospital Accommodation Expense Benefits" under arrangements with Green Shield Prepaid Services Inc. or an arrangement which provides benefits of equivalent value,
- (3) The nursing home care expense benefits set forth in Appendix "G" to this Health Care Program with respect to "Nursing Home Care Expense- Benefits" under arrangements with Green Shield Prepaid Services Inc. or an arrangement which provides benefits of equivalent value,
- (4) The prosthetic appliance and durable medical equipment expense benefits set forth in Appendix "F" to this Health Care Program with respect to "Prosthetic Appliance and Durable Medical Equipment Expense Benefits" under arrangements with Green Shield Prepaid Services Inc. or an arrangement which provides benefits of equivalent value, and
- (5) The supplementary coverage for out-of-province hospital, surgical, medical expense benefits set forth in letters G-3, G-1 1 and G-12 to this Health Care Program under arrangements with Green Shield Prepaid Services Inc. or an arrangement which provides benefits of equivalent value;

B. The prescription drug expense benefits set forth in Appendix "I" to this Health Care Program with respect to "Prescription Drug Expense Benefits" under arrangements with

I. Group Hospital, Surgical, Medical, Drug, Dental,
Vision and Hearing Aid **Expense** Benefits - **cont'd.**

Green Shield Prepaid Services Inc. or an arrangement which provides benefits of equivalent value;

- C. The dental expense benefits set forth in Appendix "C" to this Health Care Program with respect to "Dental Expense Benefits" under arrangements with Green Shield Prepaid Services Inc. or an arrangement which provides benefits of equivalent value;
- D. The vision expense benefits set forth in Appendix "D" to this Health Care Program with respect to "Vision Expense Benefits" under arrangements with Green Shield Prepaid Services Inc. or an arrangement which provides benefits of equivalent value;
- E. The hearing aid expense benefits set forth in Appendix "E" to this Health Care Program with respect to "Hearing Aid Expense Benefits" under arrangements with Green Shield Prepaid Services Inc. or an arrangement which provides benefits of equivalent value; and
- F. Modifications of hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits resulting from the 1996 collective bargaining negotiations should not be interpreted to remove or limit any previously existing coverage except where more limited coverage has been specifically provided.

II. CONTRIBUTIONS

The Corporation will, except as hereinafter provided in this Section II., contribute for hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage for each employee covered hereunder who is actively on the payroll of the Corporation at any time during a month (an employee is not regarded as actively on the payroll during the period the employee is on strike, on leave of absence or laid off), the entire group premium or subscription charges for the following month's coverage hereunder which coverage may include protection for (a) self only, (b) self and spouse, or (c) self and family.

Family coverage shall include only spouse and eligible children (as defined in Section III.).

Where permitted under the plans under which the employee is covered, the Corporation may permit the employee to elect hospital, surgical, medical, prescription drug, vision and hearing aid (but not dental) expense benefits coverage for a dependent, other than those specified in the preceding paragraph, related to the employee by blood or marriage or a member of the employee's household if the dependent either qualifies in the current year as a dependent under the Canadian Income Tax Act for establishing the employee's withholding tax exemptions or have been reported as a dependent on the employee's most recent Income Tax return. The employee shall pay the entire cost of coverage for such dependents (sponsored dependents).

A. For employees covered hereunder who cease to be actively on the payroll of the Corporation due to leaves of absence or layoffs, the following will apply:

- (1) In the case of an employee, except an employee covered in part (4) of this paragraph, who is on a leave of absence the Corporation's contributions will continue so that hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage will be provided until the end of the month following the month in which the leave begins.

Thereafter, during the continuance of such leave of absence, the Corporation will arrange for such an employee to continue as a member of the group, but

II. Contributions - cont'd.

without contribution from the Corporation, the employee's hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage until the end of the twelfth month following the first month after the month in which the leave began. In addition, the Corporation will arrange for an employee who is on leave of absence requested by the employee's Local Union to permit the employee to work for the Local Union, to continue as a member of the group but without contribution from the Corporation, the employee's hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage until such leave or any extension thereof ceases to be operative.

- (2) In the case of an employee who is laid off and whose layoff meets the conditions set forth in Section (2) of Article I of the SUB Plan, the Corporation's contributions will continue so that hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage will be provided until the end of the month following the month in which the layoff begins. For each full calendar month thereafter that such layoff continues, hospital, surgical, medical, prescription drug, vision and hearing aid (but not dental) expense benefits coverage will be continued without cost to the employee on the basis of the greater of:
- (a) one month of coverage, up to a maximum of twelve months, for each four weeks of Benefits for which the employee is eligible under the SUB Plan on the date layoff begins, in accordance with the following table:

II. Contributions - cont'd.

A Maximum Number of Full Weekly SUB Benefits for Which Employee is Eligible <u>on Date Layoff Begins*</u>	B Maximum Number of Months for Which Insurance Will Be Continued Without <u>Cost to Employee*</u>
Less than 4	0
4 - 7	
8 - 11	2
12 - 15	3
16 - 19	4
20 - 23	5
24 - 27	6
28 - 31	
32 - 35	8
36 - 39	9
40 - 43	10
44 - 47	11
48 - 52	12

• (If a laid off employee is initially credited during layoff with Credit Units under the SUB Plan, Maximum Number of Full Weekly SUB Benefits for Which Employee is Eligible shall be determined using the date on which the employee is entitled to be credited with such Credit Units. In applying the above table, the Maximum Number of Benefits (Column A) shall be determined in accordance with the Credit Unit cancellation table contained in Section (4) of Article III of the SUB Plan and, except as provided in the table above, changes in an employee's Credit Units or Seniority or in the Credit Unit Cancellation Base during any period of continuous layoff shall not change the Maximum Number of Months (Column B) for which coverage will be continued without cost to the employee.)

provided, however, that in the event the SUB Plan shall terminate, this provision by which, coverage is continued without cost to the employee also shall terminate; or

II. Contributions - cont'd.

- (b) the number of months of coverage, up to a maximum of twenty-four, for which the employee would be eligible on the basis of the employee's years of seniority on the date layoff begins, in accordance with the following table:

<u>Year(s) of Seniority</u> <u>On Date Layoff Begins</u>	<u>Maximum Number of Months</u> <u>for Which Insurance Will</u> <u>Be Continued Without</u> <u>Cost to Employee</u>
Less than 1	0
1 but less than 2	2
2 but less than 3	4
3 but less than 4	6
4 but less than 5	8
5 but less than 6	10
6 but less than 10	12
10 and over	24

For the purposes of this schedule, Years of Seniority is as defined as "Continuous Service" or "Years of Continuous Service" under Section (9) of Article VIII. of the SUB Plan.

Following the expiration of the Maximum Number of Months for which coverage will be continued without cost to an employee on such layoff, the Corporation will arrange for an employee on such a layoff to continue the employee's hospital, surgical, medical, prescription drug, vision and hearing aid (but not dental) expense benefits coverage, as a member of the group, but without contribution from the Corporation, for a maximum period of twelve additional months following the expiration of the Maximum Number of Months for which coverage was continued for the employee without cost.

- (3) In the case of an employee who is laid off and whose layoff is not the type of layoff covered by part (2) of this paragraph, the Corporation's contributions will continue so that hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage will be provided until the end of the month following the month in which the layoff begins. Thereafter, the Corporation will arrange for an employee on such a layoff to continue as a

II. Contributions - cont'd.

member of the group, but without contribution from the Corporation, the employee's hospital, surgical, medical, prescription drug, vision and hearing aid (but not dental) expense benefits coverage until the end of the twelfth month following the first month after the month in which such layoff began.

- (4) In the case of an employee who is granted an approved leave of absence because the employee is totally disabled or because the employee has physical limitations which require the employee to be temporarily separated as a total disability, the Corporation's contributions will continue so that hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage will be provided for the duration of such leave of absence or a period equal to the employee's seniority, whichever is less. Provided, however, that if an employee's disability leave is cancelled because the period of such leave equalled the length of the employee's seniority the Corporation shall continue to make contributions for hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage for any month in which the employee continues to receive Extended Disability Benefits provided under Section VI. of the Life and Disability Insurance Program subsequent to such cancellation.
- B. In the case of an employee who loses seniority because the employee quits, the employee's hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage and the Corporation's contributions for such coverage will cease as of the end of the day in which the loss of seniority occurs.
- C. In the case of an employee who loses seniority through discharge, absence from work without notifying the plant as required by the collective bargaining agreement, or failure to return to work when called, the employee's hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage and the Corporation's contributions for such coverage will cease as of the end of the month in which the loss of seniority occurs; provided, however, that if

II. Contributions - cont'd.

such an employee is seeking to have seniority reinstated through the grievance procedure, the Corporation's contributions will continue so that hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage will be provided until the end of the month following the month in which the loss of seniority occurs, and thereafter the Corporation will arrange for such an employee to continue as a member of the group, but without contribution from the Corporation, the employee's hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage during the period the employee's grievance is pending, except that, -in the case of an employee whose grievance is withdrawn and the employee is undergoing substance abuse treatment, such employee may continue as a member of the group while undergoing such treatment, but without contribution from the Corporation; and provided further, however, that if the employee is reinstated the Corporation will reimburse the employee for all the contributions in respect to hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage under this paragraph which the Corporation would have made if the employee had remained on the active payroll.

- D. The Corporation will make suitable arrangements for (1) employees terminating after age 65 (except those whose discharge for cause has not been appealed, or if appealed has been finally upheld) with insufficient credited service to entitle them to a pension benefit under the Pension Plan and (2) retired employees (not including a former employee entitled to or receiving a deferred vested pension) receiving a pension under the Pension Plan to participate in the hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage referred to in Section I. as a part of the groups covered thereby. The Corporation will contribute monthly for each such employee and retired employee who elects such hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage the entire group premium or subscription charges for coverage for (i) self only, (ii) self and spouse, or (iii) self and family.

Family coverage shall include only spouse and eligible children (as defined in Section III.).

II. Contributions - **cont'd.**

Where permitted under the Plan under which such employee or retired employee is covered, the Corporation may permit such employee or retired employee to elect such hospital, surgical, medical, prescription drug, vision and hearing aid (but not dental) expense benefits coverage for sponsored dependents (as defined in the third paragraph of Section II.). Such employee or retired employee shall pay the entire cost of coverage for sponsored dependents.

- E. The Corporation will make suitable arrangements for
- (1) a surviving spouse as defined in Article I of the Pension Plan:
 - (a) who is receiving a surviving spouse benefit under Article IV, Section (7) of the Pension Plan (including for this purpose a surviving spouse who would receive such a benefit except that the surviving spouse is receiving survivor income benefits under Section II.I. or II.J. of the Life and Disability Insurance Program),
 - (b) of a deceased retired employee (not including a former employee who was entitled to or receiving a deferred pension) who at the time of the employee's death was receiving a pension under the Pension Plan,
 - (c) of a deceased employee who at the time of the employee's death was eligible to retire on an early or normal retirement pension under the Pension Plan, and
 - (d) of a deceased employee whose employment terminated after age 65 (except an employee whose discharge for cause has not been appealed, or if appealed has been finally upheld) with insufficient credited service to entitle the employee to a pension benefit under the Pension Plan, and
 - (2) a surviving spouse eligible for monthly survivors' income benefits provided under Section II.I. or J. of the Life and Disability Insurance Program to participate in the hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage referred to in

II. Contributions - cont'd.

Section I. as a part of the groups covered thereby, subject to the availability of the coverage. The Corporation will also make suitable arrangements for a surviving spouse of an employee who was actively at work on or after October 29, 1979 whose loss of life results from accidental bodily injuries caused solely by employment with the Corporation, and results solely from an accident in which the cause and result are unexpected and definite as to time and place, to participate in the hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage referred to in Section I., as a part of the groups covered thereby, subject to availability of coverage; provided, however, such coverage shall not include dental, vision and hearing aid expense benefits coverage if the employee had less than one year of seniority at date of death, and shall terminate upon the remarriage (remarriage shall include a legal marriage or the cohabiting and residing by the surviving spouse with a person of the opposite sex for a continuous period of at least 1 year during which such survivor publicly represents such person to be the surviving spouse's spouse) or death of the surviving spouse. The Corporation will contribute monthly for each such surviving spouse who elects such hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage the entire group premium or subscription charges for coverage for (i) self only, or (ii) self and eligible children (as defined in Section III.). The Corporation may, from time to time, request that such surviving spouse attest to the eligibility status of the children towards whose coverage the Corporation contributes. If the surviving spouse fails to comply with such request, the Corporation may reduce the surviving spouse's coverage to that of "self only", unless it can be demonstrated that the survivor had an eligible child or eligible children.

Where permitted under the plan under which such surviving spouse is covered, the Corporation may permit such surviving spouse to continue such hospital, surgical, medical, prescription drug, vision and hearing aid (but not dental) expense benefits coverage for those sponsored dependents (as defined in the third paragraph of Section II.) who were enrolled for coverage at the time of the employee's or retired employee's death. Such surviving spouse shall pay the entire cost of coverage for sponsored dependents.

III. DEFINITIONS

- A. For the purpose of Section II., the term "spouse" shall mean the person to whom the employee is legally married, or, if the employee so elects, means a person of the opposite sex who has been residing with and cohabiting with the employee for a continuous period of at least one year, and has been publicly represented by the employee as the employee's wife, husband or spouse.
- B. For the purposes of Section II., the term "eligible children" shall include unmarried children, provided they meet the criteria set forth below, until the end of the calendar year in which they attain 25 years of age, or at any age if they are totally and permanently disabled by a medically determinable physical or mental condition which prevents the child from engaging in substantial gainful activity and which can be expected to be of long-continued or indefinite duration or to result in death.
 - (1) Each child who has reached the end of the calendar year in which the child attains 21 years of age must legally reside with or be a member of the employee's household and must be registered as a full-time student in a school or university.
 - (2) Eligible children include:
 - (a) The employee's children by birth, legal adoption or by Court Order while they are in the employee's custody and legally reside with and are dependent upon the employee;
 - (b) Children of the employee's spouse while they are in the custody of and dependent upon the employee's spouse and reside in and are members of the employee's household;
 - (c) Children, as defined above, who do not reside with the employee but are the employee's legal responsibility for the provision of health care;

For the purposes of Section II., the term "eligible children" shall also include orphans of employees provided they were covered as a dependent at the time of the employee's death

III. Definitions - **cont'd.**

and for as long as they otherwise continue to meet the above criteria or until they become the dependent of someone else.

The Corporation may annually request that employees attest to the eligibility status of their children from age 19 to 25 towards whose coverage the Corporation contributes. If the employee fails to comply with such request, the Corporation may remove the child from group coverage. If the employee subsequently substantiates the child's eligibility the child's coverage will be reinstated retroactively.

IV. HEALTH CARE COMMITTEE

A Committee composed of two members designated by the Union (one designated by the National Union, (CAW-Canada) and the other designated by the Chairperson of the Bargaining Committee for the Production and Maintenance and Office and Clerical and Engineering Agreements) and two members designated by the Corporation shall be established to study and evaluate the hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits provided in Section I. and to make recommendations for the purpose of achieving the maximum coverage and service for the employees covered by the various hospital, surgical, medical, prescription drug, dental, vision and hearing aid plans for the money spent for protection. In the performance of its duties, this Committee may consult with representatives of organizations providing the health benefits and services as well as representatives of other Companies within the industry and/or community and may submit recommendations to the Corporation and to the Union and, when agreed to jointly, may commit the parties to implement pilot programs and plan changes. The Committee shall also undertake the functions that are set forth in letter G-8 and Appendix "B" to this Health Care Program with respect to "Utilization Review and Cost Containment".

V. GENERAL

A. During the term of this Health Care Program, the Corporation will pay the premiums required, including any future increases of premiums, for the hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits referred to in Section I., except for such contributions or payments by employees, retired employees and surviving spouses as are required under the Program. The Corporation shall receive and retain any dividends paid or credits, refunds, or reimbursements, by whatever name called, made in respect of the hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits referred to in Section I.

B. When contributions or payments by employees, retired employees or surviving spouses are required, they shall pay their contributions to the Corporation by cheque or money order on or before the 10th day of the month for which coverage is to be provided or, if suitable arrangements can be made, directly to the carrier on or before the due date.

Provided, however, that in the case of employees making pro-rata payments for immediate reinstatement of their hospital, surgical, medical, prescription drug, vision and hearing aid expense benefits coverage as provided for in Section V.F. the required contributions shall be paid to the Corporation on or before the 1st day of the month following the month in which such employees return to active work with the Corporation.

C. In the event that any federal or provincial law, other than a workers' compensation or occupational disease law, is hereafter amended or enacted requiring that hospitalization, surgical, medical, prescription drug, dental, vision or hearing aid expense benefits coverage, or any combination thereof, be afforded for employees, retired employees or surviving spouses, or prescribing hospitalization, surgical, medical, prescription drug, dental, vision or hearing aid expense benefits, or any combination thereof, for employees, retired employees or surviving spouses, Section II. of this Health Care Program shall not be applicable to employees, retired employees or surviving spouses subject to that law, and compliance by the Corporation with such law shall be deemed full compliance with the provisions of Section II. of this Health Care Program, with respect to employees, retired employees,

V. General - cont'd.

or surviving spouses coming within that law. If, as a result of such law, the level of benefits provided for any group of employees, retired employees or surviving spouses is generally lower than the corresponding level of benefits under Section I. of this Health Care Program, the Corporation may, at its option and to the extent it finds it practicable, provide a plan of benefits supplementary to the federal or provincial benefits to the extent necessary to make total benefits as nearly comparable as practicable to the benefits provided under this Health Care Program.

Notwithstanding the above provisions, the Corporation may, if such law permits, substitute a plan of benefits provided by the law referred to above, and modify the provisions of Section I. of this Health Care Program to the extent and in the respects necessary to secure the approval of such substitution from the appropriate governmental authority and may make such plan available to employees, retired employees and surviving spouses.

Hospital, surgical, medical, prescription drug, dental, vision or hearing aid expense benefits coverage, separately or in combination, provided employees, retired employees and surviving spouses under Section I., may be reduced by the amount of such benefits provided under any federal or provincial law.

- D. The benefits provided for in this Health Care Program shall be in lieu of and in substitution for any and all other plans providing for coverage of any kind or nature to employees, retired employees, and surviving spouses, for hospital, surgical, medical, prescription drug, dental, vision or hearing aid expense benefits coverage, in which the Corporation participates, other than benefits required by law for occupational death or disability and statutory benefits.
- E. A newly hired employee shall become eligible for coverage under this Health Care Program after the Effective Date described in Section V.K., or prior thereto under the Health Care Program in effect immediately prior to the Effective Date, on the first day of the fourth calendar month next following the month in which employment commences for hospital, surgical, medical and prescription drug expense benefits coverage, and

V. General - cont'd.

on the first day of the calendar month next following the month in which the employee is actively at work after the employee acquires one year of seniority for dental, vision and hearing aid expense benefits coverage.

- F. No employee, retired employee or surviving spouse shall be covered under this Health Care Program unless such person is eligible and has duly enrolled therefor.

Notwithstanding the provisions of the first paragraph of Section II. and Section V.E., if an employee returns to active work from a layoff, leave of absence (other than a military leave of absence), quit or discharge and the employee's hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverages were discontinued in accordance with the provisions of Section II.A., B. or C., the employee will be eligible for immediate reinstatement of the coverages for which the employee was insured at the time such coverages discontinued (except that dental expense benefits coverage will be reinstated effective the first day of the month following the month in which the employee returns to active work), provided that:

- (1) in the case of an employee returning to work from a layoff or leave of absence, the employee returns to active work with seniority;
- (2) in the case of an employee returning to work from a quit or discharge, the employee is re-employed within 31 days; and
- (3) in the case of an employee returning to work from a separation due to a reason other than a quit or discharge and the employee never acquired seniority or the employee's seniority was cancelled, the employee returns to active work within a period of 24 consecutive months.

Employees returning to active work under circumstances described above which make them eligible for immediate reinstatement of hospital, surgical, medical, prescription drug, vision and hearing aid expense benefits coverages may obtain such coverages by making a pro-rata payment of the applicable contribution for the period commencing on the date

V. General - cont'd.

of return to work and ending on the last day of the month in which such employee returned to work.

If an employee is cleared to return to work by the Corporation's Medical or Employment Department following a discharge or a layoff but is unable to return to active work due to a subsequent disability the employee will be eligible for reinstatement of Corporation paid hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage on the first day of the month following the month in which the employee is cleared to return to work. Such reinstated coverage will then be continued from the date of the approved disability leave of absence in accordance with the provisions of Section II.(4)(b).

A surviving spouse eligible but not insured for hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage under Section II.F. will be given an opportunity to enroll for such coverage, which coverage will become effective on the first day of the calendar month next following the month in which enrollment occurs, and may be retroactive to a date not more than twelve months prior to enrollment.

- G. This Health Care Program is contingent upon and subject to obtaining such approvals as may be necessary from the Insurance Department or corresponding authority of any province or provinces of the coverage documents providing the coverages referred to in this Health Care Program, and the benefits provided, and proposed to be provided, by each of them. As to any contract or arrangement, if the underwriter shall be unable to change, be unable to issue or provide, or refuse to change, issue, or provide, the contract or arrangement so as to contain or include any one or more of the provisions referred to in this Health Care Program, no employee, retired employee or surviving spouse shall have any right or benefit that such person would have had under the contract or arrangement if it had contained or included such provision or provisions. If, for any reason not due to the fault of the Corporation, the underwriter shall terminate or refuse to renew the contracts or arrangements, or any of them, the Corporation shall endeavour to obtain new contracts or arrangements, or any of them, providing coverage or

V. General - cont'd.

coverages as similar to those provided by the terminated or not renewed contracts or arrangements, as the Corporation is reasonably able to obtain.

- H. The Corporation shall be under no obligation by reason of this Health Care Program except in good faith to endeavour to obtain the coverages referred to herein, and to pay its share of the premiums or subscription charges therefor and to fulfill any obligations it undertakes in the contracts or arrangements providing the coverages referred to in this Health Care Program.
- I. Any and all references in this Health Care Program to an employee or to employees shall include only employees as to whom the collective bargaining agreement to which this Health Care Program is attached applies, but shall not include retired employees except where the context specifically requires otherwise.

Unless expressly provided in this Health Care Program, neither party shall request, demand, or propose any change in this Health Care Program or any modification thereof or supplement thereto, or with respect to any plan or arrangement contemplating payment of benefits of the kinds provided for by this Health Care Program, or with respect to contributions concerning such plan or arrangement, nor shall a change in or addition to this Health Care Program be an object of or a reason for any strike or lockout or other exercise of economic force or threat thereof by the Union or Corporation.

- K. Any reference in this Health Care Program to the Effective Date of this Health Care Program or to the Effective Date shall be construed to mean September 23, 1996, and the provisions of this Health Care Program with regard to group hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage shall, except as expressly otherwise provided herein, become effective for each locality providing such coverage on September 23, 1996, or such date thereafter as may be practicable for the locality. Until the applicable respective provisions of this Health Care Program become effective in accordance with the above sentence and except as otherwise expressly provided herein, the applicable provisions of the Health Care Program incorporated by

V. General - cont'd.

reference in the Collective Bargaining Agreement dated September 15, 1993, between the Corporation and the CAW shall continue in effect, but no change in benefits thereunder shall result from any adjustments in pay rates provided for in the Collective Bargaining Agreement to which this Health Care Program is attached, prior to September 23, 1996. Notwithstanding the provisions in Section V.F., all changes in coverage resulting from a change made in this Health Care Program from the Health Care Program in effect immediately prior to the Effective Date shall become effective in accordance with the first sentence of this Section V.K.

VI. COORDINATION OF BENEFITS

- A. The Health Care Expense Benefits set forth in Appendices C, D, E, F, G, H and I and Letters G-3, G-10 and G-11 to this Health Care Program provide benefits in full, or a reduced amount which, when added to the benefits payable and the cash value of services provided by any "Other Plans", will equal 100% of "Allowable Expenses" incurred by the person for whom claim is being made. This provision does not apply during any month in which the individual has paid 50% or more of the cost of the Other Plan. "Allowable Expenses" include any necessary and reasonable charges for items of expense which are covered in whole or in part under the Health Care Expense Benefits set forth in Appendices C, D, E, F, G, H and I and Letters G-3, G-10 and G-11 to this Health Care Program or the Other Plan to which this provision applies. "Other Plans" include any plan of medical or dental coverage provided by group insurance or other arrangement of coverage for individuals in a group whether or not the plan is insured; provided that such other plan will not be considered a "plan" for the purposes of the Coordination of Benefits Provisions during any month for which the individual has paid 50% or more of the cost of that plan.

To administer this provision, and to determine whether the Carrier will reduce benefits, it is necessary to determine the order in which the various plans will pay benefits. This will be determined as follows:

- (1) A plan with no coordination of benefits provision will pay its benefits before a plan which contains such a provision;
- (2) A plan which covers an individual other than as a dependent will pay its benefits before a plan which covers the individual as a dependent;
- (3) A plan which covers an individual as a dependent of the covered person with the earliest day and month of birth in the calendar year will pay its benefits first;
- (4) Where the above do not establish the order of payment, the benefits shall be pro-rated between or amongst the plans in proportion to the amounts that would have been paid under each plan had there been coverage by just that plan.

VI. Coordination of Benefits - **cont'd.**

The Carrier may release or obtain any information and make or recover any payments it considers necessary to administer this provision.

- B. In cases where both spouses are employed by the Corporation and only for claims incurred while both spouses would otherwise be eligible for Corporation paid Health Care Expense Benefits coverage under their own contract as an employee in accordance with the provisions of Section V.E. and F. and Section 11 .A., B. and C. the coordinated Health Care Expense Benefits described under Section A. above will be provided under the contract of the employee who elects coverage for self and spouse or self and family.

To administer this provision the employee who elects coverage for self and spouse or self and family must enroll the employee's spouse for coordinated coverage as an employee on a form provided by the Corporation and the Corporation will advise the Carrier concerning the continuing eligibility status of such spouse either as an employee actively on the payroll in accordance with Section V.E. or as an employee who has ceased to be actively on the payroll in accordance with Section 11.A., B. and C.

VII. SUBROGATION

In the event of any payment for services under the Health Care Expense Benefits set forth in Appendices C, D, E, F, G, H and I and Letters G-3, G-10 and G-11 to this Health Care Program, the Carrier will be subrogated to all the covered person's rights of recovery therefor against any person or organization except against insurers on policies of insurance issued to and in the name of the covered person, and the covered person will execute and deliver such instruments and papers as may be required and do whatever else is necessary to ensure such rights. The covered person may take no action which may prejudice the Carrier's subrogation rights and all sums recovered by the covered person by suit, settlement or otherwise in payment for services covered under the Health Care Expense Benefits set forth in Appendices C, D, E, F, G, H and I and Letters G-3, G-10 and G-11 to this Health Care Program must be paid over to the Carrier.

APPENDIX A
DATA

The Corporation, on an annual basis, will furnish the Union the following data with respect to hospital-surgical-medical and, where applicable, prescription drug expense benefits coverages as provided under the Health Care Program in Exhibit G:

1. Number of employees, retired employees and surviving spouses with hospital-surgical-medical and, where applicable, prescription drug expense benefits coverages provided at Corporation expense by *enrollment* classification and local plan area, during a representative month in the preceding calendar year;
2. Premium or subscription rates for the ensuing year by enrollment classifications, by local plan area;
3. Premium or subscription rates for the ensuing year for sponsored dependents, by local plan area.

APPENDIX B
UTILIZATION REVIEW AND COST CONTAINMENT

I. ANNUAL COST CONTAINMENT REPORTS

Each hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits carrier shall be required to report annually on its cost containment efforts for the preceding year, including but not limited to (a) a description of its cost containment activities, (b) the results/savings, (c) problems and (d) plans for the next year.

The first report shall cover calendar year 1996 and shall be submitted by May 15, 1997 to the Committee established under Section IV. of the Health Care Program. No specific format or content is established for the first report. However, the Committee may specify the content or format for subsequent reports.

II. OTHER ACTIVITIES

The Committee shall investigate, consider and, upon mutual agreement, engage in other activities that may have high potential for cost savings. This may involve instituting by mutual agreement other hospital, surgical, medical, prescription drug, dental, vision or hearing aid programs or establishing Pilot Programs.

III. REVIEW

The results of any activities in I and II, above, would be reviewed prior to the expiration of the collective bargaining agreements so that the parties to the agreements may be prepared to consider the continuation or modification of the review programs and other activities of the Committee.

APPENDIX C
DENTAL EXPENSE BENEFITS

I. ENROLLMENT CLASSIFICATIONS

Dental Expense Benefits coverage for an eligible employee, retired employee or surviving spouse shall include coverage for eligible dependents as defined under Section II. of the Health Care Program.

II. DESCRIPTION OF BENEFITS

Dental Expense Benefits will be payable, subject to the conditions herein, if an employee, retired employee, surviving spouse or eligible dependent, while dental expense coverage is in effect with respect to such individual, incurs Covered Dental Expenses.

III. COVERED DENTAL EXPENSES

Covered Dental Expenses are the usual charges of a dentist which an employee, retired employee or surviving spouse is required to pay for services and supplies which are necessary for treatment of a dental condition, but only to the extent that such services and supplies are customarily employed for treatment of that condition, and only if rendered in accordance with accepted standards of dental practice. Such expenses shall be only those incurred in connection with the following dental services which are performed, except as otherwise provided in Section VII.B., by a licensed dentist and which are received while insurance is in force. Payments for Covered Dental Expenses performed by a licensed dentist (or a licensed dental hygienist under conditions specified in Section VII.B.(1)) shall be based upon the applicable percentage of the lesser of the dentist's usual charge for the service or of the fee specified for the service in the current Provincial Dental Association Schedule of Fees as defined in Section XI., but only for the services set forth below, and not for any other services listed in such Schedule of Fees. Where fees for certain procedures are shown in such Schedule of Fees as "I.C." (Individual Consideration) payment will be made on the basis of the usual, reasonable and customary charges for such procedures; provided, however, that in the event no Provincial Dental Association Schedule of Fees is in effect at the time Covered Dental Expenses, as described in the first sentence of this paragraph, are incurred, payments under this Section III. shall be made on the basis of the usual, reasonable and customary

APPENDIX C - Dental Expense Benefits - cont'd.

charges for the service rendered or supply furnished. Payments for Covered Dental Expenses performed by a licensed denture therapist in accordance with Section VII.B.(2) shall be based upon the applicable percentage of the lesser of the denture therapist's usual charge for the service or of the fee specified for the service in the current Ontario fee schedule for Licensed Denture Therapists as defined in Section XI., but only for the services set forth below, and not for any other services listed in such fee schedule; provided, however, that in the event no Ontario fee schedule for Licensed Denture Therapists is in effect at the time such Covered Dental Expenses are incurred, payments under this Section III. shall be made on the basis of the usual, reasonable and customary charges for the service rendered or supply furnished.

- A. The following Covered Dental Expenses shall be paid at 100 percent of the dentist's usual charge but not more than the amount specified therefor in the current Provincial Dental Association Schedule of Fees:
1. Routine oral examinations and prophylaxis (scaling and cleaning of teeth), but not more than once in any period of nine (9) consecutive months.
 2. Topical application of fluoride, only for persons under 20 years of age, unless a specific dental condition makes such treatment necessary.
 3. Space maintainers that replace prematurely lost teeth for children under 19 years of age.
 4. Emergency palliative treatment.
- B. The following Covered Dental Expenses shall be paid at (i) 100 percent of the dentist's or denture therapist's usual charge, or (ii) 100 percent of the amount specified therefor in the current Provincial Dental Association Schedule of Fees, or when applicable, in the current Ontario fee schedule for Licensed Denture Therapists, whichever of (i) or (ii) is less:
1. Dental x-rays, including full mouth x-rays (but not more than once in any period of thirty-six (36) consecutive months), supplementary bitewing x-rays (but not more

APPENDIX C - Dental Expense Benefits - cont'd.

- than once in any period of nine (9) consecutive months) and such other dental x-rays as are required in connection with the diagnosis of a specific condition requiring treatment.
2. Extractions.
 3. Oral surgery.
 4. Amalgam, silicate, acrylic, synthetic porcelain, and composite filling restorations to restore diseased or accidentally injured teeth.
 5. General anesthetics and intravenous sedation when medically necessary and administered in connection with oral or dental surgery.
 6. Treatment of periodontal and other diseases of the gums and tissues of the mouth including periodontal splinting or ligation, provisional, intra coronal or extra coronal and a Temporomandibular Joint appliance (ODA codes: 43711, 43712, 43721, 43722) as an adjunctive periodontal service.
 7. Endodontic treatment, including root canal therapy.
 8. Injection of antibiotic drugs by the attending dentist.
 9. Repair or recementing of crowns, inlays, onlays, bridgework or dentures; or relining or rebasing of dentures more than six (6) months after the installation of an initial or replacement denture, but not more than one relining or rebasing in any period of thirty-six (36) consecutive months.
 10. Inlays, onlays, gold fillings, or crown restorations to restore diseased or accidentally injured teeth, but only when the tooth, as a result of extensive caries or fracture, cannot be restored with an amalgam, silicate, acrylic, synthetic porcelain, or composite filling restoration.
 11. Porcelain veneers for teeth severely stained from the drug tetracycline or from endemic fluorosis for children under 19 years of age and for all covered persons for treatment of the following conditions: amelogenesis imperfecta; Hutchinson's incisors; and hypo maturation.
 12. Pit and fissure sealants for permanent molars for children up to and including age 14.
- C. The following Covered Dental Expenses shall be paid at (i) 50 percent of the dentist's or denture therapist's usual charge, or (ii) 50 percent of the amount specified therefor in the current

APPENDIX C - Dental Expense Benefits - cont'd.

Provincial Dental Association Schedule of Fees, or when applicable, in the current Ontario fee schedule for Licensed Denture Therapists, whichever of (i) or (ii) is less:

1. Initial installation of fixed bridgework (including inlays and crowns as abutments).
2. Initial installation of partial or full removable dentures (including precision attachments and any adjustments during the six (6) month period following installation).
3. Replacement of an existing partial or full removable denture or fixed bridgework, by a new denture or by *new* bridgework or the addition of teeth to an existing partial removable denture or to bridgework, but only if satisfactory evidence is presented that:
 - (a) The replacement or addition of teeth is required to replace one or more teeth extracted after the existing denture or bridgework was installed; or
 - (b) The existing denture or bridgework was installed under this Dental Expense Benefits Program at least five (5) years prior to its replacement and the existing denture or bridgework cannot be made serviceable; or,
 - (c) The existing denture is an immediate temporary denture which cannot be made permanent and replacement by a permanent denture takes place within twelve (12) months from the date of initial installation of the immediate temporary denture.

Normally, dentures will be replaced by dentures but if a professionally adequate result can be achieved only with bridgework, such bridgework will be a Covered Dental Expense.

4. Orthodontic procedures and treatment (including related oral examinations) consisting of surgical therapy, appliance therapy, and functional/myofunctional therapy (when provided by a dentist in conjunction with appliance therapy) for persons under 19 (21 effective October 1, 1993) years of age, provided, however, that benefits will be paid after attainment of age 19 (21 effective October 1, 1993) for continuous treatment which began prior to such age.

APPENDIX C - Dental Expense Benefits - cont'd.

IV. MAXIMUM BENEFIT

The maximum benefit payable for all Covered Dental Expenses incurred during any twelve month period commencing October 1 and ending the following September 30 (except for services described in Section III.C.4. above) shall be \$1,600 (\$1,900 effective October 1, 1996) for each individual. The Corporation will arrange for the prepayment agency(s) or insurance company to provide to each eligible individual a statement of dental benefit utilization to date with each claim paid during the October 1 to September 30 plan year.

For covered Dental Expenses in connection with orthodontics including related oral examinations described in Section III.C.4. above, the maximum benefit payable shall be \$2,000 (\$2,400 effective October 1, 1996) during the lifetime of each individual.

For services, appliances and supplies provided by a denture therapist under Sections III.B. and C. or a licensed dental hygienist under Section III.A. the benefit payable shall not exceed the lesser of the dentist's usual charge or the amount specified in the current Provincial Dental Association Schedule of Fees for such service, appliance or supply.

V. PRE-DETERMINATION OF BENEFITS

If a course of treatment can reasonably be expected to involve Covered Dental Expenses of \$200 or more, a description of the procedures to be performed and an estimate of the dentist's charges must be filed with the prepayment agency(s) or insurance company prior to the commencement of the course of treatment.

The prepayment agency(s) or insurance company will notify the employee and the dentist of the benefits certified as payable based upon such course of treatment. In determining the amount of benefits payable, consideration will be given to alternate procedures, services, or course of treatment that may be performed for the dental condition concerned in order to accomplish the desired result. The amount included as certified dental expenses will be the appropriate amount as provided in Sections III. and IV., determined in accordance with the limitations set forth in Section VI.

APPENDIX C - Dental Expense Benefits - cont'd.

If a description of the procedures to be performed and an estimate of the dentist's charges are not submitted in advance, the prepayment agency(s) or insurance company reserves the right to make a determination of benefits payable taking into account alternate procedures, services or courses of treatment, based on accepted standards of dental practice. To the extent verification of Covered Dental Expenses cannot reasonably be made by the prepayment agency(s) or insurance company, the benefits for the course of treatment may be for a lesser amount than would otherwise have been payable.

This pre-determination requirement will not apply to courses of treatment under \$200 or to emergency treatment, routine oral examinations, x-rays, prophylaxis and fluoride treatments.

VI. LIMITATIONS

A. Restorative:

1. Gold, baked porcelain restorations, crowns and jackets.
If a tooth can be restored with a material such as amalgam, payment of the applicable percentage of the charge for that procedure will be made toward the charge for another type of restoration selected by the patient and the dentist. The balance of the treatment charge remains the responsibility of the patient.
2. Reconstruction.
Payment based on the applicable percentage will be made toward the cost of procedures necessary to eliminate oral disease and to replace missing teeth. Appliances or restorations necessary to increase vertical dimension or restore the occlusion are considered optional and their cost remains the responsibility of the patient.

B. Prosthodontics:

1. Partial Dentures.
If a cast chrome or acrylic partial denture will restore the dental arch satisfactorily, payment of the applicable percentage of the cost of such procedure will be made toward a more elaborate or precision appliance that patient and dentist may choose to use, and the balance of the cost remains the responsibility of the patient.

APPENDIX C - Dental Expense Benefits - cont'd.

2. Complete Dentures.
If, in the provision of complete denture services, the patient and dentist decide on personalized restorations or specialized techniques as opposed to standard procedures, payment of the applicable percentage of the cost of the standard denture services will be made toward such treatment and the balance of the cost remains the responsibility of the patient.
3. Replacement of Existing Dentures.
Replacement of an existing denture will be a Covered Dental Expense only if the existing denture is unserviceable and cannot be made serviceable. Payment based on the applicable percentage will be made toward the cost of services which are necessary to render such appliances serviceable. Replacement of prosthodontic appliances will be a Covered Dental Expense only if at least five (5) years have elapsed since the date of the initial installation of that appliance under this Dental Expense Benefits Program.

C. Orthodontics:

1. If orthodontic treatment is terminated for any reason before completion, the obligation to pay benefits will cease with payment to the date of termination. If such services are resumed, benefits for the services, to the extent remaining, shall be resumed.
2. The benefit payment for orthodontic services shall be only for months that coverage is in force.

D. Periodontics:

1. The following periodontal services will be Covered Dental Expenses only if performed by a Periodontist:
 - (a) Gingival Curettage.
 - (b) Periodontal splinting or ligation, provisional, intra coronal or extra coronal.
 - (c) Occlusal Equilibration.
 - (d) Periodontal Scaling and Root Planing.

APPENDIX C - Dental Expense Benefits - cont'd.

2. A Temporomandibular Joint (TMJ) appliance (ODA Codes: 43711, 43712, 43721, 43722) will be a covered adjunctive periodontal service only when performed by a certified dental specialist (i.e., periodontist, orthodontist, prosthodontist and oral surgeon).

VII. EXCLUSIONS

Covered Dental Expenses do not include and no benefits are payable for:

- A. Charges for services, treatment, appliances and supplies which are specified in the current Provincial Dental Association Schedule of Fees but which are not set forth above.
- B. Charges for treatment by other than a dentist, except that (1) scaling or cleaning of teeth and topical application of fluoride may be performed by a licensed dental hygienist if the treatment is rendered under the supervision and guidance of the dentist and (2) a denture therapist licensed under the Ontario Denture Therapists Act, 1974 (or a comparable provider licensed in a province other than Ontario), may provide such services, appliances and supplies as are authorized by the denture therapist's license.
- C. Charges for veneers or similar properties of crowns and pontics placed on or replacing teeth, other than the ten upper and lower anterior teeth.
- D. Charges for services or supplies that are cosmetic in nature, including charges for personalization or characterization of dentures.
- E. Charges for prosthetic devices (including bridges and crowns) and the fitting thereof which were ordered while the individual was not insured for Dental Expense Benefits or which were ordered while the individual was insured for Dental Expense Benefits but are finally installed or delivered to such individual more than sixty (60) days after termination of coverage.
- F. Charges for replacement of a lost, missing, or stolen prosthetic device.

APPENDIX C - Dental Expense Benefits - cont'd.

- G. Charges for failure to keep a scheduled visit with the dentist.
- H. Charges for replacement or repair of an orthodontic appliance.

Charges for services or supplies which are compensable under a Workers' Compensation or Employer's Liability Law.

Charges for services rendered through a medical department, clinic or similar facility provided or maintained by the patient's employer.
- K. Charges for services or supplies for which no charge is made that the patient is legally obligated to pay or for which no charge would be made in the absence of dental expense coverage.

Charges for services or supplies which are not necessary, according to accepted standards of dental practice, or which are not recommended or approved by the attending dentist.
- M. Charges for services or supplies which do not meet accepted standards of dental practice, including charges for services or supplies which are experimental in nature.
- N. Charges for services or supplies received as a result of dental disease, defect or injury due to an act of war, declared or undeclared.
- O. Charges for services or supplies from any governmental agency which are obtained by the individual without cost by compliance with laws or regulations enacted by any federal, provincial, municipal or other governmental body.
- P. Charges for any duplicate prosthetic device or any other duplicate appliance.
- Q. Charges for any services to the extent for which benefits are payable under any health care program supported in whole or in part by funds of the federal government or any province or political subdivision thereof.
- R. Charges for the completion of any insurance forms.
- S. Charges for prescription drugs.

APPENDIX C - Dental Expense Benefits - cont'd.

- T. Charges for sealants (except as provided for under Section III.B.12) and for oral hygiene and dietary instruction.
- U. Charges for a plaque control program.
- V. Charges for implantology.

VIII. PROOF OF LOSS

The prepayment agency(s) or insurance company reserves the right at its discretion to accept, or to require verification of, any alleged fact or assertion pertaining to any claim for Dental Expense Benefits. As part of the basis for determining benefits payable, the prepayment agency(s) or insurance company may require x-rays and other appropriate diagnostic and evaluative materials.

IX. ADMINISTRATIVE MANUAL

Policies, procedures and interpretations to be used in administering Dental Expense Benefits shall be incorporated in an Administrative Manual. Among other things the Manual shall:

- A. Explain the benefits and the rules and regulations governing their payment.
- B. Include standardized administrative practices and interpretations which affect benefits.
- C. Define professionally recognized standards of practice to be applied to benefits and procedures.
- D. List the eligibility provisions and limitations and exclusions of the coverage, and procedures for status changes and termination of coverage.
- E. Provide the basis upon which charges will be paid, including provisions for the benefit payment mechanism and protection of individuals against excess charges.
- F. Provide for cost and quality controls by means of predetermination of procedures and charges, utilization and peer review, clinical post-treatment evaluation and case reviews involving individual consideration of fees or treatment.

X. PREPAID GROUP PRACTICE OPTION

The Corporation will make arrangements for employees to be afforded the option to subscribe for dental expense coverage under approved and qualified prepaid group practice plans, instead of dental expense coverage hereunder. An employee who has retired from an area in which the coverage described in this Section X is made available to employees shall be given the option to subscribe to the prepaid group practice plan in that area instead of dental expense coverage hereunder; provided, however, that the Corporation's contributions toward coverage under such group practice plans shall not be greater than the amount the Corporation would have contributed for dental expense coverage hereunder.

XI. DEFINITIONS

The term "dentist" means a legally licensed dentist practicing within the scope of the dentist's license. As used herein, the term "dentist" also includes a legally licensed physician authorized by the physician's license to perform the particular dental services the physician has rendered.

The term "denture therapist" means a denture therapist licensed under the Ontario Denture Therapists Act, 1974 (or a comparable provider licensed in a province other than Ontario), practicing within the scope of the denture therapist's license.

The term "reasonable and customary charge" means the actual fee charged by a dentist or a denture therapist for a service rendered or supply furnished but only to the extent that the fee is reasonable taking into consideration the following:

- (a) the usual fee which the individual dentist or denture therapist most frequently charges the majority of the dentist's or denture therapist's patients for a service rendered or a supply furnished; and,
- (b) The prevailing range of fees (as defined in the Administrative Manual) charged in the same area by dentists or denture therapists of similar training and experience for the service rendered or supply furnished; and,
- (c) Unusual circumstances or complications requiring additional time, skill, and experience in connection with the particular dental service or procedure.

APPENDIX C - Dental Expense Benefits - cont'd.

The term "area" means a metropolitan area, a county or such greater area as is necessary to obtain a representative cross-section of dentists rendering such services or furnishing such supplies.

The term "course of treatment" means a planned program of one or more services or supplies, whether rendered by one or more dentists, for the treatment of a dental condition diagnosed by the attending dentist as a result of an oral examination. The course of treatment commences on the date a dentist first renders a service to correct or treat such diagnosed dental condition.

The term "current Provincial Dental Association Schedule of Fees" means the Provincial Dental Association Schedules of Fees in effect at the time Covered Dental Expenses are incurred.

The term "current Ontario fee schedule for Licensed Denture Therapists" means the Ontario fee schedule for Licensed Denture Therapists in effect at the time Covered Dental Expenses are incurred.

The term "orthodontic treatment" means preventive and corrective treatment of all those dental irregularities which result from the anomalous growth and development of dentition and its related anatomic structures or as a result of accidental injury and which require repositioning (except for preventive treatment) of teeth to establish normal occlusion.

The term "ordered" means, in the case of dentures, that impressions have been taken from which the denture will be prepared; and, in the case of fixed bridgework, restorative crown, inlays and onlays, that the teeth which will serve as abutments or support or which are being restored have been fully prepared to receive, and impressions have been taken from which will be prepared the bridgework, crowns, inlays or onlays.

XII. COST AND QUALITY CONTROLS

The Carrier will undertake the following review procedures and mechanisms and report annually to the Joint Health Care Committee.

APPENDIX C - Dental Expense Benefits - cont'd.

A. Utilization Review

Analysis of various reports displaying such data as procedure profiles, utilization profiles and Covered Dental Expense Benefits payments summaries to evaluate the patterns of utilization, cost trends and quality of care.

B. Price Reviews

Where possible, price reviews or other audit techniques shall be conducted to examine records, invoices and laboratory facilities and materials and to verify that charges for covered persons are the same as for other patients. These examinations may include patient interviews and clinical evaluations of services and supplies received.

C. Evaluation of Services and Supplies Received

On a random or selective basis, covered persons who have received services under Dental Expense Benefits will be selected for subsequent evaluation and examination by consulting providers to ensure that the services and supplies reported were actually provided and were performed in accordance with accepted professional standards.

D. Survey of Services and Supplies Received

On a random or selective basis covered persons who have received services under Dental Expense Benefits may be sent a questionnaire to:

1. determine the level of satisfaction with respect to these services;
2. determine whether services for which Dental Expense Benefits were paid were actually received;
3. determine whether providers recommend unnecessary optional services or supplies; and
4. identify other problem areas.

E. Claims Processing

The Carrier may conduct audits of claims being processed such as an analysis of patient histories and screening for duplicate payments in addition to the normal eligibility, benefit and charge verifications.

APPENDIX C - Dental Expense Benefits - cont'd.

F. Provider Review

When the Carrier or a covered person does not agree with the appropriateness of a service provided or a charge made under Dental Expense Benefits by a dentist practicing in Ontario, the matter may be presented to the Royal College of Dental Surgeons of Ontario (the licensing and regulating body of dentistry) for resolution. Similar matters involving other providers may be referred by the carrier to the appropriate licensing agency or, where operative, to peer review. The Carrier will seek to establish peer review where it does not exist.

APPENDIX D
VISION EXPENSE BENEFITS

I. **ENROLLMENT** CLASSIFICATIONS

Vision Expense Benefits coverage for an eligible employee, retired employee or surviving spouse shall include coverage for eligible dependents as they are defined under Section II. of the Health Care Program.

II. DESCRIPTION OF BENEFITS

Vision Expense Benefits will be payable, subject to the conditions herein.

III. DEFINITIONS

As used herein:

- A. "physician" means any licensed doctor of medicine legally qualified to practice medicine and who within the scope of the physician's license performs vision testing examinations and prescribes lenses to improve visual acuity;
- B. "optometrist" means any person licensed to practice optometry in the province in which the service is rendered;
- C. "optician" means any person licensed in the province in which the service is rendered to supply eyeglasses prescribed by a physician or optometrist to improve visual acuity, to grind or mould the lenses or have them ground or moulded according to prescription, to fit them into frames and to adjust the frames to fit the face;
- D. "lenses" means ophthalmic corrective lenses to be fitted into frames;
- E. "contact lenses" means ophthalmic corrective lenses as prescribed;
- F. "frames" means standard eyeglass frames into which two lenses are fitted;
- G. "covered person" means the eligible employee, retired employee, surviving spouse and their eligible dependents.

APPENDIX D -Vision Expense Benefits - **cont'd.**

IV. SCHEDULE OF **ELIGIBLE** SERVICES

Reimbursement for prescription eye glasses (frames and lenses) or contact lenses every 24 months up to a maximum of:

Single Vision Lenses.....	\$125
W-focal Lenses.....	\$160
Multi-focal Lenses	\$200
Contact Lenses	\$170

Repairs (not replacements) at the usual and customary rates as determined by the carrier.

Commencement of the benefit period is based on the initial date vision benefits are received.

V. LIMITATIONS

A. Frequency

If a covered person has received lenses and frames or contact lenses for which benefits were payable under the Schedule of Eligible Services, subsequent benefits will be payable only if received more than 24 months after the date that benefits were initially paid in the prior period. Lenses and frames received under the Corporation's prescription safety glasses program for which no benefits were received under Vision Expense Benefits shall not be considered lenses and frames received under Vision Expense Benefits.

2. Children up to age 19 who have diabetes or other medical conditions requiring frequent lens changes (as substantiated by an ophthalmologist) will be eligible for new lenses whenever they have a prescription change.

APPENDIX D - Vision Expense Benefits - cont'd.

3. Contact lenses will be covered every 12 months, when the covered person's visual acuity cannot otherwise be corrected to at least 20/70 in the better eye, or when medically necessary due to keratoconus, irregular astigmatism, irregular corneal curvature or physical deformity resulting in an inability to wear normal frames.
4. Repairs to frames will not be subject to a frequency limitation.

VI. EXCLUSIONS

Covered Vision Expense does not include and no benefits are payable for:

- A. Vision examinations;
- B. Medical or surgical treatment;
- C. Drugs or medications;
- D. Procedures determined by the carrier to be special or unusual, such as, but not limited to, orthoptics, vision training, subnormal vision aids and aniseikonic lenses;
- E. Lenses or frames furnished for any condition, disease, ailment or injury arising out of and in the course of employment;
- F. Lenses or frames ordered:
 1. before the covered person became eligible for coverage;
 - or
 2. after termination of coverage;
- G. Lenses or frames ordered while insured but delivered more than 60 days after coverage terminated;
- H. Charges for lenses or frames for which no charge is made that the covered person is legally obligated to pay or for which no charge would be made in the absence of Vision Expense Benefits coverage;

APPENDIX D -Vision Expense Benefits - **cont'd.**

- I. Charges for lenses or frames which are not necessary, according to accepted standards of ophthalmic practice, or which are not ordered or prescribed by the attending physician or optometrist;
- J. Charges for lenses or frames which do not meet accepted standards of ophthalmic practice, including charges for any such lenses or frames which are experimental in nature;
- K. Charges for lenses or frames received as a result of eye disease, defect or injury due to an act of war, declared or undeclared;
- L. Charges for lenses or frames from any governmental agency which are obtained by the covered person without cost by compliance with laws or regulations enacted by any federal, provincial, municipal or other governmental body;
- M. Replacement of lenses or frames which are lost or broken unless at the time of such replacement the covered person is otherwise eligible under the frequency and prescription change limitations set forth in Section V.; and
- N. Charges for the completion of any insurance forms.
- O. Vision benefits which are not dispensed by an Optometrist, an Optician or an Ophthalmologist.
- P. Follow up visits associated with the dispensing and fitting of contact lenses,
- Q. Charges for eye glass cases.

APPENDIX E:
HEARING AID EXPENSE, BENEFITS

I. ENROLLMENT CLASSIFICATIONS

Hearing Aid Expense Benefits coverage for an eligible employee, retired employee or surviving spouse shall include coverage for eligible dependents as they are defined under Section II. of the Health Care Program.

II. DESCRIPTION OF BENEFITS

Hearing Aid Expense Benefits will be payable, subject to the conditions herein, if any covered person, as defined in Section III.I., while hearing aid expense coverage is in effect with respect to such covered person, incurs covered hearing aid expense.

III. DEFINITIONS

As used herein:

- A. "physician" means an otologist or otolaryngologist who is board certified or eligible for certification in the otologist's or otolaryngologist's specialty in compliance with standards established by the otologist's or otolaryngologist's respective professional sanctioning body, who is a licensed doctor of medicine legally qualified to practice medicine and who, within the scope of the doctor's license, performs a medical examination of the ear and determines whether the patient has a loss of hearing acuity and whether the loss can be compensated for by a hearing aid:
- B. "audiologist" means any hospital-affiliated audiology clinic approved by the Ontario Health Insurance Plan, or an equivalent facility in a province other than Ontario. Such clinics shall conduct audiometric examinations and hearing aid evaluation test; for the purpose of measuring hearing acuity and determining and prescribing the type of hearing aid that would best improve the covered person's loss of hearing acuity. The foregoing services shall be performed by a physician or if not a physician, by a person who (1) possesses a master's or doctorate degree in audiology or speech pathology from an accredited university, or (2) possesses a Certificate of Clinical Competence in Audiology from the American Speech and Hearing Association and (3) is qualified

APPENDIX E - Hearing Aid Expense Benefits - cont'd.

in the province in which the service is provided to conduct such examinations and tests. An audiology clinic that is not hospital affiliated may be designated an audiologist by the carrier, if the carrier determines that (1) such clinic has facilities which are equivalent to the hospital-affiliated clinics described above and (2) audiometric examinations and hearing aid evaluation tests conducted by such clinic are performed only by a physician or a person described in the third sentence of this Section III.B.;

- C. "dealer" means any participating person or organization that sells hearing aids prescribed by an audiologist to improve hearing acuity in compliance with the laws or regulations governing such sales, if any, of the province in which the hearing aids are sold;
- D. "participating" means having a written agreement with the carrier pursuant to which services or supplies are provided under Hearing Aid Expense Benefits;
- E. "hearing aid" means an electronic device worn on the person for the purpose of amplifying sound and assisting the physiologic process of hearing, and includes an ear mould, if necessary;
- F. "ear mould" means a device of soft rubber, plastic or a nonallergenic material which may be vented or nonvented that individually is fitted to the external auditory canal and pinna of the patient;
- G. "audiometric examination" means a procedure for measuring hearing acuity that includes tests relating to air conduction, bone conduction, speech reception threshold and speech determination;
- H. "hearing aid evaluation test" means a series of subjective and objective tests by which an audiologist determines which make and model of hearing aid will best compensate for the covered person's loss of hearing acuity and which make and model will therefore be prescribed, and shall include one visit by the covered person subsequent to obtaining the hearing aid for an evaluation of its performance and a determination of its conformity to the prescription;

APPENDIX E - Hearing Aid Expense Benefits - cont'd.

- I. "covered person" means the eligible employee, retired employee, surviving spouse and their eligible dependents;
- J. "dispensing fee" means a fee predetermined by the carrier to be paid to a dealer for dispensing hearing aids, including the cost of providing ear moulds, under Hearing Aid Expense Benefits;
- K. "covered hearing aid expense" means the charges incurred for hearing aids of the following functional design: in-the-ear, behind-the-ear (including air conduction and bone conduction types), on-the-body and binaural (a system consisting of two (2) complete hearing aids) but only if (1) the hearing aid is prescribed based upon the most recent audiometric examination and most recent hearing aid evaluation test and (2) the hearing aid provided by the dealer is the make and model prescribed by the audiologist and is certified as such by the audiologist;

In order for the charges for a hearing aid as described in Section III.K. to be payable as Hearing Aid Expense Benefits, upon each occasion that a covered person receives such a hearing aid the covered person must first obtain a medical examination of the ear by a physician, and such examination or such examination in conjunction with the audiometric examination must result in a determination that a hearing aid would compensate for the loss of hearing acuity, in addition, in the case of a binaural hearing aid system, the carrier must determine that such a system is necessary, based upon professionally accepted standards, to compensate adequately for the loss of hearing acuity.

- L. "acquisition cost" means the actual cost to the dealer of the hearing aid.

IV. BENEFITS

The covered person may obtain

- A. hearing aids that the dealer shall have agreed to furnish covered persons in accordance with the following reimbursement arrangements:
 - 1. the acquisition cost of the hearing aid; and
 - 2. dispensing fee; and

APPENDIX E - Hearing Aid Expense Benefits - cont'd.

- B. repairs of hearing aids from the dealer.

If the covered person requests unusual services from the dealer, the covered person shall pay the full additional charge therefor.

V. LIMITATIONS

Frequency: If a covered person has received a hearing aid for which benefits were payable under Hearing Aid Expense Benefits, benefits will be payable for each subsequent hearing aid only if received more than 36 months after receipt of the most recent previous hearing aid, for which benefits were payable under Hearing Aid Expense Benefits.

VI. EXCLUSIONS

Covered hearing aid expense does not include and no benefits are payable for:

- A. Medical examinations, audiometric examinations or hearing aid evaluation tests;
- B. Medical or surgical treatment;
- C. Drugs or other medication;
- D. Hearing aids provided under any applicable workers' compensation law;
- E. Hearing aids ordered:
 - 1. before the covered person became eligible for coverage;
 - or
 - 2. after termination of coverage;
- F. Hearing aids ordered while covered but delivered more than 60 days after termination of coverage;
- G. Charges for hearing aids for which no charge is made to the covered person or for which no charge would be made in the absence of Hearing Aid Expense Benefits coverage;
- H. Charges for hearing aids which are not necessary, according to professionally accepted standards of practice, or which are not recommended or approved by the physician;
- I. Charges for hearing aids that do not meet professionally accepted standards, including charges for any services or supplies that are experimental in nature;
- J. Charges for hearing aids received as a result of ear disease, defect or injury due to an act of war, declared or undeclared;
- K. Charges for hearing aids provided by any governmental agency that are obtained by the covered person without cost

APPENDIX E - Hearing Aid Expense Benefits - cont'd.

- by compliance with laws or regulations enacted by any federal, provincial, municipal or other governmental body;
- L. Charges for hearing aids to the extent benefits therefor are payable under any health care program supported in whole or in part by funds of the federal government or any province or political subdivision thereof;
 - M. Replacement of hearing aids that are lost or broken unless at the time of such replacement the covered person is otherwise eligible under the frequency limitations set forth herein;
 - N. Charges for the completion of any insurance forms;
 - O. Replacement parts for hearing aids;
 - P. Persons enrolled in alternative plans; and
 - Q. Eyeglass-type hearing aids, to the extent the charge for such hearing aid exceeds the covered hearing aid expense for one hearing aid under Section III.K.

VII. ADMINISTRATIVE MANUAL

Hearing Aid Expense Benefits policies, procedures and interpretations to be used in administering the Hearing Aid Expense Benefits shall be developed by the carrier after review and approval by the Corporation and the Union.

VIII. DATA

The carrier annually shall furnish the Corporation and the Union such information and data as mutually may be agreed upon by the parties with respect to hearing aid expense coverage.

IX. COST AND QUALITY CONTROLS

The carrier shall undertake appropriate review procedures to assure a high degree of cost and quality control. Where appropriate, such actions may include utilization review, price review and evaluation of services received.

APPENDIX F
PROSTHETIC APPLIANCE AND DURABLE MEDICAL EQUIPMENT
EXPENSE BENEFITS

I. ENROLLMENT CLASSIFICATIONS

Prosthetic Appliance and Durable Medical Equipment Expense Benefits coverage for an eligible employee, retired employee or surviving spouse shall include coverage for eligible dependents as they are defined under Section II. of the Health Care Program.

II. DESCRIPTION OF BENEFITS

Prosthetic Appliance and Durable Medical Equipment Expense Benefits will be payable, subject to the conditions herein, if any covered person, as defined in Section III.B., while prosthetic appliance and durable medical equipment expense coverage is in effect with respect to such covered person, incurs covered prosthetic appliance and durable medical equipment expense.

III. DEFINITIONS

As used herein:

- A. "physician" means a legally qualified and licensed medical practitioner. Solely in connection with the prescribing of prosthetic lenses under Section IV.A.2. (a), an optometrist who is legally licensed to practice optometry at the time and place services are performed shall be deemed to be a physician to the extent that the optometrist renders services the optometrist is legally qualified to perform;
- B. "covered person" means the eligible employee, retired employee, surviving spouse and their eligible dependents;
- C. "covered prosthetic appliance and durable medical equipment expense" means charges incurred for prosthetic appliances in accordance with Section IV.A. or for durable medical equipment in accordance with Section IV.B.;
- D. "prosthetic appliance" means an external prosthetic device or an orthotic appliance as described in IV.A.;
- E. "durable medical equipment" means an item of equipment as described in IV.B.;

APPENDIX F - Prosthetic Appliance and Durable Medical
Equipment Expense Benefits - cont'd.

- F. "provider" means a facility or dealer which supplies prosthetic appliances or durable medical equipment;
- G. "usual, reasonable and customary" means the actual amount charged by a provider for a prosthetic appliance or for durable medical equipment, but only to the extent that the amount is reasonable and takes into consideration:
 - 1. the usual amount that the provider most frequently charges the majority of the provider's patients or customers for the prosthetic appliance or durable medical equipment provided;
 - 2. the prevailing range of charges made in the same area by similar providers for the prosthetic appliance or durable medical equipment furnished; and
 - 3. with respect to prosthetic appliances only, unusual circumstances or complications requiring additional time, skill and experience in connection with a particular prosthetic appliance.

IV. BENEFITS

- A. Prosthetic Appliances
 - 1. When obtained from a provider by a covered person on the advice in writing of the attending physician, benefits will be payable on a usual, reasonable and customary charge basis for external prostheses and orthotic appliances which replace all or part of a body organ (including contiguous tissue) or replace all or part of the functions of a permanently inoperative or a malfunctioning body organ. Benefits shall also be payable for the replacement, repairs, fittings and adjustments of such devices. To be covered under this benefit, however, the advice in writing of the attending physician must include a description of the equipment as well as the reason for use or the diagnosis.
 - 2. Included in the external prostheses and orthotic appliances for which benefits shall be payable are:

APPENDIX F - Prosthetic Appliance and Durable Medical Equipment **Expense** Benefits - **cont'd.**

- (a) Artificial arms, legs, eyes, ears, noses, larynxes, prosthetic lenses (for people lacking an organic lens or following cataract surgery); aniseikonic lenses; above or below knee or elbow prostheses; external cardiac pacemakers; terminal devices, such as a hand or hook whether or not an artificial limb is required; and Frieder Prism SEG prosthetic lens,
 - (b) Rigid or semi-rigid supporting device;; (such as braces for the legs, arms, neck or back), splints, trusses; and appliances essential to the effective use of an artificial limb or corrective brace.
 - (c) Ostomy sets and accessories (including disposable gloves), catheterization equipment, urinary sets, external breast prostheses (including surgical brassieres) and orthopedic shoes (when used as an integral part of an orthotic appliance).
 - (d) Parenteral nutrition artificial gut system and implantable urethral sphincter (IUS).
 - (e) Wig or hairpiece including duplicates when hair loss is due to chemotherapy or radiation treatment, alopecia (excluding the following natural non-medical conditions causing hair loss: luminaris, male pattern baldness, prematura, senilis and totalis), hypothyroidism, traumatic scald and scalp fungal infection.
 - (f) Cochlear implants.
3. Exclusions from the benefit provided under this Section IV.A. include, but are not limited to:
- (a) Dental appliances, hearing aids and, except as provided above, eyeglasses;
 - (b) Non-rigid appliances and supplies such as elastic stockings, garter belts and supports and corsets.

B. Durable Medical Equipment

- '1 When obtained from a provider by a covered person, benefits will be payable on a usual, reasonable and customary charge basis for the purchase or rental of durable medical equipment, subject to the following:

APPENDIX F - Prosthetic Appliance and Durable Medical Equipment Expense Benefits - cont'd.

- (a) The equipment must be:
 - (i) prescribed by a licensed physician;
 - (ii) reasonable and necessary for the treatment of an illness or injury, or to improve the functioning of a malformed body member;
 - (iii) able to withstand repeated use;
 - (iv) primarily and customarily used to serve a medical purpose;
 - (v) generally not useful to a person in the absence of illness or injury; and
 - (vi) appropriate for use in the home.
- (b) The rental price of the durable medical equipment shall not exceed the purchase price. The decision to purchase or rent shall be based on the physician's estimate of the duration of need as established by the original prescription.
- (c) When the durable medical equipment is rented and the rental extends beyond the original prescription, the physician must recertify (via another prescription) that the equipment is reasonable and medically necessary for the treatment of the illness or injury. In the event the recertification is not submitted, benefits will cease as of the original duration of need date or thirty (30) days after the date of death if earlier.
- (d) When the durable medical equipment is purchased, benefits shall be payable for repairs except that routine periodic maintenance is excluded.
- (e) Included in the durable medical equipment for which benefits shall be payable are:
 - (i) Hospital beds (with or without mattresses), rails, cradles and trapezes;
 - (ii) Crutches, canes, patient lifts, walkers and wheelchairs (or electric powered scooters in lieu of wheelchairs);
 - (iii) Bedpans, commodes, urinals - if patient is bed confined (including portable toilets in lieu of

APPENDIX F - Prosthetic Appliance and Durable Medical
Equipment Expense Benefits - cont'd.

- commodes for patients who have otherwise qualified for a commode);
- (iv) Oxygen sets and respirators (If the prescription is for oxygen, the physician must indicate how it is to be administered and what apparatus is to be used.);
 - (v) Decubitus (ulcer) care equipment, dialysis equipment, dry heat and ice application devices;
 - (vi) I.V. stands, intermittent pressure units, neuromuscular stimulants, sitz baths, traction equipment, vapourizers and standard whirlpool baths (including installation costs up to a maximum of \$500);
 - (vii) Digital electronic pacemaker monitor when prescribed by a physician for a patient with a cardiac pacemaker;
 - (viii) Automatic blood pressure monitor when prescribed by a physician for a patient on home renal dialysis;
 - (ix) Electromagnetic coil bone growth stimulator;
 - (x) Home glucose monitors (Glucometers and Dextrometers);
 - (xi) Disposable diapers and cloth diapers for all incontinent persons;
 - (xii) Allowance of up to a maximum of \$800 for pressure injection devices for insulin once every five (5) years when such pressure injection device is used in lieu of needles and syringes;
 - (xiii) Raised toilet seats for all medical conditions;
 - (xiv) Soft casts to a maximum of \$30 per cast;
 - (xv) Reusable underpads for wheelchairs to a maximum of 6 per year;
 - (xvi) One pair of custom made corrective footwear per year (excluding off-the-shelf orthopedic footwear) to a maximum of \$750 per year);
 - (xvii) Geriatric chairs on a one time only basis to a maximum of 2,000;
 - (xviii) Bath tub rails up to a lifetime maximum of \$100.

APPENDIX F - Prosthetic Appliance and Durable Medical
Equipment Expense Benefits - **cont'd.**

- (f) Exclusions from this benefit IV.B. include, but are not limited to:
- (i) Deluxe equipment such as motor driven wheelchairs and beds, except when such deluxe features are necessary for the effective treatment of a patient's condition and required in order for the patient to operate the equipment;
 - (ii) Items that are not primarily medical in nature or are for comfort and convenience (e.g., bedboards, overbed tables, adjust-a-bed, bathtub lifts, telephone arms, air conditioners, etc.);
 - (iii) Physicians' equipment (e.g., infusion pumps, sphygmomanometer, stethoscope, etc.);
 - (iv) Disposable supplies (e.g., disposable sheaths and bags, elastic stockings, etc.);
 - (v) Exercise and hygienic equipment (exercise cycle, Moore wheel, bidet toilet seats, bathtub seats, etc.);
 - (vi) Self-help devices that are not primarily medical in nature (e.g., elevators, sauna baths, etc.); and
 - (vii) Arch supports.

V. LIMITATIONS ON COVERAGES

Covered prosthetic appliance and durable medical equipment expense does not include and no benefits are payable for:

- A. Prosthetic appliances or durable medical equipment furnished for any condition, disease, ailment or injury arising out of and in the course of employment;
- B. Charges for prosthetic appliances or durable medical equipment for which no charge is made that the covered person is legally obligated to pay or for which no charge would be made in the absence of Prosthetic Appliance and Durable Medical Equipment Expense Benefits coverage;

APPENDIX F • Prosthetic Appliance and Durable Medical
Equipment Expense Benefits - cont'd.

- C. Charges for prosthetic appliances or durable medical equipment (or items or special features related thereto) which are not necessary, according to accepted standards of medical practice, or which are not ordered or prescribed by the attending physician;
- D. Charges for prosthetic appliances or durable medical equipment which do not meet professionally accepted standards, including charges for any such appliances or equipment which are experimental in nature;
- E. Charges for prosthetic appliances or durable medical equipment received as a result of disease, defect or injury due to an act of war, declared or undeclared;
- F. Charges for prosthetic appliances or durable medical equipment from any governmental agency which are obtained by the covered person without cost by compliance with laws or regulations enacted by any federal, provincial, municipal or other governmental body;
- G. Charges for any prosthetic appliances or durable medical equipment to the extent for which benefits are payable under any health care program supported in whole or in part by funds of the federal government or any province or political subdivision thereof;
- H. Charges for the completion of any insurance forms.

APPENDIX G
LONG TERM CARE FACILITY EXPENSE BENEFITS

The Corporation will continue arrangements to provide long term care expense benefits subject to the following terms and conditions:

- (1) Benefits will be provided for the patient co-payment expense for each day an insured person resides in a Long Term Care Facility, as an approved resident as determined by the Placement Coordination Office under the Long Term Care Statutes Law Amendment Act 1993 (Bill 101).
- (2) The benefit payment for the patient *co-payment* expense in any such approved Long Term Care Facility shall be the difference between the daily allowance paid to the Long Term Care Facility by the Province of Ontario in a standard ward and the Long Term Facility's daily charge up to the semi-private rate if such accommodation is occupied, as approved by the Province of Ontario.
- (3) If an insured person is eligible as determined in subsection (1) in an approved facility and occupies a private accommodation, the benefit payment of the patient co-payment shall be at the semi-private accommodation daily rate for each day the covered patient occupies a private accommodation.
- (4) Benefits shall be provided upon submission of proof satisfactory to the insurer that an eligible person has been approved through the Placement Coordination Office and a payment of an allowance for such care was made to that Long Term Care Facility on behalf of such person by the Province of Ontario for each such day for which benefits under the program are claimed.
- (5) No benefit payment shall be paid under this program to any insured person:
 - (a) If the insured person is eligible for or receiving the same or similar benefits from the Province of Ontario, the Workers' Compensation Board or any other agency or department of the government of Canada or any province thereof or municipal corporation therein, regardless of whether the insured person has or has not contributed toward providing such benefit for self or covered

APPENDIX G - Long Term Care Facility Expense Benefits - **cont'd.**

dependent, and regardless of whether the insured person applied for such benefit, or

- (b) For conditions arising from war, riot or insurrection or from service in the armed forces, or
- (c) If the insured person is on a leave of absence from a Long Term Facility, except that an insured person who has been approved by the Placement Coordination Office who is transferred to a hospital will be eligible for the patient co-payment expense provided above for a period up to two (2) calendar days following the date of the insured person's admission to a hospital.

APPENDIX H
SEMI-PRIVATE HOSPITAL ACCOMMODATION EXPENSE BENEFITS

I. ENROLLMENT CLASSIFICATIONS

Semi-Private Hospital Accommodation Expense Benefits coverage for an eligible employee, retired employee or surviving spouse shall include coverage for eligible dependents as defined under Section II. of the Health Care Program.

II. DESCRIPTION OF BENEFITS

Semi-Private Hospital Accommodation Expense Benefits will be payable, subject to the conditions herein, if any covered person, as defined in Section III.B., while semi-private hospital accommodation expense coverage is in effect with respect to such covered person, incurs covered semi-private hospital accommodation expense.

III. DEFINITIONS

As used herein:

- A. "covered person" means the eligible employee, retired employee, eligible surviving spouse and their eligible dependents;
- B. "covered semi-private hospital accommodation expense" means the charges incurred for semi-private hospital accommodation in accordance with Section IV.

IV. BENEFITS

The covered person may obtain Semi-Private Hospital Accommodation Expense Benefits that the hospital shall have agreed to furnish covered persons in accordance with the following reimbursement arrangement:

- A. Reimbursement for the difference in cost between standard ward charges and the cost of semi-private accommodation in a public general hospital when the standard ward charges are paid by any Provincial Government Health Plan of the Province in which the patient is a resident and when the patient is occupying, or has occupied an active treatment bed;

APPENDIX H - Semi-Private Hospital Accommodation
Expense Benefits - **cont'd.**

- B. Reimbursement for the difference in cost between standard ward charges and the cost of semi-private accommodation in a convalescent or rehabilitation hospital or a convalescent or rehabilitation wing in a public general hospital when the standard ward charges are paid by any Provincial Government Health Plan of the Province in which the patient is a resident and when the patient is occupying or has occupied a convalescent or rehabilitation bed;
- C. In a public chronic hospital or chronic wing facilities of a public general hospital, a maximum reimbursement of up to \$30.00 per day for 120 days per Benefit Year (beginning with the first paid claim) for the difference between the charges for a standard ward and the cost of semi-private accommodation when the patient has occupied semi-private accommodation.
- D. In a public chronic hospital or chronic wing facilities of a public general hospital a maximum reimbursement of up to \$27.00 per day will be paid toward the chronic care co-pay charge for a 60-day period following the expiration of the co-pay benefit period paid by the Provincial Government Health Plan.

V. LIMITATIONS

- A. Where the subscriber or dependent has occupied a chronic bed in a semi-private room, either in, or outside, of the Province of residence, a maximum of up to \$30.00 difference per day shall be allowed for a maximum of 120 days in any 12 month period;
- B. To be eligible for reimbursement for occupancy of a chronic bed, accommodation must be in a public chronic hospital or a chronic wing facility of a public general hospital;
- C. No benefit shall apply to semi-private accommodation in a nursing home, T.B. Sanitorium or mental hospital;
- D. Payment of benefits is contingent upon the Provincial Health Insurance Plan in the Province in which the patient resides accepting or agreeing to pay the ward or standard rate;

APPENDIX H • Semi-Private Hospital Accommodation
Expense Benefits - **cont'd.**

- E. Reimbursement shall not be made in respect to any eligible expense unless a claim is filed as required by the carrier.

VI. EXCLUSIONS

Covered semi-private hospital accommodation expense does not include and no benefit is payable for:

- A. Semi-private hospital accommodation where the covered person is not occupying an active treatment bed, a rehabilitation or convalescent bed, or a chronic care bed;
- B. Charges for completion of any insurance forms;
- C. Charges for semi-private hospital accommodation where such benefits are provided to the covered person without cost by compliance with laws or regulations enacted by any federal, provincial, municipal or other governmental body.

APPENDIX I
PRESCRIPTION DRUG EXPENSE BENEFITS

I. ENROLLMENT CLASSIFICATIONS

Prescription Drug Expense Benefits coverage for an eligible employee, retired employee or surviving spouse shall include coverage for eligible dependents as defined under Section II. of the Health Care Program.

II. DESCRIPTION OF BENEFITS

Prescription Drug Expense Benefits will be payable, subject to the conditions herein, if an employee, retired employee, surviving spouse or eligible dependent, while prescription drug expense coverage is in effect with respect to such covered person, incurs covered prescription drug expense.

III. DEFINITIONS

As used herein:

- A. "covered person" means the eligible employee, retired employee, eligible surviving spouse and their eligible dependents;
- B. "covered prescription drug expense" means the charges incurred for such drugs as described in Section III.C. and are either drugs obtained from a participating or member pharmacy payable in accordance with Section IV.A. or for drugs obtained from a non-participating pharmacy payable in accordance with Section IV.B.;
- C. "drug" means and includes any substance:
 - 1. that is listed in the Green Shield Canada Drug Formulary 11 as of September 23, 1996;
 - 2. that is a new drug product marketed after September 23, 1996 and is recommended for inclusion by Green Shield Canada's Pharmaceutical and Medical Consultants. When Green Shield Canada does not recommend a new drug for inclusion on the formulary or if Green Shield Canada requires additional assistance they will engage the services of an independent external scientific review agency to assist in this review.

APPENDIX I - Prescription Drug Expense **Benefits - cont'd.**

The criteria for inclusion into the formulary shall be that the new drug product offers therapeutic advantage to existing products in the formulary, is lifesaving or cost effective.

Provided that for the purposes of this Agreement, drug shall be deemed in its meaning not to include any substance or preparation containing any substance in C.1. or 2. above in whole or in part if the same shall be offered for sale by a Member Pharmacy or a Pharmaceutical Chemist, or sold by a Member Pharmacy or Pharmaceutical Chemist as, or as part of, a food, drink or cosmetic or for any purpose other than the prevention or treatment of any ailment, disease or physical disorder;

- D. "participating or member pharmacy", means corporations, partnerships, sole proprietorships, public clinics, or public hospitals as shall from time to time become member pharmacists bound by a carrier/member pharmacy agreement. A participating or member pharmacy is one who provides dispensing services in accordance with the agreement with the carrier;
- E. "pharmacy agreement" means the provider of service agreement with the carrier respecting the payment for the dispensing of prescriptions by which member pharmacies agree to be bound;
- F. "prescription" means an order or direction either oral or in writing, given by a practitioner ordering or directing that a stated amount of any drug, or drugs as specified in such order be dispensed by a member pharmacy or a pharmaceutical chemist for a person named in such order or direction. Prescription also includes prescription services;
- G. "pharmaceutical chemist" means a legally qualified pharmaceutical chemist;
- H. "practitioner" means a practitioner legally qualified to practice the professions of medicine or dentistry.

APPENDIX 1 - Prescription Drug Expense Benefits - cont'd.

IV. BENEFITS

- A. From a participating or member pharmacy, the covered person may obtain prescription drugs subject to payment by the covered person of \$0.35 for each separate prescription order and refill;
- B. From a non-participating pharmacy, the plan shall pay the usual reasonable and customary charge paid to a participating or member pharmacy for any prescription drug dispensed by a Pharmaceutical Chemist, a hospital, medical clinic, physician or dentist, less \$0.35 for each such separate prescription order and refill.

V. CHOICE OF PHARMACY

The subscriber may choose any member pharmacy or pharmaceutical chemist recorded in the records of the carrier as a member in good standing at the time of dispensing of any prescription then authorized by the carrier. The carrier has the right to terminate the membership of any member pharmacy in accordance with the terms of the pharmacy agreement.

VI. EXCLUSIONS

Covered prescription drug expense does not include and no benefits are payable for:

- A. Vitamin products, except those which must be injected;
- B. Proprietary medicines defined in Division 10 of the Food and Drug Act of Canada;
- C. Blood and blood plasma;
- D. Contraceptive foams or gels; or appliances whether or not such prescription is given for medical reasons;
- E. Medication, cosmetics, laxatives, shampoos and medicines which may be lawfully sold or offered for sale in places other than in a retail pharmacy, and which are not normally considered by practitioners as medicines for which a

LETTERS - cont'd.

(G-3) OUT-OF-PROVINCE HSM

The Corporation shall continue its arrangements with Green Shield Prepaid Services Inc. to pay physicians, or to reimburse patients, for covered medical-surgical and hospital expenses incurred under certain circumstances outside the patient's province of residence.

Benefits would be provided under such coverage upon submission of proof satisfactory to the insurer that a member received covered services out of the province of the member's residence because of (i) accidental injury or emergency medical-surgical services or (ii) referral for medical-surgical care by the member's attending physician.

The benefit payment for covered medical-surgical expenses incurred would equal the fee charged for such services less the fee scheduled under the provincial medical-surgical plan for the covered services received, but only to the extent that the fee charged is reasonable and customary in the area where covered services are received.

The benefit payment for covered hospital expenses incurred would equal the hospital's charge for covered services in semi-private accommodations less the sum of the payments made by the provincial and supplementary hospital plans.

"Covered services" would be those medical-surgical services for which a fee is scheduled under the fee schedule of the provincial medical-surgical plan and those hospital services for which a benefit is provided under the ward coverage of the provincial hospital plan.

(G-4) VACATION LEAVE CONTIGUOUS WITH PLANT VACATION

This will confirm our understanding that notwithstanding the provisions of the first paragraph of Section II., and solely for the purpose of continuing hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage at Corporation expense, an employee on a leave of absence for vacation contiguous with the plant vacation shutdown period will be deemed to be actively on the payroll of the Corporation during the designated plant vacation shutdown period.

LETTERS - cont'd.

(G-5) ONTARIO DRUG BENEFIT PROGRAM

This will confirm our understanding with respect to prescription drug coverage for employees, retired employees, surviving spouses and their eligible dependents who are age 65 or older.

Prescription drug benefits for residents of Ontario who are age 65 or older are available without cost to the individual under the Ontario Drug Benefit Program. It is understood that Ontario residents age 65 or older who are eligible for prescription drug coverage under the Health Care Program shall be required to present their prescriptions for dispensing under the Ontario Drug Benefit Program. Benefits shall continue to be provided for covered prescription drug expenses under the Health Care Program to the extent that benefit coverage for such expenses is not available under the Ontario Drug Benefit Program.

(G-6) GREEN SHIELD CARRIER

This will confirm our understanding reached during these negotiations with respect to carriers for the Group Hospital, Surgical, Medical, Drug, Dental, Vision and Hearing Aid expense benefits provided under Section I. of Exhibit G to the Collective Bargaining Agreement.

It was agreed that the Company shall continue its arrangements with Green Shield Prepaid Services Inc. to be the carrier for the Prescription Drug, Semi-Private Hospital Accommodation, Out-of-Province, Prosthetic Appliance and Durable Medical Equipment, Nursing Home Care, Dental, Vision and Hearing Aid expense benefits.

(G-7) SUBSTANCE ABUSE FACILITY CHARGES

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

The Company shall make arrangements to provide coverage for the payment of any daily charge levied on an employee and the employee's dependents or retired employee who is under treatment for substance abuse in a residential substance abuse treatment facility which has been approved by the Company Medical Director. Benefits will be provided under such coverage only for the employee, the employee's dependents, or retired employee who are actively involved in the Chrysler-CAW

LETTERS - cont'd.

Substance Abuse Program and are admitted to a treatment facility on the recommendation of the Company Medical Director.

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

For the purposes of definition, an employee's dependents as referred to above, shall be those dependent children and spouse specified in Section II, of Exhibit G to the Collective Bargaining Agreement.

(G-8) HEALTH CARE COMMITTEE ACTIVITIES

During the 1993 Negotiations the parties renewed their commitment for the Company-Union Committee defined under Section IV. of the Health Care Program to investigate, consider and, upon mutual agreement, engage in activities that may have high potential for cost savings including the implementation of pilot programs designed to improve the functioning of the various health care programs.

These activities may include, but will not be limited to the following:

- Study and evaluate Mail Order Pharmacy arrangements and if mutually acceptable implement a pilot program that will give employees, retirees and surviving spouses an option to purchase their drugs through a Mail Order Pharmacy without the requirement of a co-pay.
- Develop a preferred provider system for delivery of services under the drug, dental and vision care plans.
- Revise the vision care plan to provide for a flat reimbursement rate for covered services.
- Develop measures to prevent individuals who are no longer eligible dependents from using benefit plan coverages.
- Consider implementing alternative systems for the delivery of benefits such as Dental Capitation Plans and Preferred Provider Organizations.

LETTERS - cont'd.

- Explore the feasibility of the Company self administering Health Care Benefit Plans.
- Develop an employee/retiree personal preventative health care program to provide information to individuals and their families in such areas as dental hygiene, dietary instructions, exercise, alcohol and drug abuse, annual physicals, etc.
- Study and evaluate the CAW Medication Awareness Pilot Program in St. Catharines and the Sunnybrook Hospital Program to determine the feasibility of developing and implementing a similar program specifically for Chrysler employees and retirees.
- Review the drug products removed by the Ontario Drug Benefit Plan from their formulary that they have determined to be no longer therapeutically necessary or because there is a cheaper substitute available, in order to determine whether such drug products should also be removed from the employee's Drug Plan.
- Develop a community focused employee medical care education program to educate employees and their families as well as providers of care about the goals and mutual efforts of the Health Care Committee (HCC) toward health care cost containment and improved quality of services.
- Study the proposed Ontario long term care program which includes alternatives to extended care in nursing homes and homes for the aged.

The parties agree that the HCC will begin discussions on these issues as soon as practicable after negotiations.

The parties also agree that the HCC will work with the carriers to review the coverage provided under the current Prescription Drug, Dental and Vision Plans to determine whether the plans can be altered or new procedures developed that will provide the benefits in a more cost effective manner.

(G-Q) PERSONAL LEAVE CONTIGUOUS WITH PLANT VACATION

This will confirm our understanding that hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage will be continued at Corporation expense for employees on a

LETTERS - cont'd.

leave of absence contiguous with the plant vacation shutdown period (other than a leave of absence for vacation or a leave of absence requested by the Local Union to permit an employee to work for the Local Union), in accordance with the following:

Notwithstanding the provisions of the first paragraph of Section II., and solely for the purpose of continuing group hospital, surgical, medical, prescription drug, dental, vision and hearing aid expense benefits coverage, an employee will be deemed to be actively on the payroll of the Corporation during the designated plant vacation shutdown period provided such coverages are in force on a Corporation paid basis at the commencement of the designated plant vacation shutdown period.

2. Under the provisions described in 1. above, an employee's coverages will be continued during the month following the month(s) in which the designated plant vacation shutdown period occurs.

(G-10) CHIROPRACTIC TREATMENT

This will confirm our understanding reached during the 1993 negotiations with respect to a course of chiropractic treatment that exceeds the period covered by the provincial medical-surgical plan provided under Section I.A.(1) of Exhibit G. to the Collective Bargaining Agreement.

It was agreed that, in cases where the annual benefit for chiropractic treatments covered by the Ontario Health Insurance Plan (OHIP) has been exhausted, the Corporation will arrange with Green Shield Prepaid Services Inc. to reimburse patients for chiropractic treatments received beyond the period covered by OHIP. Such chiropractic expense benefits will be considered an Extended Health Care Service (EHS) supplementary to the basic hospital, surgical, medical expense benefits coverage and will be reimbursed in an amount equal to the payment made by OHIP for chiropractic services rendered, but not for radiographs (X-rays).

Chiropractic expense benefits will be provided under the EHS coverage upon submission of proof satisfactory to the insurer that

1. the service(s) was rendered after the annual OHIP benefit was exhausted, and
2. the patient received and paid for the specific treatment(s).

LETTERS - cont'd.

(G-11) EXTENDED HEALTH SERVICES

This will confirm our understanding reached during the 1996 negotiations with respect to emergency air ambulance services, land ambulance services and the services of a Graduate Registered Nurse.

It was agreed that the services described below will be considered covered Extended Health Care Services (Et-IS) supplementary to the basic hospital, surgical, medical expense benefits coverage provided under Section I.A. of Exhibit G to the Collective Bargaining Agreement:

A.. Emergency Air Ambulance Services

When it is medically necessary for a covered patient to travel by an air ambulance from a location in North America to the patient's province of residence, the subscriber will be reimbursed for the amount charged to the patient and, when necessary, for the air fare of an accompanying medical attendant as well as the air fare of an accompanying spouse (effective October 1, 1996) provided that:

- (1) there is a demonstrated need for the patient to be confined to a stretcher or for a medical attendant to accompany the patient during the journey,
- (2) the patient is admitted directly to a hospital in the patient's province of residence,
- (3) the patient's Provincial Government Health Insurance Plan makes a payment towards the cost if available,
- (4) medical reports or certificates from both the dispatching and receiving physicians are submitted, and,
- (5) proof of payment including air ticket vouchers or air charter invoices are submitted.

EL. Land Ambulance Services

Effective October 1, 1996, when it is medically essential for a covered patient to travel by a licensed land ambulance service (municipal, hospital, private or volunteer) either in the patient's province of residence or out of the patient's province of residence and the patient's Provincial Government Health Insurance Plan makes a payment towards the cost if available, a benefit will be provided for the patient co-payment charge, if any, up to the Usual, Reasonable and Customary rate for the area where the service was received (as determined by the Carrier).

LETTERS - cont'd.

C. Nursing Services

When there is a clear medical necessity for the nursing services of a Graduate Registered Nurse (RN), the subscriber will be reimbursed for the amount charged to the patient for such services for up to two (2) hours per day provided that:

- (1) the nursing care is prescribed by a physician who must indicate:
 - a) the level of nursing skill required,
 - b) the amount of time in each day required for nursing services, and
 - c) the approximate number of weeks or months that nursing care is required,
- (2) the RN is not a relative,
- (3) the RN is currently registered with the appropriate nursing association when the services are performed,
- (4) the patient is not in an institution (i.e., hospital, nursing home, home for the aged, etc.),
- (5) the rate charged for nursing care does not exceed the level set by the largest nursing registry in Ontario, and
- (6) all applicable provincial or federal government assistance (based on age, disability, income, etc.) is applied for.

(G-12) OUT-OF-PROVINCE ASSISTANCE

This will confirm our understanding reached during the 1996 negotiations with respect to the out-of-province hospital, surgical, medical expense benefits set forth in Letter G-3 of the Health Care Program.

It was agreed that such out-of-province coverage will continue to be supplemented to include special assistance regarding facilitating claims payment and funds transfers. Such assistance will provide that the payment to a provider (i.e., physician, hospital or clinic) for hospital, surgical, medical services covered under the patient's out-of-province hospital, surgical, medical expense benefits plan and provincial health insurance plan will be guaranteed by the Carrier when the provider or covered patient calls a pre-arranged toll-free number. In addition, in cases where a provider will not agree to bill the patient's out-of-province hospital, surgical, medical expense benefits plan or the Ontario Health Insurance Plan for covered services as provided above, the Carrier will arrange for a direct payment of the eligible hospital, surgical, medical expenses to the provider or directly to the patient if such patient incurred eligible hospital, surgical, medical expenses resulting in financial

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hardship to the patient. Such direct payment to either the provider or the patient will be subject to proper claims submission by the patient.

It was also agreed that a new out-of-province plan brochure that details all the services available to travellers through World Access Canada (i.e., the international medical service organization through which the Carrier has arranged the facilitating of claims payment and funds transfers described above) will be developed and distributed to all employees, retired employees and surviving spouses,

In particular such brochure will encourage patients to contact World Access Canada whenever possible prior to incurring hospital, surgical, medical expenses so that the patient can confirm that the services they are requesting will be a covered medical expense under their out-of-province plan. A multilingual World Access Canada Assistance Specialist can provide direction to the best available medical facility or physician which can provide the appropriate care. In serious medical cases, World Access Canada physicians will provide Case Management (i.e., following the patients medical progress to ensure that they are receiving the best available medical treatment and keeping in constant communication with the patient's family, family physician and the treating physician). Patients who are hospitalized for treatment of an accidental injury or a medical emergency will be advised in the brochure to contact World Access Canada if their in-hospital treatment will continue beyond 5 days so that the World Access Canada physician in consultation with the treating physician and the patients family physician can determine if it would be appropriate for World Access Canada to arrange for air or land ambulance repatriation for the patient (and the patient's accompanying spouse) to a hospital in the patient's province of residence for such continuing treatment.

(G-13) JOB SECURITY DOCUMENT — DENTAL COVERAGE

This will confirm our understanding reached during the 1993 negotiations that solely for the purpose of continuing group dental expense benefits coverage at Corporation expense, employees who elect to apply for Supplemental Unemployment Benefits and then retire in accordance with the options negotiated as part of the Job Security Document will be deemed to be retired employees receiving a pension under the Pension Plan during the period such employees receive Supplemental Unemployment Benefits.

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(G-14) PRESCRIPTION DRUG PLAN

During the course of these negotiations there was considerable discussion concerning the "Controlled Prescription Drug Plan". This resulted in a modification to the plan which involves Green Shield Canada and where necessary an impartial third party to review the addition of new drugs as a covered benefit.

Despite this change a number of administrative issues required clarification as follows:

- Green Shield Canada will review drugs introduced since October 1, 1993 for inclusion into the formulary. If Green Shield Canada does not recommend a new drug for inclusion on the formulary or Green Shield Canada requires additional assistance they will engage the services of an independent external scientific review agency to assist.
- Participants who inadvertently pay out-of-pocket for a drug not included on the formulary will be reimbursed on an exception basis for the initial prescription pending a prescription change by the participants physician to a covered drug.
- Participants who have a specific diagnosed medical condition (not including a personal preference) that requires the use of a specific drug for therapeutic or life saving conditions and such drug is not included as a covered benefit will be reimbursed on an exception basis.

The parties also agree to meet and discuss any other concerns that may arise from the modification of the plan with the intent to resolve in a mutually satisfactory manner.

(G-15) PSYCHOLOGIST TREATMENT

This will confirm our understanding reached during the 1996 negotiations with respect to psychologist services.

It was agreed that in cases where an employee or eligible dependent require counselling services for personal, family or marital problems a benefit will be provided toward this service

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Counseling provided by a registered clinical psychologist will be reimbursed at a rate of \$25 per visit to an annual maximum of \$250 per benefit year per participant.

Reimbursement is provided for counseling only and is not intended to cover the cost of any forms, reports or follow up correspondence.

(G-16) CAW MEDICAL AWARENESS PROGRAM

During the course of these negotiations there was considerable discussion concerning the CAW Medical Awareness Program which is designed to educate seniors regarding the potential health problems associated with the mis-use of prescription drugs.

In recognition of the merits of this program for our retirees the Company will provide \$75,000 in funding to assist in the introduction of the program.