

Agreement

between

**DaimlerChrysler
Canada Inc.**

and the



**CAW  TCA
CANADA**

DECEMBER 10, 1999

**NATIONAL PARTS DISTRIBUTION CENTRE
MISSISSAUGA, ONTARIO**

HOURLY AGREEMENT

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MEMORANDUM OF AGREEMENT

Memorandum of Agreement entered into as of the 10th day
of **December**, 1999.

By and Between:

DaimlerChrysler Canada Inc.

hereinafter called the "Company"

and

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

hereinafter called the "Union".

PURPOSE AND INTENT

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

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

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

RECOGNITION — EXCLUSIONS

Section 1

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

RESERVATIONS TO MANAGEMENT

Section 2

The Union recognizes the right of the Company to hire, promote and demote, transfer, suspend or otherwise discipline and discharge any employee, subject to the right of the employee concerned to lodge a grievance in the manner and to the extent herein provided.

Section 3

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

NO DISCRIMINATION

Section 4

(a) The Corporation and the Union, in their respective fields, have been leaders in adopting and effectuating policies against discrimination because of race, colour, religion, age, sex, national origin, sexual orientation, or disability. The terms and conditions of agreements between the Corporation and the Union always have applied equally to all employees, regardless of such considerations.

In order to assure full knowledge and understanding of the foregoing principle on the part of employees and all agents and representatives of the Corporation and the Union, the parties hereby incorporate the same in this Agreement. Any employee who claims that, in violation of said principle, said employee has been denied rights guaranteed by this Agreement or the 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.

WORKPLACE HARASSMENT POLICY AND PROCEDURE

(b) 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 DaimlerChrysler Canada Inc. to ensure a harassment-free workplace as required under the Ontario Human Rights Code and will act as a guide to employees in adhering to legal and social guidelines regarding the recognition and prevention of harassment.

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

WORKPLACE HARASSMENT DEFINED

Harassment is defined as a “course of vexatious comment or conduct that is known or ought reasonably be known to be unwelcome”, that denies individual dignity and respect on the basis of the grounds such as: sex, disability, race, colour, sexual orientation or other prohibited grounds. At DaimlerChrysler Canada Inc. all employees are expected to treat others with courtesy and consideration and to discourage harassment.

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

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

- Unwelcome remarks, jokes, innuendoes or taunting about another’s body, attire, sex, disability, racial or ethnic

background, sexual orientation, etc., which cause awkwardness or embarrassment.

- Displaying visuals of a sexual, racial or otherwise offensive nature such as pornographic pictures, posters, cartoons or simulation of body parts.
 - Leering (suggestive staring) or other gestures.
 - Unnecessary physical contact such as touching, patting or pinching.
 - Sexual solicitation or advance made with implied reprisals if rejected.
-
- Refusing to work or share facilities with another employee because of the other's sex, disability, sexual orientation, racial, religious or ethnic background.
 - Backlash or retaliation for the lodging of a complaint or participation in an investigation.

WHAT HARASSMENT IS NOT

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

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.

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 complaint as soon as possible. This interview and the subsequent investigation will be carried out jointly by the Union and the Company. The investigation team, if possible, will be comprised of at least one woman, whenever the complaint is sexual *in* nature.

The investigation will include interviews of the complainant, the alleged harasser(s) and any witnesses. The Chairperson of the employee being interviewed will be present with Union members during the interview. Interview timing and location will recognize the need to maintain confidentiality.

The investigation team will inform the complainant promptly as to the results of the investigation and the appropriate actions that have been or will be taken. The complainant will also be encouraged to report any further incidents.

The identity of the complainant, the alleged harasser(s), and the nature of the complaint will be kept confidential **and**

only other persons with a need to know will be informed.

Confidential records of the investigation including interviews, evidence and the outcome of the complaint will be maintained in the office of the Vice President - Human Resources.

RESOLUTION OF THE COMPLAINT

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

If, after completion of a thorough investigation, a harassment complaint can neither be proved nor disproved in the view of the investigators, the local 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.

RIGHT TO REFUSE

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

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

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

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

The Union shall hold harmless DaimlerChrysler Canada Inc. against any liability which may arise by reason of the implementation of a mutually acceptable resolution of a complaint. Where there is a mutually acceptable resolution, the Union agrees that grievances which may be filed as a result of discipline assumed against an individual alleged to have engaged in harassment will not be filed or pursued without concurrence of the National Union Office and written confirmation of such concurrence to the Senior Manager, Labour Relations and Safety.

REPRESENTATION

Section 5

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

Section 6

It is understood and agreed that Committeepersons as well as other employees have regular Company duties to perform. The Committeeperson, with the approval of the Supervisor concerned (which approval shall not be unreasonably withheld), shall be permitted during working hours, without loss of time or pay, to leave regular duties for a reasonable length of time, but not to exceed forty (40) hours per week in the case of the Chairperson and twenty (20) hours per week in the case of the Committeepersons, to investigate and settle grievances, and review overtime verification, P.A.A. and T.P.T. administration.

Section 7

The Company shall recognize a negotiation committee consisting of three (3) members and which in addition may include no more than two (2) representatives of the National Union. Employee members of the negotiating committee when acting as such will not receive pay from the Company, save and except for the Chairperson and any other employee provided said other employee would otherwise have worked in the plant during the time spent in such conferences.

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

Section 8

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

Union representatives in attendance at such conferences.

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

Section 9

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

Section 10

- (a) The National Union, CAW, may appoint, and the Company shall recognize one (1) employee who will function for a maximum of forty (40) hours a week, as the Union Health and Safety Representative and Benefit Plans Representative. In addition, said employee will handle matters pertaining to Equity and Training tracking activities. The Union Representative shall serve an indefinite term and shall be replaced only when the Company and National Union so agree. The requirements of Section 5 pertaining to appointment and functioning apply.
- (b) The Representative shall be assigned to the day shift.
- (c) Functions as Health and Safety Representatives.
 - (i) The Representative may be permitted to participate in training programs that are considered to be relevant to operations at the National Parts Distribution Centre and are approved by the Personnel Manager.
 - (ii) The Representative will accompany Governmental Health and Safety inspectors and National Union Health and Safety professionals on plant inspection tours and will accompany Corporate Health and

- Safety professionals on surveys at the plant and surveys requested by the Union. Advance arrangements should be made to permit participation in such surveys.
- (iii) In the event the Representative is absent for one (1) day or more said Representative may be replaced by an employee who has been designated as the regular replacement by the National Union with the concurrence of Staff Labour Relations Department.
 - (iv) The Representative will be informed of all accidents or work related illness cases that require medical attention as prescribed by legislation.
 - (v) Company representatives (Personnel Manager and Safety Supervisor) and Union representatives (Plant Chairperson and said Representative) shall meet quarterly at a mutually agreeable time and place to review health and safety conditions within the plant.
- (d) The Company agrees to provide the necessary or required personal protective equipment, devices and clothing at no cost to employees.
- (e) Functions as Benefit Plans Representative.
- (i) Said employee represents all employees at the Parts Distribution Centre represented by the Local Union from which said Representative is designated with respect to the Pension Plan, the Insurance Program and the Supplemental Unemployment Benefit Plan.
 - (ii) Carries out the duties of Union representatives specified in the Pension Plan, the Insurance Program and the Supplemental Unemployment Benefit Plan. Other Union representatives in the Parts Distribution Centre shall not participate in benefit plan matters except insofar as any one of them has been

designated to act as the second member of a local committee pursuant to the Supplemental Unemployment Benefit Plan.

- (iii) Functions in place of the Chairperson of the Plant Shop Committee for the purposes of Article (X) Section (3) of the Pension Plan for the Parts Distribution Centre for which the Chairperson functions.
- (iv) Functions as a member of the Local committee provided in Article (V) Section (2)(b)7 of the SUB plan.
- (v) Discusses with designated representatives of Management those questions regarding a benefit Plan or Program.
- (vi) The Representative shall not participate in the grievance procedure and those matters with which such Representative deals shall not be subject to the grievance procedure but shall be subject to the review procedure specified in the appropriate Plan or Program.
- (vii) The Representative shall be subject to the following:
 - 1. If it is necessary for the Representative to speak to an employee about a benefit plan matter, the Representative will make prior arrangements with the employee's Supervisor to do so.
 - 2. The privilege of the Representative to leave work during regular working hours without loss of pay is subject to the conditions (i) that the time be devoted to the prompt handling of matters, which are proper pursuant to the terms of this letter; and (ii) that the privilege not be abused.
 - 3. Except as provided in letter (68) – Overtime Work Opportunity, the Representative will

not be scheduled for Saturday, Sunday, holiday or daily overtime work except as a regular employee in the department and when so scheduled shall not function as a Representative.

GRIEVANCE PROCEDURE

Section 11

- (a) It shall be optional to the Company to decline to consider any grievance the alleged circumstances of which originated more than five (5) regular working days prior to its presentation.
- (b) Time of Answers
The management will answer in writing any grievance presented to it in writing by the Union:
 - (1) by the Supervisor or other designated representative of management within three (3) regular working days,
 - (2) by the Depot Manager or his designated representative within five (5) regular working days.These time limits may be extended at any time by agreement between the Company and the Union.
- (c) Presenting a Grievance
A grievance of any employee or a joint grievance of any group of employees shall be presented to the management in the following manner:
- (d) Step 1
 - (1) The employee or one member of a group having a grievance may take the grievance up with the Supervisor. Supervisor or may ask the Supervisor to send for the Committeeperson The Supervisor will promptly send for the Committeeperson.
 - (2) If necessary, after discussing the grievance with the employee, the Committeeperson then takes the grievance up with the Supervisor or other representative of management.

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

more grievances involve a similar issue, those grievances may be withdrawn without prejudice pending the disposition of the appeal of a representative case. In such event the withdrawal without prejudice will not affect financial liability.

Section 12

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

- (a) Should a discharged employee or the Committeeperson consider a discharge to be improper, a grievance shall be presented in writing by the Committeeperson to the Personnel Manager or the designated representative within two (2) regular working days of the discharge. The Management of the Parts Distribution Centre will review the discharge and give its answer within three (3) regular working days after receiving the grievance.
- (b) Notwithstanding the other sections of the Agreement, no grievance shall be lodged or prosecuted against the termination of employment by the Company of a probationary employee unless the alleged said discharge is not for just cause or unless the employee alleges that said employee has been discriminated against in such termination of employment by reason of Union activity, and the Umpire shall not reverse said employee's termination of employment on any other ground. This shall not prevent a probationary employee from lodging a grievance on any other working condition.

Section 13

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

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

Section 14 - Use of Past Record

In imposing any discipline on a current charge, management will not take into account any prior infractions which occurred more than one (1) year previously nor impose discipline on an employee for falsification of said employee's employment application after a period of twelve (12) months from the employee's date of hire.

Section 15 - Grievance Conference

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

ARBITRATION

Section 16

Where a grievance alleges improper suspension or discharge of an employee or alleges that an employee has been wrongfully classified, or where the Union on behalf of an employee concerned alleges that there has been a misinterpretation or a violation of this Agreement, the difference between the parties and any grievance involving

such suspension, discharge, classification, misinterpretation or violation shall within thirty (30) days from the date of the decision in the preceding step be referred to arbitration in a manner and under conditions hereinafter set forth.

Section 17

Upon the written request of the Union on behalf of the employee concerned made to the Company, or upon the written request of the Company made to the Union, any such grievance which has not been settled to the satisfaction of the parties concerned after being carried through the relevant steps of the grievance procedure of this Agreement shall be referred to an Umpire. Such Umpire shall be chosen either by mutual agreement of the parties involved or, failing such agreement within five (5) regular work days (excluding Sundays and holidays or days observed therefor) from the date of the written request for arbitration by the Minister of Labour for the Province of Ontario. If the Union requests the arbitration and fails within sixty (60) days from the date of the written request therefor to request the appointment of an Umpire by the Minister of Labour, such failure shall constitute dismissal of the grievance.

Section 18

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

Section 19

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

Section 20

The jurisdiction of the Umpire shall be limited to a decision on the dispute or question set forth in the stipulation. In arriving at a decision the Umpire shall not change or disregard any provisions of the Agreement nor establish or change any wage or rate of pay. All decisions of the Umpire arrived at in accordance with the provisions of this Agreement shall be final and binding on the Company and all persons concerned. The Umpire, however, shall have power to modify or set aside any penalty imposed by the Company relating to the grievance then before the Umpire.

Section 21

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

SENIORITY**Section 22**

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

Section 23

(a) New employees of the plant shall be considered as probationary employees for the first ninety (90) calendar days of their employment, except as provided in subsection (b) below. The ninety (90) calendar day probationary period shall be accumulative over twelve (12) consecutive months. After employees have

finished the probationary period, they shall be entered on the respective seniority lists of their respective classifications and shall rank for seniority from the date ninety (90) calendar days prior to the date upon which seniority is attained, and seniority shall be by classification accordingly. There shall be no seniority among probationary employees.

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

- (b) New employees of the plant hired as vacation replacements shall be considered as probationary employees for the first one hundred twenty (120) days of their employment. They shall not accumulate time toward the fulfillment of the probationary period unless and until their employment status is changed from that of a vacation replacement to that of a new employee under subsection (a). If a new employee's status is changed to permanent, the employee's time worked will not be used to establish the employee's seniority as a regular employee.
- (c) Probationary employees that are temporarily separated during their probationary period and are subsequently reinstated, shall be required to complete their 90 day probationary period, and upon doing so shall have a seniority date reflecting their date of hire with the corporation. It is understood that seniority will not accumulate during the time separated

Section 24

Seniority shall cease for any one of the following reasons:

- (a) If the employee quits;
- (b) If the employee is discharged and such discharge is not reversed through the grievance procedure;
- (c) If the employee is absent for five (5) regular working days (scheduled Saturdays included) without advising the

- supervisor concerned giving satisfactory reasons:
- (d) If the employee fails to return to work within five (5) regular working days (scheduled Saturdays included) after notification to do so to the employee's address on record with the Company unless the employee furnishes satisfactory reasons for such failure;
 - (e) If the employee is not called upon to perform work for the Company for a period of sixty (60) consecutive months, or a time equal to the employee's seniority, if greater;
 - (f) If the employee retires under the pension plan;
 - (g) If the employee accepts a separation payment under the Supplemental Unemployment Benefit Plan effective the date the payment is issued by the Company;
 - (h) If the employee received permanent and total disability benefit under a group life insurance policy held by the Company.

Section 25

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

Section 26

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

Section 27

The Company shall post revised seniority lists each three (3) months and a copy of same shall be supplied to the Plant Chairperson.

Section 28

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

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

Section 29

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

LAYOFF AND RECALL**Section 30**

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

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

Section 31

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

- (a) Probationary employees will be laid off.
- (b) Employees with less than one year of seniority will be laid off according to seniority.
- (c) Employees with one year or more of seniority will be laid off in the inverse or descending order of their seniority with the most senior employee being laid off first. They will be advised of the expected duration of the layoff and their scheduled return date. However, such employees may elect to remain at work and if able to perform the available work will be permitted to do so in the same seniority order up to the number of employees required.
- (d) If the expected duration of the temporary layoff is subsequently extended to a later but definite date, employees laid off pursuant to Subsection (c) above will be afforded the option of returning to work on the date originally scheduled or remaining on layoff for the duration of the extended period. An employee who elects to return on the originally scheduled date will displace the junior employee on the shift in the classification in the department.
- (e) (i) If it becomes necessary to recall employees laid off under Subsection (c) above prior to the date originally planned, they will be recalled in the ascending order of their seniority with the most junior such employee on each shift in each classification in each department or group of departments being called first.

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

Section 32

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

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

Section 33

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

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

PROMOTIONS AND TRANSFERS

Section 34 - Posting Procedure

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

- (a) Every posting shall be for forty-eight (48) hours (two (2) regular working days) and in order to qualify for the posted job an applicant must be able and willing to satisfactorily perform the work to be done.
- (b) Notice of the vacancy shall be posted and the qualified employee with the greatest seniority who applies, in writing, for the job shall be given the job; however, if after a reasonable time such employee is found not to be satisfactorily performing the work, he shall be sent to the Employment Department for placement.
- (c) The job left vacant by the successful applicant for the posting in (b) above shall be filled in accordance with the principle of (h) below with no more than one (1) move being required.
- (d) During the time that a vacancy is posted the Company may fill the job temporarily.
- (e) An employee shall be entitled to be considered as a successful applicant for a maximum of two (2) postings in any twelve (12) month period unless the job an employee successfully bid for is eliminated or he/she is disputed from the job.
- (f) This section shall not apply to:
 - (i) Temporary layoff or recall following such layoff until the status prior to the layoff has been reached.
 - (ii) A vacancy created by a temporary condition or created by an employee who is absent on account of sickness, injury, absenteeism or a temporary leave of absence authorized by the Company until the Company is satisfied that such employee will not return to the job, or until the temporary condition has become permanent.

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

Section 35 - Transfer of Operations

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

pensions, insurance and the Supplemental Unemployment Benefit Plan.

- (b) Employees placed at the National Parts Distribution Centre shall be subject to recall at the Parts Distribution Centre from which they were laid off for permanent openings. They will be bypassed on temporary openings.
- (c) When recalled to the Parts Distribution Centre from which they were laid off, an employee who accepts the recall shall have seniority terminated at the National Parts Distribution Centre. If the employee declines the recall to the Distribution Centre from which the employee was laid off, the employee's seniority at that Distribution Centre shall terminate and the employee shall retain only the date of entry seniority at the National Parts Distribution Centre.
- (d) The termination of seniority of an employee from the National Parts Distribution Centre will result in the termination of seniority at all plants.

VACATION PLAN

Section 36

The qualifying period shall remain as heretofore, namely from June 1st to the following May 31st.

Section 37

- (a) An employee qualifies for a vacation payment and a paid absence allowance if:
 - (1) the employee has one (1) year of seniority as of June 30th and
 - (2) the employee has worked during such period.
- (b) An employee is entitled to a full vacation payment and a full paid absence allowance if, in addition to (a) above:
 - (1) the employee is not laid off and/or on strike for more than a total of one hundred and twenty (120)

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

Section 38

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

Section 39

- (a) Any employee qualifying for vacation payment will be paid a vacation payment on the basis of the employee's hourly rate (exclusive of overtime premium but including shift premium) effective the beginning of the first pay period commencing on or after June 1st (or if off the active hourly payroll, at the rate for the last day worked)

of each year during the term of this Agreement plus the then current cost-of-living allowance, in accordance with the following schedule:

Seniority June 30th of the Qualifying Period	Vacation Pay	Paid Absence Allowance
1 but less than 2 years	40 hours	36 hours
2 but less than 3 years	40 hours	44 hours
3 but less than 5 years	60 hours	52 hours
5 but less than 10 years	80 hours	52 hours
10 but less than 15 years	100 hours	52 hours
15 but less than 20 years	120 hours	52 hours
20 years or more	160 hours	52 hours

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

Section 40 - Scheduled Paid Absence (SPA)

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

SPA Eligibility Date SPA Period

November 1, 1999	January 31, 2000 – July 2, 2000
April 3, 2000	July 3, 2000 – December 24, 2000
October 9, 2000	January 8, 2001 - July 1, 2001
April 2, 2001	July 2, 2001 – December 23, 2001
October 8, 2001	July 7, 2002 - June 30, 2002
April 1, 2002	July 1, 2002 – December 22, 2002

- (b) Employees having at least one (1) year of seniority on the SPA eligibility date and having worked in the SPA eligibility period (i.e. the pay period in which the SPA eligibility date falls and the preceding 25 weeks) will become eligible for forty (40) hours of SPA to be scheduled in the corresponding SPA period. Payment will include applicable shift premium.
- (c) SPA weeks will be scheduled by random computer program, excluding any pay period with three or more Christmas holidays.
- (d) In the event a designated holiday falls within an employee's SPA week the employee will receive the applicable holiday pay in addition to the forty (40) hours SPA pay.
- (e) Employees will not be eligible for overtime during the work week in which their SPA is scheduled.
- (f) If an employee is laid off either temporary or indefinite when their SPA week occurs, the employees hours will revert to PAA. Scheduling and payment will be in accordance with the provisions of Section 39 and 41 of the Agreement.
- (g) An employee receiving Workers' Compensation and/or S&A benefits during a SPA week shall have entitlement added to their Paid Absence Allowance hours to be used in accordance with Sections 39 and 41 of the Agreement.
- (h) The trading of one SPA week per period will be permitted by employees on the same shift subject to the employee's written request to be submitted 2 weeks prior to the beginning of the earliest requested SPA period and approved by their supervisor. The company and the union are mindful of and do not desire to impact the efficiency of the operations which must be protected at all times. Accordingly, notwithstanding the provisions of this paragraph, in the event that there are employee trades which, subsequent to approval, would adversely impact the operations, the Personnel Manager and the

Union Chairperson will modify the designated weeks off in order to protect plant operations.

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

Section 41 - Paid Absence Allowance

- (a) An employee may use the hours credited to the employee's paid absence allowance in units of no less than one-half (1/2) day periods for: excused absence because of illness when not receiving Sickness and Accident Insurance, or absence that the employee's supervisor has excused because of personal business; or at the time of an approved leave of absence as an extension to the employee's vacation.
- (b) A request for paid absence allowance by an eligible employee made subsequent to such absence will be approved for payment, but such payment shall not make such absence an excused absence or preclude management from considering such absence as the basis, in whole or in part, for disciplinary action.
- (c) Payments from an employee's paid absence allowance because of absence or because of termination of the employee's employment by death, retirement or otherwise, shall be computed at the employee's straight time hourly rate on the employee's last day worked exclusive of overtime premium, but including shift premium, and the amount of any cost-of-living allowance then in effect.
- (d) Payment of that portion of an employee's paid absence allowance earned during a qualifying period and not used before the end of the subsequent qualifying period shall be computed in the same manner as the employee's vacation payment for the year in which the payment is made.

- (e) Within thirty (30) days after the Company receives notification of the termination of the employee's employment by death, retirement or otherwise, the Company will pay to the employee or the employee's estate (computed pursuant to (c) above), the portion of the employee's paid absence allowance that was not used. Any portion of an employee's paid absence allowance that the employee does not use in the form of paid absences during the twelve (12) month period following May 31 will be paid to the employee (computed as provided in Section 39 at the time the Company makes the vacation payment in the following year.
- (f) Employees who submit a written request, at least one week in advance of the requested payment date, will receive payment of the full amount of the employee's remaining Paid Absence Allowance.

Section 42 – Vacation Period

It is agreed that the vacation shall be granted within the months of June, July and August and the notice of the vacation period shall be posted no later than March 31st in each year.

PAID HOLIDAYS

Section 43

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

- December 24, 1999)
- December 27, 1999) Christmas
- December 28, 1999) Holiday
- December 29, 1999) Period
- December 30, 1999)
- December 31, 1999)

April 21, 2000	Good Friday
April 24, 2000	Monday after Easter
May 19, 2000	Friday before Victoria Day
May 22, 2000	Victoria Day
June 30, 2000	Canada Day
August 7, 2000	Civic Holiday
September 1, 2000	Friday before Labour Day
September 4, 2000	Labour Day
October 9, 2000	Thanksgiving Day
December 25, 2000	
December 26, 2000	
December 27, 2000) Christmas
December 28, 2000) Holiday
December 29, 2000) Period
January 1, 2001)
April 13, 2001	Good Friday
April 16, 2001	Monday after Easter
May 18, 2001	Friday before Victoria Day
May 21, 2001	Victoria Day
July 2, 2001	Canada Day
August 6, 2001	Civic Holiday
August 31, 2001	Friday before Labour Day
September 3, 2001	Labour Day
October 8, 2001	Thanksgiving Day
December 24, 2001	
December 25, 2001) Christmas
December 26, 2001) Holiday
December 27, 2001) Period
December 28, 2001)
December 31, 2001)
January 1, 2002)
March 29, 2002	Good Friday
April 1, 2002	Monday after Easter

May 17, 2002	Friday before Victoria Day
May 20, 2002	Victoria Day
July 1, 2002	Canada Day
August 5, 2002	Civic Holiday
August 30, 2002	Friday before Labour Day
September 2, 2002	Labour Day
October 7, 2002	Thanksgiving Day

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

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

- working day after such holiday, or
- (g) In the case of holidays which fall in the holiday period starting December 23 through the following January 1, refer to Section 47
 - (h) When a holiday (s) defined in Section 43 occurs in a week of a plant's scheduled vacation shut-down, holiday pay for eligible employees will not be paid. Each employee will be canvassed and a mutually satisfactory alternative date will be determined for each employee to take the time off with pay. Arrangements will be made to pay eligible employees the holiday pay to which they are entitled at that time.

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

	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			□	■	□	□	□	■

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- Straight Time
- Time and One-Half
- Double Time

Section 44

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

Section 45

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

Section 46

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

Section 47 - Holiday Pay

- Christmas Holiday Period

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

Supervisor from work on the last scheduled working day prior to or on the next scheduled working day after a Christmas Holiday Period, or both, shall, if otherwise eligible, receive pay for the holidays which fall in that Christmas Holiday Period.

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

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

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

Section 48

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

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

WORKING HOURS

Section 49 - Work Week

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

Section 50 - Shift Hours and Premiums

- (a) The first shift is any shift that regularly starts on or after 4:00 a.m., but before 11:00 a.m. The second shift is any

shift that regularly starts on or after 11:00 a.m., but before 7:00 p.m. The third shift is any shift that regularly starts on or after 7:00 p.m., but before 4:00 a.m.

- (b) Employees employed on the second or third shift shall receive in addition to their regular pay for hours worked on those shifts, five per cent (5%) and ten per cent (10%) respectively, additional compensation.

Section 51 - Time and One-Half

Time and one-half will be paid as follows:

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

Section 52 - Double Time

Double time will be paid as follows:

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

Section 53 - Call-In Pay

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

Section 54 - Overtime Pyramiding Prohibited

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

Section 55 - Payment for Day of Injury

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

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

WAGES

Section 56 - Cost-of-Living Allowance

- (a) Effective with the adjustment scheduled for March 7, 1994, the cost-of-living allowance will be determined in accordance with changes in the Consumer Price Index published by Statistics Canada (1986 = 100) in accordance with the Letter of Understanding signed by the parties.
- (b) Adjustments in the cost-of-living allowance shall be made on the following days, and in each case, shall be based on the following Consumer Price Indexes:

**Effective at Beginning
of First Pay Period** **Based on Three-Month
Average of the**
Commencing on or After: Consumer Price Indexes for:

Mar. 1, 2000	Nov., Dec., 1999, Jan., 2000
June 1, 2000	Feb., Mar., Apr., 2000
Sept. 1, 2000	May, June, July, 2000
Dec. 1, 2000	Aug., Sept., Oct., 2000
Mar. 1, 2001	Nov., Dec. 2000, Jan., 2001
June 1, 2001	Feb., Mar., Apr., 2001
Sept. 1, 2001	May, June, July, 2001
Dec. 1, 2001	Aug., Sept., Oct., 2001
Mar. 1, 2002	Nov., Dec., 2001, Jan., 2002
June 1, 2002	Feb., Mar., Apr., 2002
Sept. 1, 2002	May, June, July, 2002

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

In no event will a decline in the three-month average Consumer Price Index below 141.2 (1986 = 100 Base) provide the basis for the reduction in the wage scale by job classification.

- (c) 1. Effective the beginning of the first pay period commencing on or after receipt of notice of ratification but after the application of the wage increases provided in Section 57, sixty-eight cents (\$0.68) shall be deducted from the ninety-one cents (\$0.91) cost-of-living allowance in effect immediately prior to that date and shall be added to the full base rate for each classification.
- 2. The amount of the cost-of-living allowance effective the beginning of the first pay period commencing on or after receipt of notice of ratification and ending March 5, 2000 shall be twenty-one cents (21¢) per hour.

3. Commencing March 6, 2000 and for each period thereafter as provided in Subsection (b), the allowance shall be determined in accordance with a table to be constructed so as to provide one cent (1¢) adjustment for each full .062 change in the Average Index.
- (d) The amount of any cost-of-living allowance in effect at the time shall be included in computing overtime pay, shift premium, holiday pay, call-in pay, jury duty pay, bereavement pay, paid absence allowance payments, and vacation pay.
 - (e) In the event that Statistics Canada does not issue the appropriate Consumer Price Indexes on or before the beginning of one of the pay periods referred to in Subsection (b), any adjustment in the allowance required by such appropriate Index shall be effective at the beginning of the first pay period after the Index has been officially published.
 - (f) No adjustments, retroactive or otherwise, shall be made due to any revision that may later be made in the published figures used in the calculation of the Consumer Price Index for any month on the basis of which the allowance has been determined.
 - (g) The continuance of the cost-of-living allowance shall be contingent upon the availability of the Consumer Price Index referred to in Subsection (a) published by Statistics Canada and calculated on the same basis as the Index for October, 1999, unless otherwise agreed upon by the parties.
 - (h) The cost-of-living allowance payable under the provisions of this Section shall be included in an employee's weekly pay deposit.
 - (i) Pay adjustments made in a cost-of-living allowance period applicable to any previous cost-of-living allowance period will include the allowance applicable during the period to which the adjustments relate.

- (j) In applying the provisions of this Section the 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 (k). This letter will be prepared and sent to the Union after publication of the appropriate Consumer Price Indexes for the third month used for each adjustment period in accordance with Subsection (b).
- If the Union claims that the 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.
- (k) The Engineering method of rounding shall apply to the determination of the three-month average of this Consumer Price Index:
- (i) if the leftmost of the digits discarded is less than 5, the preceding digit is not affected. For example, when rounding to four digits, 130.646 becomes 130.6.
 - (ii) if the leftmost of the digits discarded is greater than 5, or is 5 followed by digits, not all of which are zero, the preceding digit is increased by one. For example, when rounding to four digits 130.557 becomes 130.6.
 - (iii) if the leftmost of the digits discarded is 5, followed by zero, the preceding digit is increased by one if it is odd and remains unchanged if it is even. The number is thus rounded in such a manner that the last digit retained is even. For example, when rounding to four digits, 130.5500 becomes 130.6 and 130.6500 becomes 130.6.

Section 57 - Wage Increases

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

TABLE I

<u>Straight Time Wage Rate</u>	<u>Hourly Wage Increase</u>
Less than \$22.84	68¢ Per hour
22.84 – 23.16	69¢ Per hour
23.17 – 23.49	70¢ Per hour
23.50 – 23.83	71¢ Per hour
23.84 – 24.16	72¢ Per hour
24.17 – 24.49	73¢ Per hour
24.50 – 24.83	74¢ Per hour
24.84 – 25.16	75¢ Per hour
25.17 – 25.49	76¢ Per hour
25.50 – 25.83	77¢ Per hour
25.84 – 26.16	78¢ Per hour
26.17 – 26.49	79¢ Per hour
26.50 – 26.83	80¢ per hour
26.84 – 27.16	81¢ Per hour
27.17 – 27.49	82¢ Per hour
27.50 – 27.83	83¢ Per hour
27.84 – 28.16	84¢ Per hour
28.17 – 28.49	85¢ Per hour
28.50 – 28.83	86¢ Per hour
28.84 – 29.16	87¢ Per hour

(b) The increase in base rates provided for in this

Subsection will be added to the full base hourly rate for each classification.

- (c) Improvement Factor. The improvement factor provided herein recognizes the principle that a continuing improvement in the standard of living of employees depends upon technological progress, better tools, methods, processes and equipment and a cooperative attitude on the part of all parties in such progress. It further recognizes the principle that to produce more with the same amount of human effort is a sound economic and social objective. Accordingly, effective December 18, 2000 each employee covered by this Agreement shall receive an improvement factor increase in his straight time hourly wage rate (exclusive of cost-of-living allowance, and shift premium, seven-day operations premium, and any other premiums), in accordance with the following Table II:

TABLE II

<u>Straight Time</u> <u>Wage Rate</u>	<u>Hourly</u> <u>Wage Increase</u>
Less than \$24.17	72¢ per hour
24.17 – 24.49	73¢ per hour
24.50 – 24.83	74¢ per hour
24.84 – 25.16	75¢ per hour
25.17 – 25.49	76¢ per hour
25.50 – 25.83	77¢ per hour
25.84 – 26.16	78¢ per hour
26.17 – 26.49	79¢ per hour
26.50 – 26.83	80¢ per hour
26.84 – 27.16	81¢ per hour
27.17 – 27.49	82¢ per hour
27.50 – 27.83	83¢ per hour
27.84 – 28.16	84¢ per hour
28.17 – 28.49	85¢ per hour

28.50–28.83	86¢ per hour
28.84–29.16	87¢ per hour
29.17–29.49	88¢ per hour
29.50–29.83	89¢ per hour
29.84–30.16	90¢ per hour
30.17 – 30.49	91¢ per hour
30.50 – 30.83	92¢ per hour

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

(d) Improvement Factor. Effective December 17, 2001 each employee covered by this Agreement shall receive an improvement factor increase in straight time hourly wage rate (exclusive of cost-of-living allowance, and shift premium, seven-day operations premium, and any other premiums), in accordance with the following Table III:

TABLE III

<u>Straight Time</u> <u>Wage Rate</u>	<u>Hourly</u> <u>Wane Increase</u>
Less than \$24.84	74¢ per hour
24.84 – 25.16	75¢ Per hour
25.17 – 25.49	76¢ per hour
25.50 – 25.83	77¢ per hour
25.84 – 26.16	78¢ Per hour
26.17 – 26.49	79¢ per hour
26.50 – 26.83	80¢ per hour
26.84 – 27.16	81¢ per hour
27.17 – 27.49	82¢ per hour
27.50 – 27.83	83¢ per hour
27.84 – 28.16	84¢ per hour
28.17 – 28.49	85¢ per hour
28.50 – 28.83	86¢ per hour
28.84 – 29.16	87¢ Per hour

29.17 – 29.49	88¢ per hour
29.50 – 29.83	89¢ per hour
29.84 – 30.16	90¢ per hour
30.17 – 30.49	91¢ per hour
30.50 – 30.83	92¢ per hour
30.84 – 31.16	93¢ per hour
31.17 – 31.49	94¢ per hour
31.50 – 31.83	95¢ per hour

Section 58 - Wage Progression

- (a) (i) A new employee hired on or after the effective date of this Agreement shall be hired at a rate equal to eight-five percent (85%) of the full base rate of the job classification.
- (ii) At the expiration of two hundred and seventy (270) days of employment, such employee shall receive an increase to ninety-two and one half percent (92.5%) of the full base rate of the job classification.
- (iii) At the expiration of five hundred and forty-five (545) days of employment, such employee shall be paid the full base rate of the job classification.
- (b) An employee will receive credit for seven days for each pay period during which the employee works except that credit will not be given for any days the employee is on layoff. Credit will not be given for any pay period during which for any reason, the employee does not work except that an employee disabled from work by sickness, compensable injury or legal occupational disease shall accrue credit toward pay periods worked and in the case of the pay period in which the full week of the Christmas Holidays fall, provided the employee would otherwise have been scheduled to work. Further, an employee will be given progression credit of either one or two weeks of the vacation shutdown period provided the employee earns at least 40 or 80 hours of vacation and paid absence allowance entitlement

respectively. Each increase shall be effective at the beginning of the first pay period following the completion of the required number of days of employment.

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

Section 59 - Leave of Absence

- (a) The management upon being shown good and sufficient reason may grant an employee a temporary leave of absence without loss of seniority. Before an employee may be granted a leave of absence for the purpose of attending to Union business, a written request for such leave must be submitted to the Parts Distribution Centre

Manager or designated representative by the President or the Financial Secretary-Treasurer of Local 1285.

- (b) A leave of absence may be granted for a period not to exceed one hundred and twenty (120) days if required for the purpose of travelling to a foreign country or 150 days for the purpose of family distress.
- (c) A leave of absence for a period not to exceed one (1) year without loss of seniority may be granted an employee with at least one (1) year's seniority, in order to attend a recognized college, university, or trade or technical school full time, provided the course of instruction is related to the employee's employment opportunities with the Company. A request for a leave of absence to attend a primary or secondary school will be regarded as being within the intent of this Subsection (b) and the schooling will be regarded as being related to the employee's employment opportunities with the Company. Before receiving the leave, or an extension thereof, the employee shall submit to the Company satisfactory evidence that the college, university or school has accepted the employee as a student, and on the expiration of each semester or other school term, shall submit proof of attendance during such term. Such leaves may be extended for additional periods not to exceed one (1) year each.
- (d) A leave of absence for a period not to exceed one (1) year without loss of seniority will be granted an employee who is elected or appointed to a full-time position at a credit union chartered by the Province of Ontario to service primarily DaimlerChrysler employees. Such leave of absence may be extended for additional periods not to exceed one (1) year each.
- (e) Any seniority employee who is elected to public office (municipal, provincial or federal) shall, upon written application to the Depot Manager or designated representative, be granted a leave of absence for the

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

- (f) An employee appointed to any full-time position within Local 1285 of the Union or as National representative of the Union, shall be granted leave of absence by the Company for a period of three (3) years, subject to renewal on applications to the Company for further successive periods of three (3) years each, and while on such leave of absence shall accumulate seniority.

Section 60 - Bereavement Pay

- (a) When death occurs in the employee's family, a seniority employee, on request, will be excused, and after making written application 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 (defined as immediate family).
- (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 a death occurs in an employee's immediate family outside continental North America, the requirement that the employee attend the funeral will be waived, provided the employee presents proof of death/relationship.
- (g) In the event an employee is granted a leave of absence because of the illness of a member of the employee's immediate family and such family member dies within the first fourteen (14) calendar days of the leave, the requirement that the employee otherwise would have been scheduled to work will be waived.

Section 61 - Jury Duty

Any employee with seniority who is called to and reports for jury duty (including Coroners Juries) shall be paid an amount equal to the employee's straight-time hourly rate, exclusive of shift, overtime, and any other premiums, on the last day worked multiplied by eight (8) or the number of hours less than eight (8) that the employee otherwise would have

been scheduled to work for the Company on the day for which the payment is to be made less the daily jury duty fee (not including travel allowances or reimbursement of expenses) paid the employee by the court in which the employee serves.

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

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

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

Section 62 - Overtime Distribution

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

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

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

Plant Chairperson for inspection to the extent reasonably necessary for such employee, Committeeperson or Plant Chairperson, to ascertain the overtime status of such employee.

- (k) The overtime records shall be posted and will be updated weekly.
- (l) Where notice can be reasonably given in advance, the Supervisor will notify the relevant Committeeperson or the Plant Chairperson of the overtime work to be done and the employees involved.
- (m) An employee absent for thirty (30) days or more shall be charged the greater of average overtime hours on that shift or employees actual overtime.
- (n) If technological changes impact job functions, making canvassing or implementation under these guidelines obsolete or unfeasible the company agrees to discuss the impact with the union and arrive at a new mutually agreeable procedure.

Section 63 - Supervisors Working

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

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

Section 64 - Disabled Employees

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

Section 65 - Reinstatement After Disability

When an employee's absence from work is due solely to disability resulting from sickness or injury and due proof of the disability is given to the plant, the employee will be returned to work in accordance with the employee's seniority and these rules as nearly as may be possible, as if the employee had not suffered disability, provided, the employee passes the required medical examination. If the disposition made as the result of any such medical examination is not satisfactory, the employee may ask to discuss the matter at the plant with the Committeeperson concerned, and Management will arrange for the employee to do so. If a grievance on the matter is submitted, it may be referred to Step 2 of the grievance procedure. The Plant Committee may then take the grievance up with the Parts Distribution Centre Manager, or designated representative. In proper cases, the parties may select an independent physician to resolve the conflicting medical findings of the employee's personal physician and the plant physician with respect to determining the employee's ability to perform the duties of the available work to which the employee would be entitled by seniority. The selection of an independent physician by the Plant Management and the Local Union will be made

within seven (7) working days from the date the matter was referred to the Depot Manager or designated representative. Costs will be paid half by the Company and half by the Union. Retroactive pay if any shall be limited to the period beginning with the day of the final examination by the physician or specialist selected.

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

Section 66 - Returning to Work Notification

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

Section 67 - New Jobs

- (a) When a new job is placed in the depot and cannot be properly placed in an existing classification, the Corporation will set up a new classification and rate of pay for that job. A written notice of classification rate of pay, and effective date of classification and rate of pay will be given to the National Union.
- (b) If the Union disagrees with the new classification or rate of pay, the Union may file a written grievance directly with Management's representative as provided in Section 11 of the Agreement within thirty (30) days of the date of the notice provided in (a) above.
- (c) If the parties fail to agree on a classification and/or rate of pay, the Union may submit the matter to the umpire as provided in Section 17 of the Agreement. The umpire shall be empowered to determine whether the classification and/or rate of pay assigned to the classification is proper.
- (d) In determining whether the rate of pay assigned to the

classification is proper, the umpire shall do so by comparing such classification with other comparable classifications in the bargaining unit the rates of pay of which are consistent with the established wage structure. The umpire's decision shall be limited to the matter in dispute and to determining the propriety of the classification and the rate of pay of the classification in dispute.

- (e) When the Corporation establishes a new classification and assigns that classification a rate of pay within the established wage structure and gives notice of same to the Union, and the Union within thirty (30) days of receipt of such notice does not file a written grievance as provided in Section (c) above, such classification and rate of pay shall be deemed satisfactory to the Union and not subject to the grievance procedure.
- (f) The Corporation has a responsibility and a duty to properly classify. Accordingly, from time to time during the term of this Agreement, the Corporation may review the propriety and, where warranted, adjust the classification of employees.
- (g) The provisions of this Agreement, shall not relieve or otherwise limit the Corporation in carrying out its obligations in this respect, notwithstanding the fact that employees may have been assigned to another classification.

Section 68 - Maintenance Contracting

- (a) It is the policy of DaimlerChrysler Canada Inc. to perform maintenance work with its own employees, provided it has the employees available, skills, equipment and facilities to do so and can do the work competitively in quality, cost and performance and within the projected time limits. At times the Corporation does not deem advisable doing the work itself, and it must, as in the past, reserve to itself the right to decide whether it

will do any particular work or let the work to outside contractor. This section is not to be regarded as impairing that right in any way.

- (b) In applying the provisions of this section it is our intention that, except where time and circumstances prevent it, advance discussions will take place with the Chair-person of the Union before any final decision has been made as to whether the work should be contracted out.

Section 69 - Bulletin Boards

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

Section 70 - No Strike or Lockout

- (a) The Union will not cause or permit its members to cause, nor will any member of the Union take part in any sit-down, stay-in or slow-down in any plant of the Company or any curtailment of work or restriction of or

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

- (b) In the event of the occurrence of a dispute between the Company and employees, the Union agrees that it will at all times during the currency of this Agreement take such steps as may be necessary to ensure that employees employed in the power house or any substation of the Company shall be permitted free and unobstructed entrance into and exit from the premises and plants of the Company in order that such employees may at all times be enabled to perform the regular duties therein to which they are assigned.
- (c) In the event of the occurrence of a dispute between the Company and employees, the Union agrees that it will cooperate with the Company to ensure that persons required for emergency maintenance repairs to the Company's plants will be permitted free and unobstructed entrance into and exit from such plants and that the Company's plant protection staff, plant supervision, office staff and personnel and members of the public shall be allowed free and unobstructed entrance into and exit from the Company's premises and offices. Provided that if at

any time during such dispute the Company attempts to put any new employees to work in the Company's plants on operations therein performed by employees in the bargaining unit or attempts to employ in such work any members of the plant protection staff or attempts to employ the employees required for such repairs in work other than such repairs, there-upon the Union no longer shall be bound by the provisions of this paragraph.

UNION SECURITY

Section 71 - Requirement of Union Membership

- (a) Employees covered by this Agreement at the time it becomes effective who are members of the Union at that time shall be required as a condition of continued employment to continue membership in the Union for the duration of this Agreement.
- (b) Employees covered by this Agreement who are not members of the Union at the time it becomes effective, shall be required as a condition of continued employment to become members of the Union for the duration of this Agreement on or before the fortieth (40th) day following such effective date.
- (c) Employees hired, rehired, reinstated or transferred into the bargaining unit after the 17th day of May, 1962, and covered by this Agreement shall be required as a condition of continued employment to become members of the Union for the duration of this Agreement, on or before the fortieth (40th) day following the beginning of their employment in the unit.
- (d) An employee who shall tender an initiation fee (if not already a member) and the periodic dues uniformly required as a condition of acquiring or retaining membership shall be deemed to meet the conditions of this Section.
- (e) Employees shall be deemed to be members of the Union within the meaning of this Section if they are

members and are not more than sixty (60) days in arrears in payment of membership dues.

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

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

Section 73 - Check-off of Union Dues

- (a) The parties agree that there shall be a check-off of Union dues compulsory upon all employees who come within the unit to which the Agreement applies. It shall continue during the period of the Agreement. The amount to be deducted shall be such sum as may from time to time be assessed by the Union on its members according to its Constitution.
- (b) The deduction shall be made only in the conditions and circumstances relating to the payment of dues laid down by the Constitution and By-laws of the Union. At the end of each calendar month and prior to the tenth (10th) of the following month the Company shall remit by cheque the total of the deductions to the Local.
- (c) The deduction on the records of the Company shall

constitute the sums so deducted as money held by the Company in trust for the Local.

- (d) In a case where a deduction is made that duplicates a payment that an employee already has made to the Union, or where a deduction is not in conformity with the provisions of the Union Constitution and By-laws, a refund to the employee will be made by the Local Union.
- (e) The Company shall not be liable to the National Union or its Local by reason of the requirements of this Agreement for the remittance or payment of any sum other than that constituting actual deductions made from wages earned by employees.
- (f) The Union shall indemnify and hold harmless the Company against any and all liability which may arise by reason of the check-off by the Company of Union initiation fees and membership dues from employee's wages in accordance with this Agreement.
- (g) Except as otherwise specifically provided or dealt with, any dispute as to a violation or interpretation of any provision of this check-off section shall be matter for the grievance procedure and shall be submitted directly to the Umpire.

Section 74 - Notices Pursuant to Agreement

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

The National Union

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

Local 1285

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

The Company

Vice-President - Human Resources
DaimlerChrysler Canada Inc.
P.O. Box 1621
Windsor, Ontario
N9A 4H6

Section 75 - Termination

Subject to any provision of law or any regulation having the force of law, this Agreement shall be in effect until 11:59 p.m. the 15th day of December, 2002, and shall thereafter continue for a further period of one year unless sixty (60) days before the expiration date either party shall give written notice to the other party that it desires revision, modification or termination of this Agreement at its expiration date.

DATED at Orangeville, Ontario, this 10th day of December 1999.

DaimlerChrysler Canada Inc.

Phil Bezaire
Rick Thrasher
Mike Spoons
Rick Pecnik
Tom Introcaso
Wayne MacKinnon
Bob Fast
Don Melnichuk
Dave Szabo

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

Ron Pellerin

CAW Local 1285

Vince Bailey
Neil Smyth
Murray Poole
Chris Terpselas
Paul Lewis
Martin Lusk

**SUPPLEMENTAL AGREEMENT
TEMPORARY PART-TIME EMPLOYEES**

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

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

- I. Temporary part-time employees are employees hired by the Corporation who shall normally be scheduled to work on Mondays and Fridays, 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 current DaimlerChrysler Canada Inc.-CAW Agreement, provided, however, at the time of a reduction in force, a seniority employee who is to be indefinitely laid off from the Depot pursuant to such a reduction may request to displace a temporary part-time employee. Seniority employees who displace temporary part-time employees shall, during the period they would otherwise be on indefinite layoff, be required to comply with the work schedule for temporary part-time employees.
 - D. A seniority employee who upon being indefinitely laid off elects to displace a temporary part-time employee or who, while on such layoff, is hired to work as a temporary part-time employee shall be paid a rate determined in accordance with the applicable provisions of Section 58 of the Agreement. Such employee shall also be provided the level of life, accidental death and dismemberment insurance, and the Hospital, Surgical, Medical, Drug, Dental, Vision and Hearing Aid Expense Benefits coverage but not Supplemental Unemployment Benefits (SUB), to which the employee would have been entitled if the employee had continued as a laid-off seniority employee, but only for the length of time the employee would have been entitled to such benefits if the employee had remained on indefinite layoff.
- II. Temporary part-time employees shall be hired at a rate equal to eighty-five per cent (85%) of the full base rate of the classification of the job to which they are assigned. At the beginning of the first pay period

following two hundred seventy (270) days actually worked they shall receive an increase to ninety-two and one half percent (92.5%) of the full base rate. At the beginning of the first pay period following five hundred and forty-five (545) days actually worked they shall receive the full base rate. A temporary part-time employee will receive credit for seven days worked for each pay period during which the employee works.

- III. A temporary part-time employee shall not accumulate time toward the fulfillment of the ninety-day probationary period while employed as a temporary part-time employee. In the event a temporary part-time employee becomes a regular full-time employee the employee shall be considered a new employee and shall receive no credit for any purpose for time during which the employee was employed as a temporary part-time employee.
- IV. The 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, national origin, age, handicap, sex or religion.
- V. A temporary part-time employee shall be entitled to Union representation including the grievance procedure in cases of alleged violation of this Supplemental Agreement.
- VI. A temporary part-time employee shall be subject to the provisions of Sections 71 through 73 of the current DaimlerChrysler Canada Inc.-CAW Agreement. The

initiation fee and monthly dues regularly required of temporary part-time employees shall be as determined by the National Union, CAW. Notice of the amounts of such fee and dues shall be given to the Corporation in writing by the National Union, CAW.

VII. A temporary part-time employee will not be assigned to an operation expressly for the purpose of establishing a production standard on that operation; nor will the temporary part-time employee's performance be considered either in establishing a production standard or in a dispute over the production standard.

VIII. A temporary part-time employee shall not be covered by the SUB Plan (Exhibit A), Pension Agreement, the Life and Disability Insurance Program, the Health Care Program, the Lump Sum Payment Plan, the Legal Services Plan or the Income Maintenance Benefit Plan and Voluntary Termination of Employment Plan, except as provided in Sections I.D. and XI. of this Supplemental Agreement. A temporary part-time employee shall have only such rights, privileges, compensation or benefits as are expressly set forth by this Supplemental Agreement and the following sections of the current DaimlerChrysler Canada Inc.-CAW Agreement;

Sections 49, 50,	
53 and 54	- Working Hours
Section 56	- Cost-Of-Living Allowance
Section 57(a)	- Wage Increases

IX. A temporary part-time employee shall be paid time and one-half for time worked in excess of eight (8) hours in any continuous twenty-four hour period beginning with the starting time of the temporary part-time employee's

shift and for time worked in excess of forty (40) hours per week. A temporary part-time employee shall be paid for hours worked on Saturday and Sunday in accordance with the provisions of Section 51 and 52 of the DaimlerChrysler Canada Inc.-CAW Agreement.

- X. A temporary part-time employee shall receive eight (8) hours pay at the temporary part-time employee's regular straight-time hourly rate for any of the holidays enumerated under Section 43 of the current DaimlerChrysler Canada Inc.-CAW Agreement when such holidays occur on a regular workday of the employee's workweek, provided the employee (1) actually worked at least ninety (90) days prior to such holiday, (2) worked the employee's last scheduled working day prior to and the employee's next scheduled working day after such holiday within the scheduled workweek, and (3) would otherwise have been scheduled to work on such day if it had not been observed as a holiday.
- XI. Temporary part-time employees will be provided \$3,750 life insurance and \$1,875 accidental death and dismemberment insurance. The 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 Basic Hospital, Surgical, Medical Expense Benefits (i.e., Provincial Health Insurance Plan, Out-of-Province Hospital, Surgical, Medical Expense Benefits and Semi-Private Hospital Accommodation Expense Benefits) and Prescription Drug Expense Benefits coverage but not the other benefits as provided under the Health Care

Insurance Program. It is understood there will be no duplication of benefits because of coverages provided under the Health Care Program. The Corporation will pay the monthly premium for the following month's applicable coverage for each employee while the employee is 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.

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

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

MEMORANDUM OF UNDERSTANDING
COVERING SPECIAL CONTINGENCY FUND

The Company and the Union agree that:

- (a) The Special Contingency (SC) Fund will be continued for and during the term of this Collective Agreement.
- (b) Such SC Fund will equal an accrual by the Company of \$2.60 per overtime hour worked by all covered employees in excess of five percent (5%) of straight time hours worked by such covered employees - for all pay periods commencing after the effective date of this Agreement - calculated on a twelve month rolling average.
- (c) During the term of this Collective Agreement, the SC

Fund will be utilized only in support of the following plans and programs: i) the Supplemental Unemployment Benefit (SUB) Plan, ii) the Legal Services Plan, iii) the C.A.W. Leadership Training Program (P.E.L.), iv) research, leadership and development activities of the Union, and v) programs covered under the National Training Committee Letter #(16.1), (vi) a dependent scholarship fund and (vii) dependent childcare subsidy, and (viii) Social Justice Fund. At any point in time the Special Contingency Fund Balance shall be equal to the cumulative accrual calculated in Section (b) above, less the cumulative utilization calculated in this Section (c). The cumulative accrual and utilization shall include balances carried forward from prior Agreements and then only if needed.

- (d) The use of the SC Fund for SUB funding will be determined solely by the amount of the Credit Unit Cancellation Base (CUCB) as determined from time to time under the SUB Plan for the purpose of determining the cancellation rate of Credit Units on the payment of Regular Benefits under the SUB Plan. In the event that such CUCB amount otherwise would fall below the applicable amount that would require an increased Credit Unit cancellation rate from 3.33 to 5 Units for employees with 1 but less than 5 Years of Continuous Service, the Corporation will make weekly contributions to the SUB Fund from the balance in the SC Fund. Such additional contribution amount from the SC Fund would be an amount that, together with the amount of regular Corporation contributions to the SUB Fund that week, would be sufficient to pay all SUB Benefits then due and payable and still keep such CUCB from falling below the amount requiring the increased cancellation rate described above. At any time the balance of the SC Fund is exhausted, the regular provisions of the SUB Plan would apply.
- (e) Funding for the above mentioned plans and programs will be determined as follows:

- i) funding for SUB purposes will be made available pursuant to paragraph (d), above
- ii) funding for the Legal Services Plan will be made available pursuant to the provisions of letter #(10.7)
- iii) funding for the C.A.W. Leadership Training Program (P.E.L.) will be provided in the amount of \$0.02 per hour worked.
- iv) funding for research, leadership and development activities of the Union will be provided in the amount of \$0.03 per hour worked.
- v) funding for programs and activities of the National Training Committee will be provided pursuant to letter #(16.1)
- vi) funding for the dependent scholarship program will be provided in the amount of \$800 per year to eligible dependents of active employees enrolled in an accredited Canadian University/Community College pursuant to letter (91)
- vii) Funding for the Social Justice Fund will be provided in the amount of \$0.03 per straight time hour.
- viii) Funding for the dependent childcare subsidy in the amount of \$2,000 per year per eligible child pursuant to letter (92)
- ix) Funding for the retiree fund of \$0.01 per straight time hour worked.
- (f) The parties agree that in the event that the SC Fund Balance is insufficient to provide funding for the above mentioned plans and programs as required in paragraph (e), the amount of required funding in excess of the SC Fund Balance will be recovered as an offset against future SC accruals.
- (g). As of the end of this Collective Agreement period, the parties would negotiate the usage of any balance then remaining in the Special Canadian Contingency Fund.

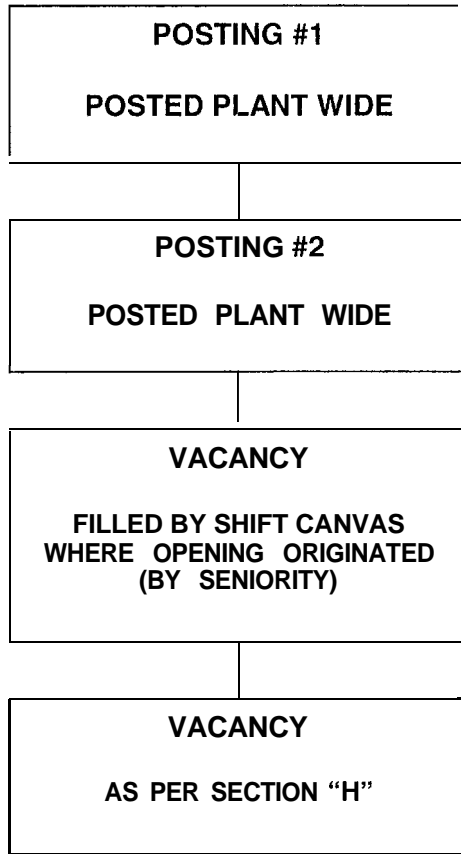
**MEMORANDUM OF UNDERSTANDING
EMPLOYMENT EQUITY**

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

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

NATIONAL PARTS DISTRIBUTION CENTRE

POSTING FLOWCHART



LETTERS

(1) 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 \$2,000 a calendar year (\$2,500 for the calendar year for approved courses taken at an accredited college or university) at an approved educational or training institution during non-working hours while on the active rolls of the Company. Any refund made to an eligible employee will relate to the calendar year of completion of the courses. Tuition refunds will be made available upon receipt, however, successful completion of the course is obligatory.

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

(a) Courses which update employees in the technology of their trade or occupation and courses directed toward qualifying an employee as an apprentice in the skilled trades.

(b) Courses which relate to the next job in the logical development of an employee's career.

(c) Courses which prepare an employee for openings that are expected to occur in the future and for which a sufficient number of qualified employees are not available.

(d) Courses taken to complete the requirements for a grammar school certificate or high school diploma.

(e) Any literacy courses or courses in fundamental reading and mathematics. These include courses usually designed to teach sixth grade competency in reading, writing and numerical skills.

(f) Courses that are part of the regular curriculum of an accredited educational institution taken for degree credit leading to an Associate Degree or Bachelor's Degree in Labour Studies.

(g) Courses in industrial hygiene or safety related

courses taken at approved educational institutions by the appointed Union member of a Local Committee on Health and Safety.

(h) Any required or pertinent elective courses taken in a degree-seeking program in a field related to the employee's job or appropriate to the employee's career in DaimlerChrysler Canada Inc.

(i) During negotiations, in response to a request from the union, the company agreed that the CAW/McMaster Labour Studies Program offered by McMaster University would be approved for participants under the Tuition Refund Program.

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

In addition to the above, employees appointed as full-time Benefit Plans or Health and Safety Representatives who wish to enroll in courses of instruction relating to benefit plans or health and safety at approved educational institutions shall be eligible to apply for tuition refund for such courses subject to the terms and conditions of the Company's Tuition Refund Program.

In addition to the above, a seniority employee who is indefinitely laid off, may utilize the Tuition Refund Program for the purposes of vocational training to qualify for any available or potential employment opportunities. This expanded tuition refund eligibility shall not exceed \$2,000 (\$2,500 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 Impartial Chairperson shall have no jurisdiction over any matter involving the establishment, administration or terms and provisions of such a tuition refund program.

(2) SAFETY GLASSES

- (a) 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, tri-focal lenses and task specific eyewear for computer operators under certain conditions 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 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 that a wider selection of plastic and metal frames are included in the program. Further the parties agree that a 100% Eye Safety Program is desirable in certain plants and areas and the Union will support such programs where they are warranted for safety reasons.

(b) Task Specific Prescription Eyewear

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

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

(3) SENIORITY

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

(4) REPRESENTATION

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

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

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

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

(5) SHIFT PREFERENCE

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

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

(6) UNION OFFICE

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

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

(7) SHIFT PREMIUM - EARLY STARTERS

Section 50, Shift Hours and Premiums provides:

"(a) The first shift is any shift that regularly starts on or after 4:00 a.m. but before 11:00 a.m.

The second shift is any shift that regularly starts on or after 11:00 a.m. but before 7:00 p.m. The third shift is any shift that regularly starts on or after 7:00 p.m. but before 4:00 a.m."

"(b) Employees employed on the second or third shift shall receive in addition to their regular pay for hours worked on those shifts, five per cent (5%) and ten per cent (10%) respectively, additional compensation."

Hourly employees who are scheduled to work and work a shift other than their regularly scheduled shift will receive the premium provided in Section 50.

For example, an 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 3:30 p.m. to 12:00 midnight. The employee will receive second shift premium for those hours on Friday. First shift employees who are scheduled to work and who do work additional hours in advance of their regular shift starting time will receive the shift premium applicable to their advance starting time for all hours work 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.

**(8) INDUSTRIAL VEHICLE OPERATORS
LICENSING PROGRAM**

During the recently concluded negotiations the subject of the licensing program for Industrial Vehicle Operators was discussed. The Company indicated at that time that it was desirable to maintain a program of training and licensing of competent employees to operate Industrial Vehicles. The Company also indicated that a review would be held upon the second anniversary date of the issuance of the license to the Industrial Vehicle Operator.

(9) ALCOHOLISM AND DRUG ABUSE

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

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

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

(10) SHIFT CHANGE ARRANGEMENT

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

Company spokespersons expressed the view that it

was not possible to develop in these negotiations a definite procedure for dealing with this problem which would be workable in all situations. The Company acknowledged that much could be done to deal with the problem and advised that Management's ability to deal effectively with the problem would be enhanced if the Union would advise the Personnel Manager of the existence of such cases.

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

(11) SHIFT SCHEDULE

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

(12) OVERTIME - PLANT CHAIRPERSON

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

(13) WORK PERFORMANCE

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

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

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

(14) SUMMER STUDENTS

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

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

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

(15) WAGE PROGRESSION/COLA FOLD-IN

For the purposes of administering the new hire provisions of the new Collective Agreement it was agreed that employees hired prior to the effective date of the new Agreement who are governed by the provisions of Section 58 shall have the calculation of their base rate determined on the basis of 85% or 92.5%, as the case may be, of the maximum base rate under the new Agreement, except that the cost-of-living allowance fold-in effective the beginning of the pay period commencing on or after the receipt of notice of ratification will not be subject to the reduction to 85% or 92.5%, as the case may be, but shall be transferred to base rate without reduction.

(16) TEMPORARY PART-TIME EMPLOYEES

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

The parties signed the Supplemental Agreement - Temporary Part-Time Employees and further agreed that the National Union, CAW, may cancel such Agreement because of abuses by giving the Corporation thirty (30) days advance notice.

**(17) EMPLOYEE-RETIREE NEW VEHICLE
PURCHASE PROGRAM**

This will confirm my advice to you that DaimlerChrysler intends to continue the DaimlerChrysler Employee-Retiree New Vehicle Purchase Program for employees with at least ninety (90) days of continuous service, employees on approved leaves of absence, retirees under a DaimlerChrysler-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.

(18) SAFETY SHOES

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

It is further understood that electricians are encouraged

to use their one hundred dollar subsidy towards the purchase of "OMEGA" style safety footwear with the understanding that all electricians will wear such footwear on the job.

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

(19) CHEMICAL HAZARD TRAINING

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

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

- . the program is be a joint effort
- . training information was jointly established
- . training time - 2 hours of basic training plus pertinent hazardous material modules of 30 to 45 minutes each.

(20) HEALTH AND SAFETY-WORKING ALONE

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

The National Committee, in consultation with the Local Committees, will develop guidelines for implementing Working Alone procedures at the local levels.

(21) SAFETY TRAINING

- UNION REPRESENTATIVES

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

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

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

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

(22) ALTERNATE HEALTH AND SAFETY REPRESENTATIVE ATTENDING MONTHLY MEETINGS

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

(23) MINUTE OF SILENCE

- INDUSTRIAL ACCIDENTS

During the course of these negotiations the Union requested a minute of silence be observed in the Parts Distribution Centre 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 depot operations.

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

(24) EMERGENCY PROCEDURES

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

(25) LEGAL SERVICES PLAN

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

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

(26) SHIFT PREFERENCE - MAINTENANCE

This will confirm that Maintenance employees, whose job involves Lift Truck repair and battery change, shall be afforded the opportunity each open season to exercise shift preference within their assignment.

(27) EMPLOYEE PARKING

During the course of the 1996 negotiations the Company and the Union agreed that except for row "A" the parking lot would be shared jointly with hourly and salaried employees. The 3 parking spots reserved for disabled employees will be moved to the first three spots on aisle D.

(28) ASSIGNMENT REVISION

During negotiations, the Union raised the issue of allowing off shift employees the opportunity of working on the day shift. The parties agreed an arrangement of 17 warehousemen consisting of 10 afternoon shift employees on a monthly rotation and 7 regular employees on the day shift would be implemented.

In the event the assignment contingent cannot be continued, given operating circumstances up to 10 employees on the monthly rotation will be reassigned to the previous start time as addressed in the previous agreement.

It is recognized the above manpower numbers are approximate and subject to change.

The company reserves the right to modify start times or manning if business conditions or operating efficiency so warrants.

The Union will be given advance notice of any significant change in the above.

Implementation of the above will be effective the first pay period following sixty (60) days after ratification.

(29) HEALTH AND SAFETY

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

- Journeyman/Woman Safety Training
- New Employee Health and Safety Training
- Job Hazard Awareness
- Protective Clothing
- Lockout/Tagout Program
- New or Relocated Equipment

Heat
Heat Stress Index
Medical Surveillance Programs
Confidential Medical Information
Infectious Communicable Diseases
Liquid and Air Supply Systems
Noise Abatement Program
Chemical Information
Chemical Data Link CCOHS
Records of Breathing Zone Exposure
Canadian Health Research
Preventive Maintenance
Health and Safety - Use of Camera
Contact Procedure of Health and Safety
Representative for Work Refusal
Official Safety Complaint Form
Joint National Environmental Committee
Lift Truck\Vertalift Driving Training
Joint Health and Safety Committee - Duties and
Responsibilities
Joint Statement on Health and Safety Work Refusals
Substance Abuse Drug Testing
Ergonomic Representation
(a) CAW Ergonomic Co-ordinator
(b) CAW Regional Ergonomic Representation
Ergonomics

(30) SMOKING IN THE WORKPLACE

During negotiations the company and the union discussed the adverse impact of smoking, both on the health of the employee who smokes and on the health of other employees in the workplace. The parties discussed the

advantages of a smoke free workplace and the need for effective programs to comply with provincial and municipal legislation regarding smoking in the workplace.

The plants and office are encouraged to continue in their efforts towards accommodating the needs of both the smoker and the non-smoker.

(31) COMMITMENT FORMULA

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

(32) ALTERNATE JANITORS - TRAINING

This will confirm that an employee who successfully bids onto the alternate janitor position shall receive required training so as not to be prohibited from assignment to the (Janitor) position when required. In recognition of the training provided, it is understood that such successful applicant shall remain as the alternate (Janitor) until next open season, providing he remains on the shift.

This is not meant to restrict the employee's right to rotate shifts.

(33) T.P.T. OVERTIME

During these negotiations, the Company acknowledged that T.P.T.'s shall only be entitled to overtime during the months of June, July, and August, after all other employees on the shift have first been offered the opportunity.

Otherwise, outside of this period, T.P.T.'s may only be offered overtime opportunity during exceptional or emergency conditions such as facility and systems breakdown, and only after agreement with the union. Such agreement will not be unreasonably withheld.

(34) T.P.T. EXCHANGE

During the course of these negotiations the parties agreed that (5) five second shift employees would work Mondays and Fridays, and the five T.P.T.'s assigned to the day shift according to the formula, would work the second shift on Mondays and Fridays each week.

(35) T.P.T. ALLOTMENT

While there are a designated number of T.P.T.'s assigned to each shift, the Company and the Union agree to continue the current practice of sharing T.P.T.'s between the 2nd and 3rd shifts, making every effort to accommodate employees requiring time off and not restricting either shift to any allotted numbers.

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

(36) T.P.T. TO FULL TIME

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

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

- (a) An active TPT employee on roll at the time of test.
- (b) Has completed three (3) consecutive years of service as a TPT employee and has worked a minimum of 400 hours in the third year.
- (c) Has maintained acceptable ratings during their tenure as a TPT employee.

TPT's may continue to work provided they meet the eligibility guidelines of the TPT program or until such time as a full time position is offered.

(37) T.P.T. TRAINING

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

(38) INSPECTION JOBS

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

(39) SOCIAL JUSTICE FUND

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

Subject to the following conditions, the Company will make quarterly contributions to the Social Justice Fund equal to three cents (3¢) for each straight time hour worked in the preceding thirteen (13) week period. These contributions will be made available from the Special Contingency Fund.

Hours Worked	Payment Date
12/27/99 - 03/26/00	04/28/00
03/27/00 - 06/25/00	07/31/00
06/26/00 - 09/24/00	10/31/00
09/25/00 - 12/24/00	01/31/01
12/25/00 - 03/25/01	04/30/01
03/26/01 - 06/24/01	07/31/01
06/25/01 - 09/23/01	10/31/01
09/24/01 - 12/23/01	01/31/01
12/24/01 - 03/24/02	04/30/02
03/25/02 - 06/23/02	07/31/02
06/24/02 - 09/22/02	10/31/02
09/23/02 - 12/22/02	01/31/03

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.

(40) CHRISTMAS BONUS

During these negotiations it was agreed by the Company and the Union that employees who are eligible for payment-in-lieu of vacation in accordance with the provisions of Section (39) will receive a special payment of \$1,200.00 on the last regular pay deposit prior to the Christmas Holiday period each year of this Agreement provided they are on the roll as of the first Sunday in December of each year.

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

Employees not on the active roll of the Company on the first Sunday in December but who are subsequently reinstated to the active roll during the current vacation year will be paid the special payment either at the time they take their vacation or at the end of the vacation year.

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

(41) RESTRUCTURING-JOB AND INCOME PROTECTION

During the 1993 negotiations, in a separate letter between the parties, we described the process that would be followed in the event that restructuring actions may result in permanent job losses. In that letter we agreed that the

objective of the parties will be the retention of the jobs in question. We also agreed that if job losses become unavoidable, every effort will be made to use attrition to manage the required reductions.

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

PLANT CLOSING

Stand-Alone Plants

As closure approaches and operations begin to wind down, employees who (1) are any age and have 28.1 or more years of Credited Service; (2) are age 54 or older but less than age 60 and within two years would have sufficient combined years of age and Credited Service to equal 85 or more; and (3) are age 60 or older but less than age 65 and have ten or more years of Credited Service or are age 61 or older but less than age 65 and have 9.1 but less than 10 years of Credited Service, will be contacted regarding retirement under the Regular Early Retirement provisions of the applicable Non-Contributory Pension Plan and, if eligible, for Regular Early Retirement, may retire immediately and receive the retirement allowance described in Letter (43), Retirement Allowance Option - Job and Income Protection Plan. Employees who are age 55 or older but less than age 65 and who have ten or more years of Credited Service (including any such employees who are also eligible for Regular Early Retirement) will be offered Special Early Retirement commencing on or before the announced closing date and be eligible to receive the retirement allowance described in Letter (43) upon retirement. Employees who

are age 50 or older but less than age 55 and who have 10 or more years of credited service at the date of closure and are not eligible for Regular Early Retirement will be offered benefits under the Pre-Retirement Income Maintenance Program (PRIMP) and be eligible to receive the retirement allowance described in Letter (43) upon commencement of PRIMP benefits.

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

- be eligible for Regular Benefits under the Supplemental Unemployment Benefit (SUB) Plan provided the employee has at least one year of Seniority as of the employee's last day worked prior to layoff;
- be offered employment at other 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 skilled trades and non-skilled employees for skilled employees, by trade, before closing layoffs are effected, the number of employees in the workforce will be reduced by:

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

Retirement, and receive the retirement allowance described in Letter (43); or

(b) if not eligible to retire, or if option 3(a) not chosen, to be placed on layoff, with eligibility for Regular SUBenefits;

(4) Offering Special Early Retirement to employees (including those who also may be in (2) or (3) above but excluding those in 2(a) or 3(a) who are age 55 or more but less than age 65 and who have 10 or more years of Credited Service and be eligible to receive the retirement allowance described in Letter (43) upon retirement;

(5) Offering the opportunity to be placed on layoff, with eligibility for Regular SUBenefits, to employees who are age 60 or older but less than age 65 and have 10 more years of Credited Service or are age 61 or older but less than age 65 and have 9.1 but less than 10 years of Credited Service; and

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

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

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

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

- be eligible for Regular Benefits under the SUB Plan;
- be offered employment at other 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 skilled trades and non-skilled employees and for skilled employees, by trade:

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

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

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

(3) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees (excluding those who may also be in (2) above) who are age 54 or older but less than age 65 and who within two years would have sufficient combined years of age and Credited Service equal to 85 or more will be offered the opportunity to:

- (a) retire immediately, if eligible for Regular Early Retirement, and receive the retirement allowance

described in Letter (43); or

(b) if not eligible to retire, or if option 3(a) not chosen, be placed on layoff, with eligibility for Regular SUBenefits;

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

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

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

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

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

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

(6) If the combined number of separations pursuant to the preceding steps is less than the number of jobs that will be permanently lost, employees who have 5 or more years of Seniority (excluding those in (2), (3), (4) and (5) above) will be offered an opportunity to apply for VTEP. If the number of employees who accept this offer, combined with the number of employees separated or scheduled for separation under the five preceding steps, exceeds the number of jobs that will be permanently lost, this offer will be implemented in Seniority order until the combined number of actual and scheduled separations equals the number of jobs lost.

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

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

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

- (i) be eligible for Regular Benefits under the SUB Plan;
- (ii) be offered employment at other 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 Service requirements for Special Early Retirement at the time of layoff and provided further that such application is filed within the maximum time limits set forth in the Voluntary Termination of Employment Plan.

Following the notice of a restructuring event and if, after steps (1) through (6) above have been completed, the number of separations achieved is less than the number of

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

The above commitments were executed in a spirit that recognizes the need to ensure that DaimlerChrysler 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 DaimlerChrysler Canada as a viable entity in the North American automotive market.

(42) INCOME SECURITY

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

With these objectives in mind, we have agreed that the understanding listed below will govern the parties in the event that restructuring or productivity-related actions may

result in permanent job losses. These permanent job losses are those occasioned by specific actions taken by the Corporation. For example, outsourcing, the introduction of new technology, sale of part of the Corporation, and consolidation of operations would be actions contemplated by this understanding. The understanding would not apply to normal cyclical fluctuations in demand or the reduction of employees on "temporary" assignments. It is also understood that this program does not replace the ongoing discussions which continually take place at the local level regarding production standards and manpower requirements.

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

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

**(43) RETIREMENT ALLOWANCE OPTION -
JOB & INCOME PROTECTION PLAN**

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

Accordingly, after December 16, 1999 any employee who is retirement eligible under the provisions of Letter (41) on the date of the closure or permanent job loss, will be given the option of taking a Retirement Allowance of \$50,000.

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

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

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

(44) PAYMENTS UPON PLANT CLOSURE

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

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

PRIMP benefits will be payable until the first date at which the employee is, (or would have been eligible in the event of the death of the employee), eligible for Special Early retirement;
- (iv) On each October 1 following their commencement,

PRIMP benefits will be recomputed in accordance with PCOLA adjustments applicable to employees retired under the pension plan on or after January 1, 2000.

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

**(45) RIGHTS UNDER JOB
& INCOME PROTECTION**

During the recently concluded negotiations the Union expressed concern regarding seniority employees who are laid off as a result of an action described in Letter (41) - Restructuring - Job and Income Protection who secure employment through the Preferential Hire opportunities at another corporate facility and within five years of the original layoff date are again indefinitely laid off without expectation of recall.

The 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 (41) - Restructuring - Job and Income Protection available to them at the time of the original layoff.

(46) WEEKEND UNION REPRESENTATION

- OFF SHIFT

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

(47) HEALTH AND SAFETY REPRESENTATIVE

- NEGOTIATIONS

This will acknowledge that the (Union) Health and Safety Representative may be present at negotiations during occasions when Health and Safety issues are being presented for discussion.

(48) VACATION LEAVE OF ABSENCE

The Company will grant requests from employees for a one week leave of absence in addition to regular vacation during the months of June, July and August up to a number which will not impair the operating efficiency of the depot.

Vacation replacements will be a combination of afternoon and night shift employees who transfer to a different shift. Summer students will be utilized only in the event that all vacancies can not be filled in this manner.

Employees who transfer to a different shift as vacation replacements will be permitted to take their vacations in the month of June.

(49) VACATION PAY ADVANCE

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

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

(50) CAW LEADERSHIP TRAINING PROGRAM

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

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

Past Company contributions to the Leadership Training Program (P.E.L.) Trust have been deductible. Providing that such amounts shall continue to be deductible, the Company will make quarterly contributions to the P.E.L. Trust, equal to five cents (\$.05) for each hour worked in the preceding thirteen (13) week period. Two cents (\$.02) of such quarterly contributions will be made available from the Special Contingency Fund pursuant to the provisions of the Memorandum of Understanding Special Contingency Fund. The contributions will be payable on the following dates:

<u>Hours Worked</u>	<u>Payment Date</u>
12/27/99 - 03/26/00	04/28/00
03/27/00 - 06/25/00	07/31/00
06/26/00 - 09/24/00	10/31/00
09/25/00 - 12/24/00	01/30/01
12/25/00 - 03/25/01	04/30/01
03/26/01 - 06/24/01	07/31/01
06/25/01 - 09/23/01	10/31/01
09/24/01 - 12/23/01	01/31/02
12/24/01 - 03/24/02	04/30/02
03/25/02 - 06/23/02	07/31/02
06/24/02 - 09/22/02	10/31/02
09/30/02 - 12/29/02	01/31/03

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 (11.2) of the Production and Maintenance Agreement (and similar sections of other

agreements which incorporate this program) to seniority employees designated by the President of the National Union to the Vice-President - Human Resources for the Company on four (4) weeks' advance written notice specifying the employee's name and dates of requested absence, provided no such absence will result in any loss of efficiency or disruption of operations at the Company's plants.

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

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

The parties have met and agreed to the following interpretations:

- (a) The Company and the Union are mindful of and do not desire to impact the efficiency of the operations which must be protected at all times. Accordingly, notwithstanding the provisions of paragraph (h) of Section 40, in the event that there are significant employee transfers into or out of a department which because of the scheduled SPA time would adversely impact the operations, the Personnel Manager and the Shop Chairperson will modify the designated weeks off in order to protect skill levels and quality.
- (b) Any discipline assessed which would be scheduled during the SPA weeks shall not otherwise disqualify the employee for payment of the day in which the discipline was scheduled. As an example, if an employee was assessed a three (3) day disciplinary layoff, scheduled to be on Friday, Monday and Tuesday . . . and Monday and Tuesday were days

the employee was designated off as SPA week, the discipline would reflect a three (3) day disciplinary layoff, however the employee would receive SPA payments for those two (2) days.

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

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

(52) PENSION BENEFIT REDUCTION

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

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

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

(53) PENSION - SIB

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

(54) SUB PLAN INTENT

The parties acknowledge that the intent under the SUB plan is to provide SUB 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.

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.

**(55) SUB PLAN CONTRIBUTIONS
BASED ON SHORT WORK
WEEK BENEFITS PAID**

During the 1993 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 Guaranteed Benefit Account (GBA) provisions of the SUB Plan (Article VI, Section (5)(e)(2)) should the contributions from the GBA made and not yet recovered equal the maximum available (\$321,000).

At the expiration of the 1993 Agreement any balance calculated but not yet required to supplement ACA in accordance with the above paragraph will be eliminated.

**(56) SUB CONTRIBUTIONS BASED ON THE
INCOME MAINTENANCE PLAN (IMP)
MAXIMUM LIABILITY ACCOUNT**

During the 1993 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.

(57) CONTENT

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

Consistent with our mutual desire to utilize the full range of employees' abilities to contribute to these objectives, the Company agrees to work with the Union in the exploration of measures to maintain employment opportunities equivalent to those now encompassed by the total of all plants covered by the Production and Maintenance Agreement. This would include, where feasible, replacement of jobs lost by outsourcing.

In addition, DaimlerChrysler Canada Inc. joins the CAW in supporting the principle that manufacturers who participate in the Canadian market should provide jobs, pay taxes and support the economy of the market in which they

sell. As you know, DaimlerChrysler 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.

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

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

(58) U. I. PREMIUM REBATE

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

The parties recognize that the Unemployment 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 Unemployment Insurance premium reduction to improvements in current benefits or to provide new benefits.

(59) RYDER DRIVERS - MOBILITY AT DOCK AREA

During the 1993 negotiations the Company indicated its intention to limit the mobility of Ryder drivers and loaders to the dock area consistent with our expectation of other (Non-Ryder) drivers.

(60) JOB TRANSFER

During the negotiations the parties discussed job transfers. The following procedure was agreed to by the parties.

During the month of December, 1993, and annually thereafter during the term of this Agreement, the Company will implement a procedure which will permit employees in the Stock Attendant, Maintenance "B", Clerk, and Inspection classification to transfer to another job within the Stock Attendant, Maintenance "B", Clerk, and Inspection classifications. The transfer procedure will be reviewed by the Plant Chairperson and the Plant Personnel Manager. Employees will be transferred to the desired job if they have sufficient seniority and the ability to satisfactorily perform the desired job.

Excluded from the above arrangement will be jobs held by special PQX placements.

The above procedure will not affect the Company's right to allocate and re-allocate assignments to employees within the Parts Distribution Centre nor will it be carried out in a manner which adversely affects the operational efficiency of the Parts Distribution Centre.

(61) POSTED JOBS - DURATION

This will confirm that posted jobs which are known to the Company at time of posting to be non-permanent in duration, or that are subject to change, shall be so identified on the posting. The company recognizes that at open season employees bid on jobs with the expectation of performing "that" job as indicated at the time of canvas for the duration of the year.

While the Union realizes from time to time it becomes necessary to re-assign the work force, the company will endeavour to leave employees on their posted jobs.

(62) P.A.A. COMMITMENT

During the recent negotiations the parties discussed the subject of Paid Absence Allowance and commitment figures for the day, afternoon and mid-night shifts, Monday through Friday inclusive. The parties agreed to the following schedule:

	M	T	W	TH	F
Day	4	3	3	3	4
Afternoon	3	3	3	3	4
Midnight	3	2	2	2	3

It was agreed in the area of certain classified jobs (Maintenance "A" and B", and Inspection) a maximum of one employee per shift would be able to enter their name in the commitment book. In addition a maximum of two Receiving clerks per shift would be able to enter their name in the commitment book.

The parties further agreed to the following formula:

<u>Manpower</u>	<u>Commitment Figure</u>				
	M	T	W	TH	F
0 - 60	2	1	1	1	2*
60 - 90	3	2	2	2	3
90 or More	4 on M or F ^o				

* With the exception of the afternoon shift which has a commitment figure of three on Friday

^o To be mutually agreed to by the parties.

(63) JOB DISTRIBUTION (DAY SHIFT)

Group 1) Posted Day-Shift Warehousepersons

Group 2) All other employees (Pickers / Rotation / T.P.T. Tumbledowns and Regular T.P.T.'s) by seniority

NOTE: Employees who are not noted above and who are displaced from their regular jobs prior to the start of their shift will become warehousepersons (by seniority) and will join Group (1).

The Company and the Union also agreed that from time to time certain situations may develop due to lates, shortage of employees, etc. Management agrees to discuss these problems with the Union with a view to settling any disputes as they arise. Employees are reminded that job disbursement takes place promptly at the beginning of the shift.

(64) OPEN SEASON

During negotiations the Company and the Union agreed to a program for Open Season at a mutually agreed upon date.

This procedure will be reviewed after each canvass and is to be continued or revised as mutually agreed.

The Company stated its concerns that this process is not to be abused. It is therefore agreed that the success of this program is reliant on the full involvement of the hourly employees.

Employees will be scheduled for four hours employment on the Saturday to work and accomplish the Open Season selection.

Employees not at work for any reason will have an alternate method for making their selection known. Those employees who choose not to participate will have their assignments selected for them.

(65) WAREHOUSE CAFETERIA

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

Additionally, dispensing units will be provided for filtered water.

(66) HEATING, COOLING AND NEGATIVE AIR STUDY

During the recent set of negotiations, the union raised a number of issues regarding ventilation in certain areas of the facility. The company has agreed to the hiring of an outside consultant, specifically to provide recommendations regarding negative air pressure, in-plant heating and air circulation in the following locations currently known as:

6½% Area
Stretchwrap Area
Main Dock Area
'A' Bin Area

It is understood that the consultants will communicate with the local Joint Health & Safety Committee during this study and review their findings and recommendations with the Committee.

Following the review, the JHSC will be provided the opportunity to submit recommendations to the company.

The company agrees to make all necessary improvements upon approval of the DaimlerChrysler Engineering Division.

(67) TRAILER HEATERS FOR "K" DOCK

During negotiations the union expressed a concern regarding the heat loss between trailers and the seals at "K" dock.

The company has agreed to install force fan heaters at this location to address this concern.

**(68) OVERTIME WORK OPPORTUNITY -
HEALTH AND SAFETY REPRESENTATIVE**

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

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

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

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

(69) TIMELINESS OF DISCIPLINE

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

**(70) RESOLUTION OF DISPUTES – BENEFIT
PLANS AND PENSION AGREEMENT**

No matter respecting the provisions of the plans or agreements referenced in Section 48 S.U.B.P., Income Maintenance/Voluntary Termination, Insurance, Relocation

Allowance, and Health Care, or the Pension Agreement between DaimlerChrysler Canada Inc. and the CAW, shall be subject to the grievance procedure established under this agreement, and in the event of a conflict between the provisions of the benefit plans or agreements so listed and this collective agreement, the provisions of the listed benefit plans or agreements shall prevail.

**(71) HEALTH AND SAFETY, ENVIRONMENT,
LEADERSHIP TRAINING AND RESEARCH
FUND**

During the current negotiations, the Company agreed to provide funds to the Union in support of health and safety, environment, leadership training and research activities. Accordingly, the parties agreed that arrangements will be made to finance these activities by using available funds from the Special Contingency Fund in an amount of up to 3.0 cents (\$.03) per hour worked during the term of this Agreement.

**(72) TRAINING FUND -
NATIONAL TRAINING COMMITTEE**

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

In this regard it was agreed the Company will make available up to a maximum \$245,961. (representing the value of up to 24 hours training per active employee as of the effective date of this agreement) for use by the National Training Committee over the term of this collective agreement to fund the development and implementation of training programs approved by the committee. All monies will be recovered from the Special Contingency Fund.

The Fund will provide for training program development costs, trainers (including wages, benefits, and other expenses incurred with the development and implementation of training programs), program material costs, employee travel costs, ongoing administrative costs and labor costs associated with employees attending approved training.

(73) MATERNITY, PARENTAL AND ADOPTION LEAVES

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

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.

(74) 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 right to refuse unsafe work, the National Joint Health and Safety Committee shall meet within 10 days' notice of a written request to meet. The parties will make a good faith effort to arrive at a fair and workable solution to the problem in a forthright and expeditious manner. In this regard, the National Committee will be assisted and supported by the Chairperson of the Chrysler Council for the CAW and the Senior Manager, Labour Relations and Safety, DaimlerChrysler 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.

(75) EMPLOYMENT STANDARDS ACT

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

- A. The rights, benefits, terms or conditions of employment as set out as employment standards in the Employment Standards Act and Regulations made

thereunder, as they existed on June 5, 1995, as the same relates to the Union, the 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 DaimlerChrysler 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 DaimlerChrysler bargaining unit employees shall not be disadvantaged in any way by any amendments to the ESA or Regulations thereunder made by the provincial Government. It is agreed that for example, if any part of the collective agreement or past practice of the parties provides a greater right, benefit, term or condition of employment than the amendment to a particular

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

(76) JOB SECURITY AND WORK OWNERSHIP

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

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

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

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

on-going changes in the workplace.

In keeping with this concept, the Company commits there will be not reduction in NPDC employment levels as a result of outsourcing during the term of this agreement.

Furthermore, during these negotiations, we reviewed our plans with the Union for the National Parts Distribution Centre (NPDC) in Mississauga and indicated that studies are in progress to determine the best role for DaimlerChrysler Canada Inc. in a global parts supply operation. In this respect we indicated that the operational impact resulting from these studies dealing with the operational integration of the NPDC into Mopar will be communicated to the CAW within 120 days of the effective date of this agreement. Job security issues related to integration are treated in a separate memorandum.

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

(77) JOINT ACTION OPERATING PLAN - DISCUSSION

During these negotiations, the parties raised numerous issues which impact the customer, the Union and operating management. It is clear the relationship between the parties has developed into one of mutual trust and respect and supports the sincere belief that most problems experienced at the workplace can be resolved with open, honest and continuous communication.

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

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

(78) PLANT CLOSING MORATORIUM

As a result of your deep concern about job security in our negotiations and the many discussions which took place over it, this will confirm that during the term of the new Collective Bargaining Agreement, until December 15, 2002, the Company will not close or sell the National Parts Distribution Centre operation.

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

(79) OPERATIONAL INTEGRATION WITH MOPAR

During 1999 negotiations, management explained to the CAW studies were in progress aimed to determine the role of the National Parts Distribution Centre (NPDC) as a component organization within Mopar's worldwide operations.

Employee concerns regarding job security are of utmost importance to the Union and the Corporation. Clearly, the best job security is provided by an efficient organization, committed to quality, and capable of high levels of customer satisfaction within the competitive environment presented by the automobile industry. Nonetheless, the Corporation and the CAW have reached agreement on a number of initiatives designed to bolster the individual employee's sense of security within the workplace.

Letter (76) Job Security and Work Ownership outlines the Corporation's commitment that there will be no reduction in NPDC employment levels as a result of outsourcing during the term of this agreement.

Letter (78) Plant Closing Moratorium offers confirmation that the Corporation will not close or sell the

NPDC during the term of this Collective Bargaining Agreement.

Letter (42) Income Security delineates the understanding between the parties regarding permanent job losses due to the extensive structural change that has already, and will continue to take place, in the North American automotive industry.

Finally, Letter (41) Restructuring – Job and Income Protection outlines the procedure through which attrition can be used to manage the reductions required as a result of a decision made by management.

Notwithstanding the above, the Union expressed significant concern over the lack of information available during bargaining – information that would contribute to employee knowledge and understanding regarding how the operational integration of the NPDC with Mopar would affect the job security of individual employees.

In light of this concern, management indicated studies regarding the role of the NPDC within a global parts supply operation would be complete and the results of these studies would be communicated to the Union within 120 days of the effective date of this agreement.

The Union was also advised that should integration cause a reduction in the number of employees required at the NPDC, Letter (41) Restructuring – Job and Income Protection would apply. Furthermore, management committed that should the measures outlined in said letter agreement fail to stimulate sufficient attrition to accomplish the necessary workforce reductions, the reduction in force provisions of the agreement would not be implemented. The resultant excess staff would remain on the active role until such time as sufficient attrition occurred by way of offset or the end of this agreement, whichever comes first.

The parties recognize and understand this letter agreement applies solely to the employment impact of the integration initiative (if any) as it pertains to employees on the

active role as of the effective date of this agreement and is not applicable to reductions in force occasioned by the introduction of new technology or loss of volume due to mix or market conditions.

The parties enter this agreement with the recognition that the successful launch of an integrated NPDC within Mopar's operations will require the cooperation of both Union and management. The parties agree to jointly commit themselves to that end.

(80) MOPAR INTEGRATION ISSUES

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

Management advised the Union of its intentions to initiate discussion on issues including job postings, vacation scheduling, overtime distribution procedures, TPT/PAA allotments, Scheduled Paid Absence administration, shift arrangements, as well as the introduction of new technology, operating systems and machinery once the information pertaining to studies related to integration is available to operating management.

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

1. Floor sealing – Floor area will be sealed in areas of the facility where floor scrubbers do not have access. A solid colour walkway will be painted from the employee entrance to “Old Dispatch” featuring a joint company/union logo at a location to be determined by the Union;
2. Washrooms – Washrooms will be constructed and/or renovated as required, dictated of course by the new plant layout;
3. Parking – Spaces based upon facility rearrangements

and employee density will be reviewed with the Union with a view toward providing K-section parking if required;

4. Compactor – A new compactor will be provided in an area to be determined. It is understood that the Joint Health and Safety Committee will provide recommendations as to guarding requirements and noise reduction for this equipment.
5. Cafeteria – Rearrangements and/or improvements will be provided to the main employee cafeteria.

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

(81) LIMITING THE IMPACT OF LAYOFFS

Prior to the layoff of bargaining unit personnel, the company agrees to discuss options available to limit the impact on employees. One option that may be considered is the reassignment of duties performed by the Ryder Company to employees within the bargaining unit.

(82) CHEMICAL INFORMATION

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

Toxic Use Control

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

Metal Working Fluids

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

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

Hazardous Material Permit System

The Company assured the Union that it intends, by means of its Hazardous Material Permit System to evaluate hazardous materials before introducing them into the workplace. This program includes hazardous materials which a contractor would use on our premises and to which company employees would be exposed. The Company will continue its efforts in this regard and the Hazardous Materials Committee will review local procedures for approval of all hazardous materials coming into the plant. In 1999, the company agreed that the plant environmental representative may become a member of the plant hazardous materials control committee.

Hazardous Communication Sheets

Additionally, the Company agreed that the management and union members of the Local Health and Safety Committee will be members of the Local Plant Hazardous Materials Control Committee, and that a copy of the local Hazard Communication Sheet Binder would be supplied to

the Union member of the Local Health and Safety Committees for their use.

Binders will be updated promptly after receipt of revisions by Plant Management.

It is understood that use of these binders and the contents therein, and any other information provided, shall be limited to the purpose of evaluating a process, job or hazard and shall not be reproduced, published and/or distributed for any other purpose. In providing Hazard Communication Sheets, the Company agreed to provide information regarding chemicals, as listed in the Regulation Respecting Control of Exposure to Biological or Chemical Agents and the WHMIS list of controlled substances along with percentage ranges according to WHMIS by November 30, 1987. Furthermore, where there is a specific concern regarding a hazardous material, the Local Health and Safety Committee will be provided with additional pertinent information.

Measurement and Sampling

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

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

Powered Industrial Vehicles

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

(83) CARCINOGENS IN THE WORKPLACE

The Company shares the Union's concern regarding employee exposures to recognized carcinogens as worker safety and health is of prime importance to the company. During negotiations leading to the Production & Maintenance Agreement in 1999, a number of materials were identified as prohibited in all products supplied to DaimlerChrysler Canada manufacturing facilities.

Following negotiations, the Joint Health and Safety Committee will review the materials so specified with reference to the National Parts Distribution Centre.

(84) USE OF CAMERA

During past negotiations, it was agreed that one camera would be provided to the union members of the Local Committee so it could 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.

During negotiations, the company agreed to provide one digital camera to each local Joint Health and Safety Committee which will be made available for use by both the management and union members of the committee.

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 video tape 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.

(85) CANADIAN HEALTH RESEARCH

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

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

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

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

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

(86) ERGONOMICS

During the current negotiations the company and the union discussed their joint commitments to efforts where feasible, to improve the interface of employees with the workplace through ergonomics.

Each assembly plant, manufacturing unit or Parts Distribution Centre of 125 employees will establish a Local Ergonomics Committee (LEC) with the objective of exploring and introducing ways to reduce injuries and illnesses through the application of ergonomics.

(87) DOCK LOCKS

During negotiations, the Union expressed concerns regarding the accidental early departure of trailers from the main docks.

The company agreed to provide dock locks at all dock locations to prevent this situation from recurring.

The dock locks will be installed within 10 months of the signing of the agreement.

(88) MIG WELDER AND SMOKE EATERS

During the course of contract negotiations, the Company has agreed to purchase (1) mig welder and (2) smoke eaters for the maintenance department.

(89) MAINTENANCE "A" – ELECTRICIAN

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

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

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

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

(90) DEPENDENT SCHOLARSHIP

During negotiations the Company agreed to implement a new dependent children scholarship program. This program will reimburse up to \$800 per year from the Special Contingency Fund, to eligible children of active employees enrolled in an accredited Canadian university or community college. Details of this program will be developed by the Company.

(91) DEPENDENT CHILDCARE SUBSIDY

During negotiations the parties held extensive discussions concerning the need for childcare. To address this, the company will:

- . Provide a subsidy of \$10.00 per full day of childcare for dependent children, age 0 through 5, that is:
 - Licensed under the Day Nurseries Act
 - Registered as a non-profit or co-operative
- . For half day care, the company will provide a subsidy

- of \$5.00 per day
- The benefit will apply equally to all licensed, non-profit childcare centres, including in-home care
- The benefits will be capped at annual maximum of \$2,000.00 per year, per eligible child.
- Children already registered in for-profit licensed care would be eligible for the benefit, but grandfathered. All new claims would only qualify if they meet the non-profit criteria.
- Details of the administration of this program will be developed by the company.
- In no circumstance would the company pay more than 50%
- This program will be funded from the Special Contingency Fund

(92) RETIREE FUND

During the current negotiations, the Company agreed to provide funds to the Union in support of educational and awareness programs for retired workers. Accordingly, the parties agreed that arrangements will be made to finance these programs by using available funds from the Special Contingency Fund in an amount of up to 1.0 cent (\$0.01) per straight time hour worked during the term of this Agreement.

(93) WELLNESS

During the course of these negotiations discussions were held regarding the importance of improving the overall health of DaimlerChrysler employees. One way to accomplish this is to implement and promote health and well being in the form of a "Wellness Program".

Wellness Program initiatives would include, but may not be limited to promotional materials, educational programs, newsletters, demonstrations, on-site screenings, and individual health risk assessments.

As a Wellness Program is of mutual benefit to all parties concerned, we would look to the CAW to fully support this

initiative as a joint program.

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

The Company intends to launch this program no later than December 2000.

(94) EMPLOYEE FAMILY ASSISTANCE PROGRAM

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

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

(95) FORTY (40) HOUR HUMAN RIGHTS TRAINING

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

(96) TRAINERS

During negotiations, the issue of trainers at the NPDC was discussed.

The parties agreed that three (3) Health & Safety Trainers and four (4) Training Fund Trainers would be available to accommodate the training requirements at this facility.