

NATIONAL
COLLECTIVE BARGAINING AGREEMENT

BETWEEN:

MAGNA INTERNATIONAL INC.

- AND -

UNIFOR, and its Local 2009 AP

WINDSOR MODULES

NOVEMBER 6, 2021

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**CANADIAN
FRAMEWORK OF FAIRNESS AGREEMENT
OCTOBER 15, 2007**

A. Background and Principles

1. *Introduction*

Canada's automotive assembly and parts industry is our country's most important high-technology, value-added, export industry and employs thousands of people directly and indirectly. It makes a crucial contribution to family incomes, productivity growth, and foreign trade performance. Because of the high productivity of the industry and because of the strong linkages between assemblers, parts producers, and the thousands of companies which supply them (with everything from components to materials to services), every new job in an assembly or parts facility ultimately generates several additional jobs for Canadians. Automotive manufacturing is one of Canada's only industrial "success stories," and has made a crucial contribution to diversifying our economy away from an exclusive reliance on the production and export of natural resources and energy. For all of these reasons, the auto industry holds an immense economic and social importance to Canada.

Within this context, Magna and the CAW are motivated by the shared goal of not only preserving but expanding Canada's automotive sector through high-performance work practices; investments in both capital and human resources; effective and just labour relations; world-class quality, productivity, and reliability; developing and renewing top-quality skilled trades; and continuing to support and enhance social and environmental sustainability.

Moreover, both Magna and the CAW have made significant contributions over the years to the development of a distinctly Canadian identity in our auto industry. Magna is the largest automotive manufacturer (measured by employment) in Canada. It has pioneered new technologies, new products, new forms of work organization, and new forms of workplace democracy. The CAW is Canada's largest private-sector trade union. It became an independent Canadian organization in 1985, and since then has pioneered more effective and democratic union principles and practices, and contributed importantly to the evolution of a more authentic and democratic Social unionism. In Canada, Magna and the CAW already have an effective and productive working relationship, both in Magna's existing CAW-represented facilities, and through our cooperation in bodies such as the Canadian Automotive Partnership Council and related forums. This gives us a special shared interest in continuing to build a more well-rounded, economically and financially successful domestic auto industry.

Despite its past successes, the Canadian automotive parts manufacturing industry has undergone significant evolution in recent years. Greater responsibility for the design and production of parts systems, and modules has shifted to automotive parts suppliers.

The implementation of multilateral trade agreements, the general globalization of the automotive industry, and the wide variance between international trade practices, have all placed increasing demands on Canada's automotive employers and their employees to remain competitive in the global marketplace. Technological, competitive, and environmental challenges will require auto

producers to be innovative, flexible, and efficient, if the Canadian automotive industry is to continue to play its important role in our national economy.

Magna and the CAW are entering this agreement at an especially challenging time for Canada's auto industry, and for our entire manufacturing sector. Canadian value-added industry is facing challenges resulting from strong Canadian currency, unequal trade practices, and competition for scarce resources for developing Canadian manufacturing capacities and skills. Our effort to implement a unique and innovative labour relations system at Magna occurs in the context of these historic challenges facing Canadian manufacturing.

As each stakeholder – companies, unions, employees, communities and government – shares in the benefits of a successful and prosperous automotive industry, each stakeholder must also contribute, in a meaningful way, to ensuring that continuing success.

This responsibility requires that all parties seek new and innovative ways to deal with the industry's challenges, working cooperatively to achieve these goals. To this end, Magna and the CAW are committing with this Framework of Fairness Agreement (the "FFA") to develop a new, innovative, flexible, and efficient model of labour relations. This model will combine the best features of union representation, with Magna's established culture of workplace democracy and fair treatment (as embodied in the Magna Employee's Charter). The model incorporates aspects of existing North American and European labour relations practices, yet will also reflect a uniquely Canadian attempt to combine industrial and financial success with principles of fairness and social responsibility.

Consistent with these principles, Magna and the CAW have entered into this Framework of Fairness Agreement (the "FFA"), and make the following commitments to ensuring the long-term success of the Company and job security for employees.

The Company will contribute to this success by:

- making appropriate investments in new products and processes;
- running operations in an efficient manner;
- treating employees fairly, in accordance with the Employees Charter and the FFA;
- ensuring employees receive appropriate training to enhance their skills and capacities;
- maintaining health, safety, and environmental practices in accordance with the Magna Health, Safety and Environmental Policy and applicable laws;
- ensuring that employees are recognized for their contribution to, and share in, the financial success of the Company;
- providing regular communication to employees regarding issues impacting the industry and their division; and
- ensuring that operations generate a competitive return for their shareholders.

The Union will contribute to this success by:

- providing a check and balance for the interests of employees in Magna's Fair Enterprise system;
- providing assistance to Magna in the sourcing process;
- building higher employee morale;

- enhancing stronger employee participation and commitment in the Magna production process, to improve quality and productivity, and build a better product for a better price;
- facilitating relationships with automotive assemblers and other customers;
- enhancing transparency, credibility, and trust in labour relations policies and practices, including the Open Door process, Fairness Committees, Employee Advocates and the Magna Hotline;
- providing access to professional expertise and training from CAW resources;
- helping to establish apprenticeship programs, where necessary, to increase the skill level of Magna production and skilled trades employees;
- contributing to the enhancement of effective practices and structures to ensure gender and racial equality in a harassment-free workplace;
- providing CAW expertise in the enhancement of effective Wellness programs, employee assistance programs, and other measures to enhance the all-round well-being of Magna employees;
- providing CAW expertise in advancing health and safety practices, and addressing environmental issues;
- leveraging better rates for products and services by using the parties' joint economies of scale;
- partnering on legislative issues to advocate on behalf of the Company and the automotive industry at all levels of government;
- partnering on community projects to enhance social and environmental well-being in the communities in which Magna and CAW plants are located.

2. *Founding Principles*

Dramatic changes in the global auto industry have created new technological, economic, and financial challenges for Canadian-based automotive producers. These challenges can be met most effectively, thus strengthening the Canadian industry, through a cooperative and productive working relationship between the employer and the union. By combining the best features of union representation with Magna's existing Fair Enterprise culture, the FFA aims to strengthen mechanisms of employee voice, employee security, consultation and input, with the goal of building a stronger, fairer automotive industry.

Magna and the CAW are fully committed to building a working relationship based on the values reflected in the Magna Employees' Charter, the Magna Corporate Constitution, and the CAW Constitution, including:

- A safe and healthful workplace;
- An environmentally sustainable industry;
- Fair treatment for all employees;
- Competitive wages and benefits;
- Fair job security and seniority rights;
- Open and transparent sharing of information and communication
- Participatory democracy;
- Opportunity for access to training and skills development;
- Employing a top-quality skilled trades workforce;
- Recognition of the value of collective bargaining and union representation;
- Recognition of the need for ongoing improvements in quality and productivity;

- Recognition of the need for continuing profitability of the company;
- Commitment to balancing the interests of customers, shareholders, employees, and broader society.

Consistent with these principles, the CAW and Magna will work together to provide a fulfilling work environment where employees are able to participate, through an Open Door Process, in the decision-making that affects their lives. The involvement of employees by taking ownership, responsibility, and accountability is necessary for the success of their facility and the Company as a whole.

NATIONAL COLLECTIVE BARGAINING AGREEMENT

PART A

DEFINITIONS

The following definitions apply when these terms are used in this Agreement:

“Able to perform the work” shall be defined as past successful performance of the job or the ability to satisfactorily perform the job within a reasonable period, not to exceed 10 working days.

“Alternate” shall be the individual mutually selected by the parties to perform the role of the Neutral should the Neutral not be able to act in a particular situation.

“Concern Resolution Review Sub-Committee” shall consist of two (2) Company and two (2) Union representatives, whose role shall be to review concerns processed beyond the Hotline step of the Concern Resolution Process.

“Contract Renewal” shall mean the parties’ review of the terms of the National Agreement prior to the Expiry Date.

“Employee Relations Review Committee” shall consist of three (3) Company and three (3) Union representatives, whose role shall be to review concerns processed beyond the Concern Resolution Sub-Committee step of the Concern Resolution Process, as well as to review Magna’s financial and operational performance in Canada, and to discuss other relevant top-level issues related to investment, production, employment, technology, and the general state of labour relations.

“Executive Council of the Magna Local” shall mean the council of the amalgamated Unifor local union consisting of the Employee Advocate from each of the Unifor represented Divisions of Magna.

“Expiry Date” shall mean the date the National Agreement is scheduled to expire.

“FFA” shall mean the Framework of Fairness Agreement.

“Length of service” and “Service Date” are calculated from the original hire date with any Magna operation provided the Employee maintains his seniority status.

“Long-term layoff” is a layoff of more than three (3) weeks.

“Neutral” shall mean the individual mutually selected by the parties to resolve concerns processed beyond the Employee Relations Review Committee stage of the Concern Resolution Process, as well as to resolve outstanding issues in the National Agreement Review Process.

“Seniority” shall mean division-wide seniority and shall be calculated from the first day of employment at a particular division subject to satisfactory completion of a Probationary Period. In a case where two or more Employees have a common hire date the Employees’ last three (3) digits of their social insurance number shall be the determining factor, with the Employee with the lowest number having the highest seniority placement on the seniority list. In the event the last three (3) digits are the same then the fourth, fifth, sixth, etc. shall determine the lowest

number. Existing Employees shall maintain their current seniority ranking upon transitioning to this definition of seniority.

“Short-term layoff” is a layoff of three (3) weeks or less or which relates to a model year changeover at a customer facility.

“Skilled Trades Seniority” shall be determined based on an employee’s date of entry in that skilled trade classification.

STATEMENT OF PRINCIPLES AND INTENT

Magna International Inc. and CAW recognize that dramatic changes in the automotive industry have created new quality, productivity and competitive challenges for the automotive component supplier. Both Magna and the CAW know these challenges will be met more effectively through a relationship that is more positive, cooperative and committed to the values expressed in Magna's Employee's Charter and Corporate Constitution and the CAW Constitution. These principles include:

- increased job security
- a safe and healthful workplace
- fair treatment for all employees
- competitive wages and benefits
- employee equity and profit participation
- consistent sharing of information and communication
- participatory democracy
- joint commitment to continuous improvement of quality, productivity and overall competitiveness
- joint commitment to balancing the interests of customers, shareholders, workers and society

Consistent with these principles, the CAW and Magna will work together to ensure that they provide a fulfilling working environment where employees maintain their dignity and self respect and where they participate in the decision making process that affects their lives. Employees' influence will be voiced through an open door process that provides them with open access to management to express their views and concerns about the business and terms and conditions of employment, as well as providing a problem-solving system that ensures fairness and the fastest possible resolution of concerns.

Fundamental to this principle of employee participation, is the responsibility of each Employee to take ownership for pursuing the resolution of any concern they may have through the Concern Resolution Process set out in this Agreement.

A commitment to mutual trust and openness will also include sharing of information, with disclosure of publicly available and/or locally disclosed business and financial information. Access to information with a corresponding dedication to the development of every employee by increasing skills and knowledge will produce individuals who take an active role in, and have responsibility for, providing "a better product for a better price". The involvement of employees by taking ownership, responsibility, and accountability is necessary for the success of their division and the corporation as a whole, and can best be achieved through providing employees with the opportunity to have meaningful input into job improvements, sourcing and contracting decisions.

This commitment to a new relationship will promote the implementation of principles outlined in the Framework of Fairness Agreement, the Employee's Charter and Corporate Constitution and will contribute to the success of the Company and the job security of employees. Both Magna and the CAW will be able to commit their resources to develop new technologies, advanced training, enhanced skilled trades development programs, improved attendance and address other concerns that will promote the profitable growth of the Company. A cooperative relationship will assist in communication with customers and in promoting Magna as a model supplier known for innovation in the quality and efficiency of its manufacturing process and its relationship with its employees. The parties understand that a commitment to the open door process includes the opportunity to be heard on operational issues as well as other issues having an impact on their workplace.

AGREEMENT

This Agreement is entered into this 7th day of November, 2007 by and between Magna International Inc. (hereinafter called the “Company” or “Management”), and the National Automobile, Aerospace, Transportation and General Workers of Canada (CAW-Canada) (hereinafter called the “CAW” or “Union”).

ARTICLE 1 **RECOGNITION**

Section 1: Bargaining Unit

The Company recognizes Unifor and its Local 2009 AP (Unifor) as exclusive bargaining representative for the purpose of collective bargaining with respect to the terms and conditions of employment, for the term of this Agreement, for all full-time and regular part-time production and maintenance employees employed by those facilities listed in Appendix A of this Agreement. For the purpose of this Agreement, the term “employees” shall not include office and clerical employees, engineering and technical employees, managerial employees, nurses, supplemental employees, guards, supervisors or any other category of person otherwise excluded by the Ontario *Labour Relations Act* (the “Act”).

Section 2: Framework of Fairness

This Agreement shall be consistent with and interpreted in accordance with the principles set out in the National CAW-Magna Framework of Fairness Agreement.

Section 3: Additional Divisions

This Agreement shall also apply to any other Magna division where a majority of Employees decide, through a Secret Ballot Vote, that they wish to be represented by Unifor and its Local 2009 AP (Unifor). This agreement shall also apply to any facility acquired by the Company after the effective date of this Agreement, if the employees of such facility are represented by the Unifor and its Local 2009 AP (Unifor)

Section 4: Gender Pronouns

Where the male pronoun is used in this Agreement, it is understood to apply to female employees as well.

ARTICLE 2
CONTINUITY OF OPERATION

Section 1: No Strikes, Work Stoppages or Lockouts

Neither of the parties shall utilize any economic sanction to force its position on the other party over any issue. Further, no Employee or group of Employees shall individually or through concerted action, take part in any activity that impedes the operation of the business, except as otherwise authorized by this Agreement.

Should any person or group of people participate in any such unauthorized activity, upon notification of such occurrence, the Union or the Company, as the case may be, will direct such person or group of people to resume normal operations and will take effective means to cease the unauthorized conduct. Any employee or group of employees who participate in such unauthorized activity shall be subject to immediate dismissal, unless mitigating circumstances exist that are acceptable to the ERRC.

Should either party suffer financial damage as a result of such unauthorized activity, they may pursue compensation for such loss at the arbitration step of the Concern Resolution Process, and the arbitrator shall have full authority to remedy any violation of this Article.

ARTICLE 3

REPRESENTATION

Section 1: Employee Advocate

Employees at each division covered by this Agreement will be represented by a Magna-CAW Employee Advocate (“Employee Advocate”). There shall be one full-time Employee Advocate per plant unless otherwise agreed upon by the Employee Relations Review Committee (“ERRC”). In facilities with less than 150 employees, the Employee Advocate shall also perform his or her normal production duties when not engaged in duties relating to the Employee Advocate role. The Employee Advocate’s area of responsibility will include all operations on all shifts.

The Employee Advocate shall have preferred seniority for layoff and recall and will not be laid off while any constituents are working in the division.

The duty of the Employee Advocate is to ensure that the Employee’s Charter and the Agreement are consistently followed and applied in a fair manner. In carrying out this duty, the Employee Advocate shall:

- a. Support Employees in seeking resolutions to their concerns through the open door process until such time as the concern has been addressed by the Hotline. Should a matter be appealed beyond the Hotline, the responsibility for pursuing resolution of the concern shall shift from the Employee or group of Employees to the Employee Advocate, who at that point, shall have the additional responsibility of pursuing the matter on behalf of the Employee or group of Employees to the Concern Resolution Sub-Committee (“CR Sub-Committee”) and ERRC.
- b. Promote communication and a positive work environment between management and employees and between employees and their co-workers.
- c. Use the Employee’s Charter, the Framework of Fairness and this Agreement as a guide to achieving these goals.
- d. Ensure that employees receive “due process” and are treated in a fair and consistent manner during the disciplinary process (including discharge).
- e. Work with all parties to develop continuous improvement ideas to make the division more competitive, consistent with the Statement of Principles in this Agreement.

The Employee Advocate may perform various additional duties with the approval of the CAW and Magna.

Section 2: Employee Advocate Selection

The Employee Advocate shall be selected via the following consultative approach:

- a. The Employee Advocate position shall be posted on the bulletin board for five (5) consecutive working days.
- b. Any seniority employee with three (3) or more years of service with the Company may apply for the Employee Advocate position by completing a “Job Posting Response” form and submitting it to the Fairness Committee (“FC”) Facilitator. After five (5) full working days, the posting will be removed from the bulletin board.
- c. The FC Facilitator shall ensure that all applicants meet the minimum requirement of three years Magna service. Any exceptions to this three-year length of service requirement shall be addressed on a case-by-case basis, upon agreement of the parties.

- d. Four randomly selected bargaining unit members of the FC will form a selection panel (the "FC Panel"), three of whom will conduct interviews and rank all qualified candidates according to a mutually agreed upon checklist. The FC Panel will give their interview checklists with scores to the fourth member of the FC Panel who will tally the scores together.
- e. The FC member who conducted the tally shall send the combined scores of the top three (3) candidates, along with the interview checklists, to the Assistant to the President of the CAW (the "CAW AP"). The CAW AP shall conduct interviews of the candidates and select the candidate who best meets the qualifications and expectations of the position.
- f. In new facilities, the CAW AP shall appoint a temporary Employee Advocate until such time as a FC Panel can be established and convened to conduct Employee Advocate interviews in accordance with the procedure described above. The temporary Employee Advocate shall be appointed from one of the first ten (10) employees hired at the new division. The FC Panel shall be convened to conduct the interviews within six (6) months of appointment of the temporary Employee Advocate.
- g. Once an Employee Advocate is appointed, training shall be provided by Magna and the CAW, and the Employee Advocate will be provided with a suitably furnished office to carry out his or her duties.
- h. An Employee Advocate evaluation survey shall be completed during the first 18 months following the Employee Advocate's initial appointment and each 36 months thereafter. A secret ballot vote on the Employee Advocate's performance shall be completed each 36 months, commencing 18 months following the first evaluation survey, or sooner if mutually agreed upon by the parties.
- i. Except in extenuating circumstances, such as a failure to perform his duties or a breach of confidentiality or ethics, once appointed the Employee Advocate shall only be removed by secret ballot vote of the bargaining unit employees. The CAW AP shall make the decision as to whether extenuating circumstances exist that warrant the retention or removal of an Employee Advocate.
- j. An Employee Advocate who resigns or is otherwise removed from his position shall be placed in the classification to which he was assigned at the time he commenced the Employee Advocate role, provided he has the seniority to hold the classification. He will first be placed on an open job in the classification and if there is no open job, he will displace the least senior employee provided he is capable of performing the available work.

ARTICLE 4 CONCERN RESOLUTION PROCESS

Section 1: Introduction

The Company and Union are committed to strive for fairness and consistency in the workplace. Therefore, both parties are committed to a problem-solving system that provides fairness, individual responsibility and the fastest possible resolution of concerns. The Fairness Committee (“FC”) and open door process can be used to resolve concerns and implement suggestions, while adhering to the Employee’s Charter and this Agreement.

Fundamental to this principle of employee participation, is the responsibility of each Employee to take ownership for pursuing the resolution of any concern they may have through the Hotline step of the Concern Resolution Process.

While an Employee may speak with anyone in the open door process regarding a concern or problem, the Employee or group of Employees having an issue are encouraged to take this issue up with his/her immediate supervisor or may request the assistance of the Employee Advocate (“EA”), or a FC member, to facilitate resolution of the issue.

Employees seeking to resolve their concern may utilize any of the following resources in the open door process, including:

- Supervisor
- Fairness Committee member
- Department Manager
- Human Resources
- Assistant General Manager
- General Manager
- Joint Health & Safety Committee member (for safety related issues)

Issues unable to be resolved inside the plant may be referred to the Hotline by the Employee, the EA or the Company.

While the right of an Employee to call the Hotline any time is guaranteed, the Company and the Union encourage all Employees to exhaust plant level options before calling the Hotline and to try to resolve issues at the plant level and in the quickest manner possible.

Employees have the responsibility to initially register a concern relating to discipline through the Concern Resolution Process within thirty (30) days from the date the discipline was issued.

For all other matters, employees have the responsibility to initially register a concern through the Concern Resolution Process within thirty (30) days from the time the incident first arose.

Failure to initiate a concern through the Concern Resolution Process within the applicable time period will result in the concern being deemed resolved.

Section 2: Fairness Committee

Employees in each division covered by this Agreement shall be supported by a FC comprised of bargaining unit, non-bargaining unit and managerial employees whose joint responsibility is to act as resources in the Concern Resolution Process. There shall, where feasible, be one FC member

for each department or work area and shift. FC members who are in the bargaining unit shall be chosen by the Employees in that department or work area and shift by secret ballot vote. The FC role shall be posted by the EA on employee bulletin boards for five (5) business days spanning two (2) different workweeks prior to the secret ballot vote. Applicants for a FC position shall indicate their interest by signing up for the role with the Employee Advocate. The secret ballot vote for FC members shall be conducted under the direction of the Employee Advocate and existing members of the FC, provided that such FC members are not candidates in the process.

To be eligible to become a FC member, employees must have achieved seniority status and must demonstrate a commitment to the principles and ideals of the Framework of Fairness Agreement. FC members shall serve a three (3) year term, subject to continuing to meet eligibility criteria. Notwithstanding this three (3) year term, the FC in each facility shall initially be established so that the term of 1/3rd of the members shall expire each year.

Each FC shall select one (1) facilitator from its bargaining unit members, one (1) facilitator from its non-bargaining unit members and one (1) facilitator from its management members. The methodology for selecting the facilitators shall be determined by the respective FC members. Once selected, the facilitator shall continue to perform this role until the expiration of his or her term, or until he or she otherwise chooses to cease acting as facilitator.

A FC member may be removed by the ERRC for breaching the FC Guidelines.

Section 3: Roles and Responsibilities of the Fairness Committee

FC members shall continue to perform their existing production-related duties and shall, in accordance with the operating guidelines of the FC, perform the following additional functions:

- a. Foster open communication and clarify misunderstandings
- b. Help ensure the Agreement, the Framework of Fairness Agreement and the Employee's Charter are consistently followed and employees are treated fairly, in a manner consistent with the principles in such documents
- c. Encourage employees to become involved in their workplace by using the open door process to share ideas and provide input on workplace issues and in achieving the principles of the Framework of Fairness
- d. Ensure employees are aware of the options in the open door process and have the opportunity to take their concerns and continuous improvement feedback on workplace issues, to the appropriate avenue in this process
- e. Convene a Formal Hearing to fully investigate an employee's concern if the employee has chosen this option
- f. Sit on a Formal Hearing panel, if selected
- g. Attend training and regular meetings
- h. Participate in the review of Division policies and procedures and provide feedback to Division management regarding such policies and procedures
- i. Facilitate employee ownership, responsibility and accountability in producing a better product for a better price.

In performing their role, FC members shall:

- j. Act as an impartial resource in the Concern Resolution Process, giving due consideration to the interests of all parties
- k. Sign a strict confidentiality agreement and keep strictly confidential, all information shared with them

1. Be trained in facilitation, problem-solving communication and interpersonal skills to assist employees in solving day-to-day workplace issues.

FC members shall perform their FC duties on non-work time, with the exception of attending FC meetings, formal hearings, and dealing with issues in extenuating circumstances. A FC member who must carry out his or her duties during working hours shall require supervisor approval prior to leaving his or her production duties.

Section 4: Informal and Formal Processes

The FC process has 2 phases: The Informal Process and the Formal Process.

Informal Process

The Informal Process provides an Employee with the opportunity to resolve his or her concern by using the open door process, with the assistance of a FC member, within 30 calendar days of the date the Employee became aware of the issue. While an Employee may speak with anyone in the open door process regarding a concern or problem, the Employee is encouraged to take this concern up with his immediate supervisor or may request the assistance of the Employee Advocate or a FC member to facilitate resolution of the issue.

Formal Process

The Formal Process is a process in which an Employee requests a formal hearing and a panel is convened to gather evidence and make a decision regarding the Employee's concern.

If an Employee is unable to get his concern resolved through the Informal Process, he may request a Formal Hearing by filing an Issue Resolution Form within three (3) business days following completion of the Informal Process. Employees may seek the assistance of a FC member or the Employee Advocate to assist in the preparation of an Issue Resolution Form.

A FC facilitator shall, on a rotating basis, facilitate but shall be a non-voting participant in any Formal Hearings that may arise following the submission of an Issue Resolution Form. The FC facilitator will contact the Employee within two (2) business days of receiving the Issue Resolution Form. The Employee will select, at random, five (5) FC members to sit on the Formal Hearing Panel. The Hearing Panel will consist of three (3) bargaining unit FC members and two (2) management FC members. The Employee will randomly select four (4) bargaining unit FC member names and discard one such name of his or her choosing, and randomly select three (3) management FC names and discard one such name of his or her choosing for the Hearing Panel. The panel will convene within 10 business days of receiving the Issue Resolution Form. The panel will collect evidence and fully review all details of the Employee's concern in order to reach a final decision about whether the Agreement and the Employees' Charter have been fairly applied to the Employee.

Employees may be assisted in the Formal Process, including the Formal Hearing, by the Employee Advocate, if they so choose. The Employee Advocate's role in the Formal Process shall be to:

- a. assist Employees in preparing for the Formal Hearing;
- b. attend Formal Hearings as an observer when requested to do so by an Employee;
- c. act as a resource to the FC when requested; and
- d. coordinate follow-up with FC recommendations to the Company should such assistance be requested by the Facilitator.

The Employee Advocate's role shall not release the Employee from the responsibility for processing his or her concern and making the presentation in the Formal Hearing. Employees electing not to utilize the Employee Advocate shall sign a waiver acknowledging such decision.

The FC panel's decision is reached by a majority vote. All panelists will strictly adhere to confidentiality. The Employee (and the Employee Advocate, if requested by the Employee) will be notified in writing by the FC facilitator of the panel's decision within 48 hours of the vote of the panel. All FC decisions shall be communicated as a decision of the FC panel as a whole.

The Employee or the General Manager ("GM") may appeal the decision of the panel to the Hotline within five (5) business days of receiving the decision of the FC. An Employee who chooses to appeal the decision of the FC panel, shall present his concern to the Hotline by telephone or in writing. The Employee Advocate may assist the Employee in preparing his appeal to the Hotline, if requested.

The FC can review issues that concern the application of the Agreement to non-probationary Employees. The FC cannot directly change Company policies or procedures or the provisions of the Framework of Fairness Agreement or this Agreement, however, their recommendations may influence future management reviews or collective bargaining. The FC may not change pay or benefit rates nor can it deal with issues relating to the termination of employment of any Employee. Resolution of issues relating to the termination of employment shall begin at the Hotline step of the Concern Resolution Process.

Section 5: The Hotline

Employees have access to the Hotline at any time. Employees' right to call the Hotline is guaranteed by the Employee's Charter and the Agreement. If an Employee wishes to exercise this right, they will be protected from any reprisal. The Hotline will maintain the confidentiality of any Hotline call and will not pursue the resolution of an individual Employee's concern without that Employee's authorization. Hotline callers who wish to remain anonymous may do so, however, certain matters – for legal and practical reasons – cannot be investigated on an anonymous basis.

The Hotline shall consist of individuals employed by the Company who operate independent of all division and Group operations. The Hotline shall review any matter appealed to it by an Employee or the GM of a division, provided such matter is appealed within the applicable time limits. The role of the Hotline includes the following duties:

- a. To be an advocate of the Employee's Charter and the Agreement
- b. To promote the internal resolution of employee concerns
- c. To ensure that employees are treated fairly, in accordance with the Employee's Charter, the division's policies and procedures and the Agreement

The Hotline will investigate and issue a decision as expeditiously as possible, and in most cases such decision shall be issued within 30 calendar days. The protocol for reviewing matters includes the following:

- a. Determine the nature of the call
- b. Encourage callers to use the open door process within the division if they have not already done so
- c. Determine whether the call is a simple inquiry or whether an investigation is required

- d. Obtain caller's consent before contacting division and determine whether the caller wishes to have the Employee Advocate participate in the process and shall document the caller's response in the Hotline intake notes
- e. Contact the division, provide an outline of concern and obtain a detailed response
- f. Review all documents and, if necessary, speak directly to witnesses
- g. Investigator may need to visit the division to view the site or speak to witnesses in person
- h. Once all information is gathered, the investigator reviews findings with the Employee (and the Employee Advocate, if requested by the Employee) and division
- i. Role of the investigator at this point is to resolve factual disputes and work closely with parties to reach a workable solution
- j. Recommendations will be made within context of the Employee's Charter, the Agreement and a practical understanding of issues

The Hotline will communicate its decision within 48 hours of completing its investigation of the issue(s) in dispute.

Should a matter be appealed beyond the Hotline, such appeal must be filed within five (5) business days, and the responsibility for pursuing resolution of the concern shall shift from the Employee or group of Employees to the Employee Advocate. **For clarity, it is at this point in the Concern Resolution Process that the Employee Advocate shall have the additional responsibility of pursuing the matter as a representative on behalf of the Employee or group of Employees to the CR Sub-Committee and ERRC.**

Section 6: Concern Resolution Sub-Committee (the "CR Sub-Committee") of the ERRC

The CR Sub-Committee shall consist of two (2) Company and two (2) Union representatives. Union participants shall include a representative from the office of the CAW AP and the Division's Employee Advocate. Company representatives shall include the Group HR Director (or Magna Director, Labour Relations) and the Division GM (or a designate). The Company's CR Sub-Committee representatives will review any matter put forward by the GM of a division and decide whether to advance such matter to the full CR Sub-Committee for review. The Union's CR Sub-Committee representatives will review any matter put forward by an Employee or group of Employees and decide whether to advance such matter to the full CR Sub-Committee for review.

Should a matter be advanced to the full CR Sub-Committee, the Committee shall review the issues and seek a satisfactory resolution, giving due consideration to the needs of the Employees and the Company and shall be consistent with the Employee's Charter, Corporate Constitution, the Framework of Fairness and this Agreement. This Committee's ultimate purpose is to resolve open issues without the need for full ERRC involvement.

The role of the CR Sub-Committee includes the following duties:

- a. Resolve, if possible, employee concerns that are not able to be resolved through the open door process
- b. Review opportunities to improve the labour-management relationship

The CR Sub-Committee shall convene monthly to review appeals from a decision of the Hotline and return a decision within 48 hours of each meeting. If the CR Sub-Committee is not able to resolve the issue, within 10 business days of the decision of the CR Sub-Committee, the National

CAW representative or Division GM may appeal the decision to the Employee Relations Review Committee.

Section 7: Employee Relations Review Committee

The ERRC shall consist of three (3) Company and three (3) Union representatives. Union participants shall include three representatives designated by the office of the CAW AP. Company participants shall include two (2) representatives from the office of the Magna Executive Vice President, Global Human Resources (“Magna EVP”) and one Senior Operating Executive. The ERRC will review the issues and seek a satisfactory resolution, giving due consideration to the needs of the Employees and the Company and shall be consistent with the Employee’s Charter, Corporate Constitution, the Framework of Fairness and this Agreement. The ERRC’s ultimate purpose is to resolve open issues rather than utilizing a Neutral party.

The ERRC shall meet monthly or at a mutually agreeable time to review issues unable to be resolved by the CR Sub-Committee and return a decision within 48 hours of each meeting. If the ERRC is not able to resolve the issue, within 30 calendar days of the decision of the ERRC, the CAW AP or the Magna EVP may appeal the decision to the Neutral described below.

Section 8: Arbitration

Any issue unable to be resolved by the ERRC will be submitted to the Neutral. The Neutral shall have complete authority to remedy any violation of the Framework of Fairness Agreement and this Agreement and the decision of the Neutral shall be final and binding. The Neutral, however, will have no power to add to, subtract from, or modify any of the terms of this Agreement or the Framework of Fairness Agreement or to make any decision inconsistent with the provisions thereof. Further, the Neutral will have no power to establish wage rates or schedules unless expressly provided for herein.

All parties waive their right to challenge the decision of the Neutral in any forum, except where such challenge relates to the Neutral’s jurisdiction, as set out in this Article.

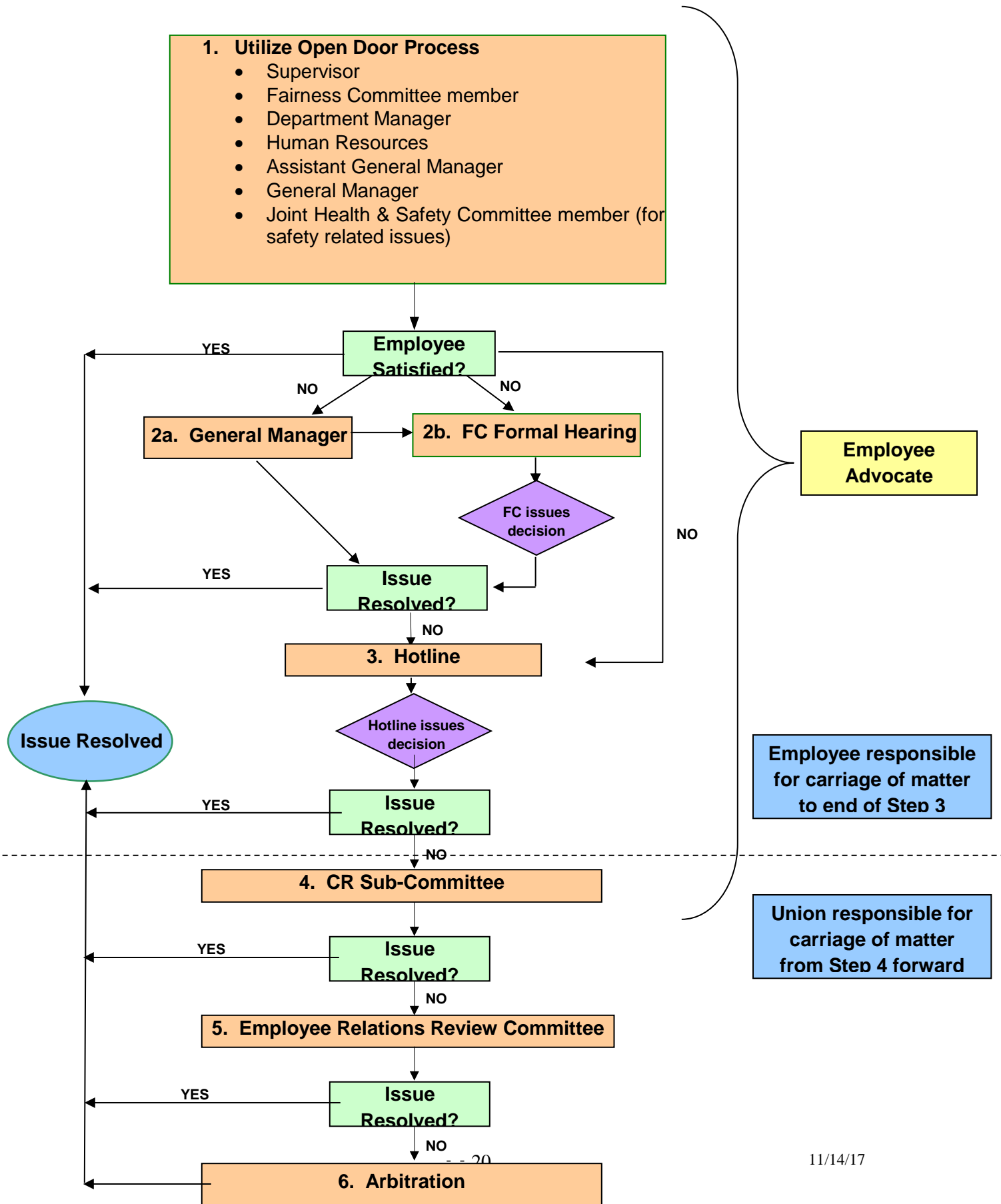
If possible, the Neutral shall render his decision within 30 calendar days after the close of the proceedings. The Neutral shall sign the award, and copies of the award shall be delivered or mailed to each of the parties simultaneously.

The fees and expenses of the Neutral shall be borne equally by the parties. The cost of representatives or any additional service required by either party shall be borne by the party requiring these additional services or representatives.

The parties shall designate the Neutral and the Alternate. In the event that the Alternate is designated to serve in any capacity under this Agreement, he shall have rights and duties identical to those described with respect to the Neutral. In the event any of the individuals identified above resigns, dies, or is otherwise unable to continue to serve, the parties will, by mutual agreement, identify a replacement.

Concern Resolution Process*

*Time limits apply at various stages in this process, see Article 4, Section 1 for details



ARTICLE 5
DURATION OF AGREEMENT

Section 1: Term

This agreement shall remain in effect for a four (4) year period, expiring 11:59 p.m. November 5, 2025.

Section 2: Notice to Bargain

Either party may give the other notice of the desire to bargain a new collective agreement within the final 90 days prior to the expiry of the agreement. The parties shall meet to commence collective bargaining within 15 days of the giving of notice to bargain.

Section 3: Referral to Neutral

The parties agree that should a tentative agreement not be ratified by the expiry date specified in Section 1, this agreement shall be automatically renewed with the existing terms for an additional period of three (3) years from such expiry date.

Notwithstanding the automatic renewal referenced above, the parties hereby irrevocably agree that all other matters upon which they cannot reach agreement by the expiry date shall be referred to the Neutral for a final and binding determination. The Neutral will render a decision by choosing between the respective final offers of the Company and the Union on all outstanding matters presented by each party. The Neutral's jurisdiction shall be limited to matters covered under Part "B" of the collective agreement. In no case shall the Neutral have the authority to make any decision to add to, subtract from or modify any of the terms of Part "A" of the agreement or to make any decision inconsistent with the provisions thereof.

The parties agree that Article 5 shall not, in whole or in part, be referred to the Neutral, and shall only be amended as necessary to reflect the new effective date and expiry date in Section 1, above, or as otherwise mutually agreed upon by the parties.

The parties waive their right to challenge the decision of the Neutral in any forum, except where such challenge relates to the Neutral's jurisdiction, as set out in this Article.

Section 4: Enforceability

The parties agree that if, during the organizing phase of the FFA, the Neutral or any court or tribunal finds any part of Section 3 to be void, unenforceable or otherwise changes Section 3 in any way without the mutual agreement of the parties, such Neutral, court or tribunal, as the case may be, shall be required to amend Section 1 to include a collective agreement term of ten (10) years from the date of such decision.

NATIONAL COLLECTIVE BARGAINING AGREEMENT

PART B

ARTICLE 6
DISCRIMINATION AND HARASSMENT

Section 1: Equal Application

- a) The Company and the Union agree that the provisions of this Agreement shall apply to all employees covered by the Agreement without discrimination.
- b) The provisions and protections of this Article will apply to probationary employees.
- c) The Company and the Union are committed to applying this Agreement in accordance with the terms of the Ontario Human Rights Code (the “Code”) and the Ontario Occupational Health and Safety Act (“OHSA”).

Section 2: Discrimination

Neither the Company, the Union nor any employee will discriminate against any employee because of race, sex, creed, religion, colour, national origin, age, physical handicap or sexual orientation or for any other reason prohibited by the Code or any other relevant provincial legislation.

Section 3: Harassment

In accordance with the Fair Treatment principle of the Employee’s Charter and Unifor’s Harassment Policy, Magna and Unifor are committed to providing a harassment-free workplace. Harassment is defined as a “course of vexatious comment or conduct that is known or ought reasonably be known to be unwelcome”, that denies an individual dignity and respect.

Workplace harassment often takes place on the basis of certain personal characteristics protected by law, including without limitation: race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offences, marital status, family status, or disability.

All employees are expected to treat others with courtesy and consideration and to discourage harassment. Harassment may take many forms, such as:

- a) ***Sexual Advances or Favors.*** It is a violation of this Agreement for any employee to threaten, expressly or implicitly, that a subordinate is required to submit to sexual advances or to provide sexual favors as a condition of employment or any term of employment, or that a subordinate’s refusal to submit to sexual advances or to provide sexual favors will affect adversely the subordinate’s employment. Under the law, it makes no difference if the victim of sexual harassment is of the same or opposite sex as the harasser. Sometimes social relationships may develop at work. However, no employee ever should feel compelled to date, become romantically involved with, or continue such a relationship with another employee. Any employee who feels any unwelcome pressure from another employee in this way is urged to use the reporting procedure below.
- b) ***Hostile Environment Sexual Harassment.*** It is a violation of this Agreement for any employee to engage in unwelcome sexual conduct which has the purpose or effect of interfering unreasonably with another employee’s work performance or of creating an intimidating, hostile or offensive working environment. Such conduct, if unwelcome, may include, but is not limited to: sexual bantering, off-color language or jokes, sexual flirtations, advances, propositions or touching; requests for sexual favors; verbal abuse of a sexual nature; verbal commentaries or gestures about an individual’s body; sexually-degrading words used to describe an individual; displays of sexually-

suggestive objects or pictures; and using sexual or degrading gestures or other non-verbal communications.

Under the law, it makes no difference if the victim of sexual harassment is of the same or opposite sex as the harasser. Engaging in such conduct through written communications or by originating, forwarding or accessing electronic communications via email or the Internet also is specifically prohibited.

- c) ***Other Forms of Prohibited Harassment.*** It is a violation of this Agreement for any employee to engage in unwelcome and offensive conduct because of an employee's race, sex, creed, religion, colour, national origin, age, physical handicap or sexual orientation – which has the purpose or effect of interfering unreasonably with another employee's work performance or creating an intimidating, hostile or offensive working environment. Examples of such conduct include but are not necessarily limited to: jokes, degrading or humiliating statements, pictures or gestures, and other expressions of stereotypical or prejudicial attitudes on the basis of a ground prohibited by the *Code*. Engaging in such conduct through written communications or by originating, forwarding or accessing electronic communications via email or the Internet also is specifically prohibited.
- d) ***Non-Company Employees.*** These prohibitions against discrimination and harassment may apply to non-employees. Non-employees include third parties, such as vendors or customers, as well as employees of Company affiliates abroad. When non-employees are present at our workplace or interact with our employees (including through electronic communications), we expect them to apply the same standards of conduct that we expect of employees here. If any employee feels harassed or discriminated against, sexually or based on membership in a protected class, he or she should use the reporting procedure below. Conversely, we expect our employees to treat non-employees with the same courtesy and respect as co-workers. Harassment and discrimination against non-employees by Company employees also is strictly prohibited.
- e) ***Harassment and Discrimination.*** Harassment and discrimination should not be construed as properly discharged supervisory responsibilities, including the delegation of work assignments, the assessment of discipline, or any conduct that does not undermine the dignity of the individual on the grounds identified above. Neither is this policy meant to inhibit free speech or interfere with normal social relations.

Section 4: Reporting and Investigation

- a) ***Reporting an Incident*** The Company and Union strongly encourage the good faith reporting of all instances of harassment or discrimination. An employee who feels he or she has been treated in a manner that violates this policy should:
- Request that the unwanted behaviour stop;
 - Inform the individual that is doing the harassing or the discriminating against you that the behaviour is unwanted and unwelcome;
 - Document the events, complete with times, dates, location, witnesses and details;
 - Report the incident to the Human Resources Department and, at the Employee's option, the Employee Advocate;
 - An Employee who is not comfortable initiating the discussion with Human Resources or the Employee Advocate should contact the Magna Employee Hotline.

A prompt, thorough and impartial investigation will be made. The complaint will be disclosed only to the extent necessary to make a thorough investigation or as necessary to take appropriate corrective measures. The employee will be informed of the results and resolution.

- b) ***Non-Retaliation.*** The Company and Union will ensure that there is no coercion, retaliation, intimidation, or harassment directed against any employee who makes a report or serves as a witness on behalf of another employee. If any employee feels that he or she has been retaliated against for making a report or participating in the investigation process, the alleged violation should be reported using the procedures above.
- c) ***Corrective Measures.*** Any employee found to have unlawfully harassed or discriminated against another employee will be subject to appropriate discipline, up to and including termination of employment. Further, any employee found to have coerced, retaliated against, intimidated or harassed an employee for making a report or for serving as a witness on behalf of another employee, will be subject to appropriate discipline, up to and including termination of employment.
- d) ***Advancement to the CRSC.*** Given the serious nature of workplace complaints involving issues of harassment, discrimination and workplace violence, both the Company and the Union agree that such concerns are not appropriately resolved through peer review procedures like the Fairness Committee or the Reinstatement Vote Process. Instead, such issues will be promptly investigated by the Company and any issues in dispute will be advanced directly to the Concern Resolution subcommittee of the Concern Resolution Process.

Section 5: Women in the Workplace

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

For this reason, the parties agree to recognize the role of the Women's Advocate in the workplace. The Women's Advocate will meet with female members as required, to discuss problems with them and refer them to the appropriate community agency when necessary. The Company will provide access to a private area so that confidentiality can be maintained when a female employee is meeting with the Women's Advocate.

Upon selection, the Women's Advocate will participate in an initial one (1) week training program, including travel.

The Company will reimburse the Union an amount equal to \$60 per day up to a maximum of five (5) days per calendar year for external training or development sessions attended by the Women's Advocate. It is the exclusive responsibility of the Union to provide the Women's Advocate with reimbursement for amounts claimed. The Union will be responsible for transportation and lodging expenses. The Company will provide the Women's Advocate with a pager, and will pay for the annual subscription fee associated with such pager.

The Women's Advocate will be selected at each facility by the Local President with the assistance of the Employee Advocate and the Director of the National Union's Women's Department. Once selected, the Women's Advocate will serve a three (3) year term. Upon expiry of the term, the position will be posted by the Union as soon as possible, and re-filled pursuant to the selection procedure set out above.

- b) ***Violence against Women.*** The parties agree that when there is adequate verification from a recognized professional (i.e. doctor, lawyer, professional counselor) a woman who is in an abusive or violent personal situation will not be subjected to discipline without giving full consideration to the facts in the case of each individual and the circumstances surrounding the incident otherwise supportive of discipline. This statement of intent is subject to a standard of good faith on the part of the Company, the Union, and affected employees and will not be utilized by the Union or employees to subvert the application of otherwise appropriate disciplinary measures.
- c) ***Moment of Silence.*** The parties agree that a minute of silence will be observed each year in memory of women who have died due to acts of violence. This minute of silence will be observed on December 6 at 11:00 a.m. or when the Company determines the observance will have the least impact on division operations.
- d) ***Confidential Assistance.*** The parties recognize that female employees may sometimes need to privately and confidentially discuss matters such as violence or abuse at home or workplace harassment. For confidential assistance, an employee can contact:
- The Women's Advocate at the division.
 - Unifor's Employment Equity Representative at 519-860-7015.
 - The Magna Employee Hotline at 1-800-263-1691;
 - The Employee Assistance Program (EAP) at 1-800-265-8310.

ARTICLE 7
MANAGEMENT RIGHTS

The parties are committed to providing Employees with the opportunity to have meaningful input into operational issues as well as other matters having an impact on their workplace.

Notwithstanding this commitment, the ultimate management of the Company and the direction of the workforce are the responsibility of the Company. The Union recognizes that the Company has the exclusive right to manage all aspects of its operations except where such rights are expressly modified by the terms of this Agreement.

ARTICLE 8
UNION SECURITY AND CHECK-OFF

Section 1: Union Membership

All present seniority employees who are currently members of the Union will be required to continue to be members of the Union as a condition of employment for the duration of this Agreement.

Present probationary employees and newly hired employees upon completion of their probationary period, shall become members of the Union, and will be required to continue to be members of the Union as a condition of employment for the duration of this Agreement.

Section 2: Union Dues

The Company will deduct from the pay of each employee, including new hires, the monthly dues and other assessments authorized by the constitution of the Union. The initiation fee shall be taken off the following pay period after the employee has completed his probationary period. This deduction will be shown on a separate column on the Union dues list prescribed in Section 4.

The Union dues shall be taken off the following pay period after an employee has worked 40 hours or has received 40 hours pay in any one calendar month. Union dues shall be calculated on the basis of the average of an employee's total earnings as defined in the constitution and by-laws of the national and local Union for the previous calendar month.

The Union will notify the Company, in writing, two (2) weeks in advance of the relevant month of any changes in monthly dues deductions to be made.

The Company agrees to include on an employee's T4 slip for income tax purposes the total Union dues paid for the year, excluding any initiation fees.

Section 3: Employee List

A list of the total number of employees, along with all sums deducted as above shall be remitted by the Company to the financial secretary of the Magna local of the Union by the 15th of the month following the month in which the deductions were made.

This list will contain employees' names, payroll numbers, addresses and telephone numbers, along with the amount of such deductions and the reason, if any, why no deductions were made from certain employees. This list will also indicate any employee whose employment is terminated, transferred out of the bargaining unit, on layoff, leave of absence, died, or retired.

The Company will also provide the financial secretary with the monthly alphabetical employee list.

The Company will reimburse any employee any dues that have been deducted in error as long as a claim has been submitted to the Company before the last day of the calendar month in which the deduction was made.

Section 4: Indemnification

The Union shall indemnify and save the Company harmless against any and all claims, demands, suits and other forms of liability that arise out of or by reason of any action taken or not taken by the Company for the purpose of complying with any of the provisions of this Article, or in reliance on any lists, notice or assessment furnished under such provisions.

ARTICLE 9 SENIORITY

Section 1: Probationary Period

All new Employees shall be considered as probationary until they have worked for a period of ninety (90) shifts, which may be accumulated over a period of six (6) months prior to their latest hiring date. Once the ninety (90) shifts have been completed, their names will be placed on the seniority list hereinafter provided for and their seniority shall date back ninety (90) days prior to the date they completed their probationary period.

A probationary Employee shall have no seniority and his retention shall be within the discretion of the Company. The provisions of this Agreement shall not apply to probationary Employees unless a specific provision provides otherwise.

Section 2: Seniority Lists

The Company will provide the Union with an updated seniority list by plant by shift by classification on a monthly basis.

The Company will provide the Employee Advocate with a written list at the end of each month indicating:

1. Newly hired and reinstated Employees;
2. Employees who quit, retired, died or were terminated;
3. Employees who were laid off or recalled from layoff;
4. Employees who transferred out of the bargaining unit;
5. Employees who went on or returned from a leave of absence.

Section 3: Loss of Seniority

An Employee's seniority at any division of the Company shall be terminated for the following reasons:

- a) If the Employee quits or retires;
- b) If the Employee is terminated and not reinstated under the Concern Resolution Process;
- c) If the Employee is absent for three (3) consecutive workdays without notifying the Company, of the reasons for his absence;
- d) If an Employee on layoff is recalled and fails to report for work within three (3) consecutive working days after receipt or attempted delivery of a certified letter sent to the last address of record with the Company;
- e) If an employee accepts other employment while on Leave of Absence or who uses a leave for a purpose other than that requested without the express permission of the Company.
- f) If an Employee on Leave of Absence fails to report for work after expiration of such leave of absence;
- g) If the Employee has been continuously laid off for two (2) years;
- h) If an Employee on layoff accepts severance and/or termination pay that meets the requirements under the *Employment Standards Act 2000*;
- i) If the Employee has been continuously on medical leave of absence for two (2) years; or
- j) If the Employee has been laid-off from his current division ("division A") and accepts a permanent position with any other division in the Magna family of companies without a right to be recalled to division A.

The Company will be entitled to rely upon the last address of the Employee as shown in the Company's records. Employees will notify the Company promptly of any change of address and will receive a

receipt. In case of a dispute regarding such change of address notice, the Employee must produce his/her receipt of notice or change of address form provided by Canada Post.

ARTICLE 10 **JOB OPPORTUNITIES**

Section 1: Temporary Assignments

Unforeseen circumstances may arise on a shift, which would require an Employee to be temporarily assigned to work other than that he would normally perform. Should such circumstances arise, the Company shall first canvass for volunteers from those employees who are able to perform the work. Should there be more volunteers than are needed, the Company shall assign the work to the volunteer with the highest seniority. Should there be no volunteers; the Company shall assign the work to the lowest seniority employee able to perform the work.

Temporary Assignments may be filled according to the process set out in this Article for a period of up to forty-five (45) days. Thereafter, the Temporary Assignment will be posted on a plant wide basis and made available to the most senior employee able to perform the work. In the event that the Temporary Assignment is going to exceed forty-five (45) days, and this fact is known at the time the vacancy first becomes available, the Company will post the Temporary Assignment in accordance with Section 2 at the time the Temporary Assignment first becomes available.

If an Employee is temporarily required to fill a higher paid job, the Employee will receive the higher rate of pay for all hours spent performing the job. If an Employee is temporarily required to fill a lower paid job, his or her rate of pay shall not be reduced.

In the event additional temporary assignments are required, the job will be filled in accordance with the process provided above.

Subsequent to the completion of a Temporary Assignment, an Employee will be returned to his or her previous position, subject to seniority considerations.

Should a temporary assignment extend beyond six (6) months in duration, an Employee may exercise a one-time opportunity to opt out of the temporary assignment following the Employee's six (6) month anniversary in the position and return to his/her previous position. The Employee's return to his/her previous position shall be subject to the Company's ability to fill the temporary assignment or as soon as may be practicable to do so. The Employee shall be permitted to opt out of a temporary assignment only once during a period of one (1) year from the date the Employee started in the position.

Section 2: Job Posting

All permanent job openings in classifications will be posted on the bulletin board for five (5) consecutive working days. The job posting notice will include the following details, as may be applicable:

- Date posted and deadline for application
- Position title

- Number of openings
- Shift/hours of work
- Pay rate and premiums
- Job description
- Main duties and activities of job
- Name of person to apply to

Any seniority employee may apply for any posted job by completing a “Job Posting Response” form. After five (5) full working days, the posting will be removed from the bulletin board and the job will be awarded as soon as practicable.

All jobs will be awarded on the basis of the applicants’ ability to perform the work and their seniority, unless otherwise specified in this Article.

When the applicants’ ability to perform the work is relatively equal, seniority will be the deciding factor.

Should the Company determine that the Employee is not able to perform the work within the qualifying period established for the position or should the Employee decline the new position, the Employee shall be placed in his previous position, if it still exists, and otherwise will be offered a position comparable to his or her previous job classification, in either case, seniority permitting. Any such Employee will be immediately eligible to apply for other postings. Should the same position become vacant within thirty (30) days following the initial posting, the Company will refer to the original applications and award the job to the next senior applicant who is able to perform the work.

Copies of all Job Postings, a list of applicant employees, any notice confirming subsequent cancellation of a Job Posting and confirmation of the successful candidate for any Job Posting will be provided to the Employee Advocate.

Any successful applicant who remains in the posted position beyond the qualifying period will not be eligible to apply for another posting for a period of twelve (12) months from the date he was awarded the posting. This limitation shall not apply if the posting is for a higher rated position or if the Job Posting Notice indicates otherwise, or where the posted opportunity allows for movement from shift to shift.

Any subsequent vacancy, created by filling the original posting, will be filled by a posting plant-wide. Thereafter, any related vacancy will be filled at the discretion of the Company.

Employees shall be recalled in accordance with Article 11 prior to any job being posted.

Section 3: Shift Transfers

An employee who wishes to work on a shift other than the shift assigned to him by the Company, may make application in accordance with the terms of this Section:

- Short term shift transfers.* Shift transfers of up to 30 days will be subject to job vacancies on the desired shift being available or there being another employee in the same classification and job willing to trade shifts. Requests to fill a vacancy on another shift may be made in writing by completing a transfer request form. The forms are

available through the Human Resources department. Employees agreeing to trade shifts must obtain the approval of their supervisor and must notify the Human Resources Department prior to the transfer. Approval of such short-term shift transfers are subject to compliance with Employment Standards requirements.

- b) ***Other shift transfers.*** For shift transfers of more than 30 days, employees may request a change in shift in writing by completing a transfer request form. The forms are available through the Human Resources department. The possibility of changing shifts will be subject to job vacancies on the desired shift becoming available or there being employees requesting corresponding transfers from other shifts. As openings or corresponding transfer requests to other shifts occur, those who have submitted a transfer request form will be transferred in order of seniority.

Should the Company need to transfer employees between shifts, the Company shall first canvass for volunteers from those employees who are able to perform the work. Should there be more volunteers than are needed, the Company shall transfer the volunteers with the highest seniority. Should there be no volunteers; the Company shall transfer the lowest seniority employee able to perform the work. Exceptions to this practice will be mutually agreed upon between the parties.

Section 4: Transfers Outside the Bargaining Unit

Any Employee who transfers to a position outside the bargaining unit shall have their existing bargaining unit seniority frozen effective the day they leave the bargaining unit, and will cease to continue to accumulate bargaining unit seniority while working outside the bargaining unit.

An Employee transferred back to the bargaining unit pursuant to this Section will be placed in the classification to which he was assigned at the time he left the bargaining unit, provided he has the seniority to hold the classification. He will first be placed on an open job in the classification and if there is no open job, he will displace the least senior Employee provided he is capable of performing the available work.

The parties agree that there are certain positions outside the bargaining unit which are privy to confidential employee and business information, which would make it inappropriate for that person to return to the bargaining unit. Where loss of previous bargaining unit seniority is a condition of a promotional opportunity, this will be clearly identified in the Job Posting.

ARTICLE 11 **LAYOFF & RECALL**

Section 1: Short-term Layoff and Recall Procedure

The Company will give the Employee Advocate and Employees as much advance notice of lay-off as possible.

Any layoff of three (3) weeks or less or which relates to a model year changeover at a customer, will be considered a short-term layoff. Short-term layoffs will be administered by shift, by classification, in the following order:

1. All supplemental employees will be laid off first regardless of shift. Then employees from the affected shift will be sought under the Inverse Seniority provisions. Probationary employees from the affected shift will be laid off next.
2. The remaining Employees will be laid off from the affected job classification(s), department, work center and shift by order of seniority in accordance with the immediate production needs of the Company.

In the event it becomes necessary to require one or more of the Employees to work who are subject to short-term layoff under the Inverse Seniority provision, the least senior volunteer who previously performed the available work will be required to work.

Employees on short-term layoff will be recalled back to work in seniority order within their classification, in accordance with the operational needs of the Company.

The Company shall have the right to bring in any employee or group of employees for training purposes during a layoff without regard to seniority or the other provisions of this Article.

Subsequent to any layoff or restructuring that might impact the accuracy of the seniority list, the Company will provide the Union with an updated/purified seniority list.

Section 2: Long-term Layoff and Recall Procedure

When it becomes necessary to reduce the number of Employees and such reduction exceeds three (3) weeks duration, it will be considered a long-term layoff. Such layoffs will be made in the following manner:

1. All supplemental employees shall be reduced or laid off first, on a plant-wide basis, then
2. Probationary employees on a plant-wide basis, then
3. Employees by order of seniority within their job classification and department, plant-wide, provided the remaining Employees are able to perform the available work.

Employees displaced in #3 above shall be allowed to displace the Employee with the lowest seniority in a lower classification provided they are able to perform the work. Employees placed in a lower classification rather than being laid-off shall receive the applicable pay rate for that classification. Employees shall not be placed in a higher classification in cases of lay-off or recall.

If it becomes necessary following the layoff or reduction from a classification to transfer Employees from one shift to another, within the same classification, Employees remaining in the affected classifications will be assigned to shifts in accordance with their seniority, providing that such assignment does not negatively impact the operation of the business.

Seniority Employees will be recalled back to work on a seniority basis provided they are able to perform the available work. Upon return they will be placed in available jobs within their classification or a lower classification. This includes Employees reduced from their classification but working in another classification, provided that the Employees have been in the other classification for less than six (6) months. Such Employees will be recalled to their classification prior to any job posting. An Employee must return to work within three (3) regular working days after actual receipt or attempted delivery of a certified letter when recalled from layoff, unless the Employee provides an excuse acceptable to the Company for not returning within such three (3) regular working days. The Employee Advocate shall be provided with a copy of all recall letters.

Section 3: Preferred Hiring of Laid-off Employees

Any employee permanently laid off at a division covered under this Agreement shall, following the completion of the job posting process within the division, have first opportunity to fill a vacant position at any other division covered under this Agreement, provided that he has the skill and ability and meets the minimum requirements for the job. Where more than one employee meets these criteria, preference shall be given to the employee with the greater length of service. In such instances, the employee shall carry his Magna service date to the new division, but shall have a new seniority date based on the date he commences work at such division.

Seniority Employees who transfer from one Magna division to another shall not be required to complete a probationary period following the transfer. Should such an employee be released for non-disciplinary reasons within three (3) months of being transferred, he shall be entitled to notice of termination and severance pay, as applicable, in accordance with the *Employment Standards Act 2000* or such other legislation as is applicable.

Section 4: Layoff Security Plan

Seniority employees who are subject to layoff are entitled to receive benefits under the Layoff Security Plan negotiated between the Company and Human Resources and Services Development Canada ("HRDSC"). To be eligible, employees must:

- (1) apply and be approved for the receipt of Employment Insurance Benefits;
- (2) provide the employer with written evidence from HRDSC that he or she has been approved for the receipt of Employment Insurance Benefits; and
- (3) be laid off solely due to temporary shortage of work.

Such employees will be paid 60% of their normal weekly income, up to the E.I. maximum, to cover the two (2) week waiting period before E.I. benefits normally become available.

The administration of this plan shall be governed solely by the summary document approved by Human Resources Development Canada and it is hereby understood that in case of any inconsistency between the summary document and this Agreement, the summary document shall prevail.

Section 5: Permanent Layoff

Should business conditions not support recall of laid off employees by the expiry of the temporary layoff period set out in the *Employment Standards Act 2000*, the ERRC shall meet to determine the date that such employees will be entitled to elect whether they wish to retain their right to recall or whether they wish to be deemed to have been terminated effective that date and immediately paid any amounts to which they may be entitled under the *Employment Standards Act 2000*.

ARTICLE 12 SAFETY

Section 1: Health, Safety and Environmental Principles

In accordance with the Employee's Charter, the parties are jointly committed to an operating philosophy based on fairness and concern for employees, customers and the communities in which the Company operates.

To this end, the parties' objective is to ensure that Magna is an industry leader in health, safety and environmental practices in all of its operations with the intention, through technological innovation and process efficiencies, to minimize the impact of its operations on the environment and to provide safe and healthful working conditions.

The following principles are fundamental to achieving the foregoing objectives:

- a) To comply with and exceed where possible, all applicable health, safety and environmental laws and regulations and to conform to its internal standards based on generally accepted environmental practices and established industry codes of practice;
- b) To regularly evaluate and monitor past and present business activities impacting upon health, safety and environmental matters;
- c) Through the use of locally set continuous improvement targets, to:
 - i. improve the efficient use of natural resources, including energy;
 - ii. minimize waste streams and emissions; and
 - iii. implement effective recycling programs in its manufacturing operations;
- d) To utilize innovative design and engineering to reduce the environmental impact of its products during vehicle operation and at end of life;
- e) To ensure that a systematic review program is implemented and monitored at all times for each of its operations, with a goal of continual improvement in health, safety and environmental matters; and
- f) To ensure that adequate reports on health, safety and environmental matters are presented to the ERRC, at minimum, on an annual basis.

Each of Magna's Group Operations shall develop and implement site-specific health, safety, industrial hygiene, emergency preparedness and environmental policies and action plans for their operations consistent with the foregoing principles.

All employees shall be made aware of the foregoing objectives and principles and shall be required to incorporate and abide by the spirit of such objectives and principles in carrying out their responsibilities.

The parties are each committed to providing the necessary support to ensure that the foregoing objectives and principles are fully achieved.

Section 2: Health and Safety

The parties are committed to the prevention of occupational illnesses and injuries.

Each Employee is responsible to work safely and follow Company policies, and to report all unsafe and unhealthy conditions.

Each supervisor is responsible for maintaining safe and healthful working conditions through training and by enforcing policies, procedures and applicable legislation.

The parties believe that a positive attitude towards a safe and healthful workplace will lead to superior performance by all Employees.

Section 3: Personal Protective Equipment

The Company will make provisions for the health and safety of Employees during their hours of employment in accordance with the law. The Company will provide protective devices, protective apparel and other equipment necessary to properly protect Employees from illness and injury. It is each Employee's responsibility to abide by established safety rules and policies. If a condition arises that presents a danger to an Employee's health or safety, the Employee will report the hazard to his/her Supervisor, who will promptly investigate and take whatever action is necessary to correct the condition.

At no cost to Employees, the Company will furnish gloves and protective clothing in sufficient quantities and proper sizes for such kinds of work that are determined to require the use of such protective clothing.

Eye protection is required in the plant where mandated by *Occupational Health & Safety Act* standards. Safety glasses will be provided and replaced if broken or damaged. To receive a new pair of non-prescription safety glasses, an Employee must turn in their old pair of safety glasses.

Prescription safety glasses will be available to all those who require safety glasses to perform their job. New Employees who require prescription safety glasses must have them prior to the commencement of employment. If the standard lenses or frames are damaged as a result of an on-the-job incident, they will be replaced. New prescription standard safety glass frames and/or lenses will be issued and paid for by the Company, every two (2) years (or where an employee's prescription has changed), up to a maximum of \$150.00. The Company reserves the right to direct the purchase of safety glasses through a Company selected supplier.

The Company will reimburse Employees who are required to wear steel-toed safety shoes up to \$135.00 per year (or \$270.00 every two years). Skilled Trades eligible for two pairs of safety shoes per year (\$270.00 per year) during the term of the Agreement.

The parties will develop and maintain programs and practices that are focused on minimizing the ergonomic issues related to the Company's manufacturing processes. These practices may include rotating positions within a classification, as appropriate.

Section 4: Joint Health and Safety Committee

The parties agree that no subject should receive or deserve higher priority than promoting safe and healthful working conditions in the plant. The parties further agree that an on-going program in which all stakeholders participate and cooperate will aid in achieving this objective. Therefore it is agreed that a Joint Health and Safety Committee ("JHSC") will be established in each division. The JHSC shall be made up of a representative mix of Employees, supervisors

and managers from across the division, who volunteer to participate on the Committee. There shall be a maximum of six (6) JHSC members at any time. The names of members of the JHSC shall be posted on the employee bulletin board. The function of the JHSC shall be to make recommendations for improving safety throughout the plant.

The JHSC shall be co-chaired by one management member who will be chosen by the management members of the JHSC and one Employee member who will be chosen by the hourly members of the JHSC. The members of the JHSC will receive specialized training to help them carry out their responsibilities.

The duties of the JHSC include:

1. Making monthly systematic inspections of the plant to ensure that there is a safe, healthful and sanitary working environment in the plant. The purpose of this inspection is to make recommendations for the correction of unsafe or harmful conditions.
2. Meeting monthly to review health and safety conditions within the plant and investigate, report and make recommendations as to the correction of conditions affecting the safety and health of employees to the appropriate members of the Company. In the event the members of the JHSC are unable to satisfactorily resolve a health and safety matter, it may be referred to the next step in the Concern Resolution Process, as applicable.
3. The Company will provide the JHSC with all data, safety and accident information, which is necessary to perform their duties. In addition, accurate minutes will be taken of the meeting and distributed to each committee member and posted on plant bulletin boards.
4. Where the JHSC requires support and/or guidance, it may seek the assistance of available resources within Magna and Unifor. When such assistance is requested by the JHSC, such advisors may come into the plant to make such examinations, investigations and recommendations as shall be reasonably connected with the purpose of the JHSC. At their option, the co-chairs of the JHSC may accompany the Magna or Unifor's safety representatives and/or outside health and safety representatives during all inspections and investigations.
5. It is understood that the members of the JHSC will continue to be paid by the Company for such time spent in performing their duties as outlined above. Time spent outside of the normal work schedule must be approved by the Company.
6. To develop and periodically review plant health and safety policies, procedures and practices and make recommendations in a spirit of continuous improvement, consistent with the Health, Safety and Environmental Principles identified above.
7. The Company will review all line process changes and program launches with a Union H&S representative.

Section 5: Modified Work Program

The parties are dedicated to finding a suitable work environment for Employees as soon as possible after an injury or illness. Should an Employee suffer an injury or illness resulting in time off for an extended period of time, the parties will make reasonable attempts to place them in a suitable work environment to assist in their recovery efforts. Should sufficient medical information establish that an Employee is in need of modified duties, all parties must work together in a cooperative manner to consider potential options for accommodation, in accordance

with the requirements of the *Workplace Safety and Insurance Act* and the *Human Rights Code*, and to establish a safe and early return to work plan.

An Employee who becomes medically restricted as a result of an injury or illness shall be placed in his job classification if he is capable of performing it with reasonable accommodation. If he is not capable of performing the work in his job with reasonable accommodation, he may be placed in another equal or lower job classification for which he is capable of performing the work, consistent with any restrictions he may have, seniority permitting.

If a medically restricted Employee is not capable of performing, with reasonable accommodation, an available job in the plant, he shall be placed on medical leave up to the maximum time allowable under this Agreement.

The return to work process requires Employees to maintain regular contact with the division's Human Resources Department while absent from work due to illness or injury, in accordance with the schedule established at the outset of an Employee's illness or injury. Upon request by the Company, Employees shall also provide detailed and reasonable medical information from their treating physician setting out the nature of their condition, the dates of treatment, the expected date of return, and any physical limitations that the Employees may have. The Human Resources Department may also contact Employees to obtain additional information and to discuss return to work.

The parties' goal is to offer Employees reasonable accommodation, and suitable work to the extent it is available within the division, for the purposes of assisting the rehabilitation process and ultimately returning Employees to their regular job.

Employees are responsible for requesting accommodation and for providing the Company with medical information that supports their request. Prior to returning to work, Employees will be provided with a Functional Abilities Form (FAF) that their physician will have to complete, that sets out in detail their current physical abilities.

The Company will then review the available medical information and the Employees' functional abilities to determine whether suitable work is currently available within the division, which may reasonably meet any accommodation requirements.

A representative from the Company will meet with the Employee Advocate (or designate) and the Employee in order to discuss suitable modified job(s) based on the physical capabilities of the Employee, for the purposes of determining expected recovery and reviewing potential options for accommodation.

Should there be any changes to an Employee's condition, he or she is responsible for immediately notifying the Human Resources Department and promptly providing updated medical information.

In the event that overtime work is required in a position that is regularly performed by a disabled Employee in the Modified Work Program, such Employee will be eligible for the overtime opportunity, in accordance with any applicable overtime equalization process. So as not to jeopardize the Employee's rehabilitation and recovery, any potential overtime opportunity will be subject to there being medical authorization on file allowing the possibility of overtime work, and the essential duties of the overtime work available falling within the Employee's

documented medical restrictions. The Employee and the Employee Advocate may review the Employee's eligibility for overtime opportunities with the Employee's Supervisor upon request.

Failure to cooperate in the early and safe return to work process, maintain regular contact with the Company while absent, provide updated medical information when requested, or to accept suitable work when offered, may result in a denial of ongoing disability benefits and jeopardize ongoing employment.

Should the Company file any objection with the WSIB regarding an Employee's entitlement to disability benefits, the Employee may authorize the Company to provide a copy of the applicable objection letter to the Employee Advocate.

Nothing in this Article creates any obligation on the part of the Company to create new or different jobs to accommodate medically restricted Employees.

Section 6: In-Plant Injuries:

In cases of an in-plant injury, the Company will compensate the injured Employee at his applicable rate for loss of income due to time off on the day of injury. Where necessary on the day of injury, such Employee will have transportation provided both to and from the place of medical treatment.

Section 7: Anti-Violence

The Company and the Union are committed to preventing workplace violence and are responsible for providing a safe and healthy workplace for all employees. Reasonable steps will be taken to protect employees from workplace violence from all sources.

The Ontario Occupational Health and Safety Act defines workplace violence as the exercise of physical force by a person against a worker, in a workplace, that causes or could cause physical injury to the worker. It also includes an:

- attempt to exercise physical force against a worker in a workplace, that could cause physical injury to a worker; and a
- statement or behaviour that a worker could reasonably interpret as a threat to exercise physical force against the worker, in a workplace, that could cause physical injury to the worker.

Violent behaviour from anyone in the workplace is unacceptable. This policy applies to all Company employees, as well as customers, clients, contractors, suppliers or other visitors to the facility. Everyone is expected to uphold this policy and to work together to prevent workplace violence.

The Company has established various programs that help implement this policy. These include a health and safety inspection process that conducts a regular assessment of potential issues that might contribute to workplace violence, as well as an Emergency Response Plan, for the purposes of summoning immediate assistance where required. The Company will ensure this policy and the supporting programs are implemented and maintained and that all employees have access to appropriate information and instruction to protect them from potential violence in the workplace.

Every employee is required to work in compliance with this policy and the supporting programs. All employees are encouraged to raise any concerns about workplace violence and to promptly report violent incidents or threats.

In the event that an employee becomes aware of a violent incident, or threat of violence, they are strongly encouraged to report this immediately to their Supervisor or Manager, the Human Resources Department, Health and Safety Coordinator, Employee Advocate, or to a member of the Joint Health and Safety Committee. This includes issues of domestic violence. To the extent that an employee is being subjected to domestic violence, and believe that a spouse or partner may pose a risk to them in the workplace, they are encouraged to report those concerns using the process described above, so that appropriate precautions can be taken.

Complaints of workplace violence will be investigated in a fair and timely manner. No employee will be adversely affected in employment as the result of the good faith reporting of a policy violation or participation in the investigation of such a report.

The Company is committed to enforcing this policy and will take reasonable security measures to safeguard the workplace and the well being of employees. The Company reserves the right to inspect any locker, desk, work area, vehicle, bag or other personal belongings located on Company property for the purposes of investigating policy violations or when the safety of employees or Company property may be at risk.

Anyone who is found to have engaged in workplace violence will be subject to disciplinary action, up to and including dismissal, as well as potential criminal prosecution pursuant to applicable provincial and federal law.

Section 8: Right To Refuse Unsafe Work

An employee has the right to refuse hazardous work that may harm the employee or any other person in the workplace.

When a worker exercises his or her right to refuse, he or she shall notify the Supervisor who shall promptly notify the Employee Advocate who shall participate in all stages of the investigation. The worker shall stand by at a safe place and participate fully in the investigation of the hazard.

The Company shall ensure that no other worker is asked or permitted to perform the work of the worker who refused unless the second worker is advised of the reasons for the work refusal in the presence of the Employee Advocate. If the Union and the Company cannot agree on a remedy to the work refusal, the government inspector shall be called in.

No employee shall be discharged, penalized, coerced, intimidated or disciplined by the Company for acting in compliance with the *Occupational Health and Safety Act*. There shall be no loss of pay, seniority or benefits for any employee who is impacted by a refusal to work in compliance with *Occupational Health and Safety Act*.

The Company agrees that the Union certified members of the Joint Health and Safety Committee have the right to investigate dangerous circumstances at the workplace.

Section 9: WHMIS

The Work-place Hazardous Materials Information System (WHMIS) is designed to classify hazardous materials that are used in the work place. The law requires all such products to be properly labelled and requires material safety data sheet(s) (MSDS) to be suitably attainable.

Employees will receive training to inform them of such products and advise them of the hazards involved, and of the proper procedures for safe storage, handling, use and disposal of these materials.

Employees will also be instructed about what to do should they be exposed to a hazardous material. The Company has WHMIS charts posted throughout the plant.

Section 10: Moment of Silence

Each year on April 28, at 11:00 am, work will stop and one (1) minute of silence will be observed in memory of workers killed or injured on the job.

ARTICLE 13

PROGRESSIVE DISCIPLINE

Section 1: Progressive Discipline

This section applies to all seniority Employees covered by this Agreement.

The parties want all Employees to succeed in their jobs. Most problems or disagreements can be resolved through the open door process. Employees should always feel free to talk to their supervisor, Human Resources representative, FC members, Employee Advocate, General Manager or any other avenue in the open door process about any concerns or questions they may have regarding discipline or improving performance.

Progressive discipline is designed in stages so an Employee will have an opportunity to learn what the Company's requirements are and have a fair chance to correct the problem. Employees will only be disciplined or discharged for reasonable cause.

Section 2: Role of the Employee Advocate

In any disciplinary action, investigation or discussion of a problem, which could lead to discipline of an Employee, the Company will notify the Employee Advocate and, upon request by the Employee, the Employee Advocate will be present at any disciplinary meeting. Where an employee declines representation by the Union, they will be asked to confirm that decision in writing. If the Employee Advocate is summoned, discussion concerning the issue at hand will be discontinued until the Employee Advocate is present. If the Employee Advocate is summoned, but is not available within three (3) hours, the disciplinary meeting shall proceed and the employee may request the assistance of the Fairness Committee member in his department, or another available employee, to attend the disciplinary meeting. All disciplinary notices issued to bargaining unit employees by the Company will be provided to the Employee Advocate.

Section 3: Disciplinary Notices

All documented disciplinary notices shall be signed and dated by the supervisor and will record: the specific conduct or performance concern; what happened; how the Employee should correct the problem; what the next disciplinary step will be if the problem is not corrected; and any Employee comments. The disciplinary notice shall be signed and dated by the Employee to acknowledge receipt of a copy of the notice. Copies of such disciplinary notices shall be given to the Employee and to the Employee Advocate. Where the Employee does not wish a copy of a disciplinary notice to be provided to the Employee Advocate, the Company shall simply advise the Employee Advocate of the level and the general basis for the discipline.

Unless otherwise agreed by the parties, counselling notes, warnings or suspension will be removed within (1) year of active employment from date such discipline was issued, provided the employee has a clean disciplinary record during that year. Active disciplinary notices at a suspension level or above may impact advancement opportunities.

Section 4: Disciplinary Steps

If there is a problem with an Employee's performance or conduct, the following steps will be taken to correct the problem:

A. Counselling:

The supervisor will hold a meeting with the Employee for the purpose of discussing job performance deficiencies or unacceptable conduct. A counselling session shall be

conducted prior to a verbal warning and will include specific suggestions on performance or conduct improvement. Additional meetings may be held if the supervisor or Employee feel such will ensure mutual understanding and desired correction. The supervisor will make a note in the Employee's file about what was discussed in the counselling session.

B. Verbal Warning:

If a problem recurs after counselling, the Employee's supervisor will discuss it with the Employee again. The consequences of further recurrence will be explained to the Employee at this point. The supervisor will make a note in the Employee's file about what was discussed in the verbal warning.

C. Written Warning:

If a problem recurs after counselling and a verbal warning, the Employee's supervisor will discuss it with the Employee again and put a formal written warning in the Employee's file. The consequences of further recurrence will be explained to the Employee.

D. One (1) Day Suspension:

After the written warning, if the Employee's conduct or performance continues to be unacceptable, he or she will be suspended from work without pay for a period of one (1) working day. The Employee will be counselled again at this stage and a note will be put in the Employee's file. The Employee will be warned that if he or she does not correct the problem, he or she will receive further disciplinary action up to and including discharge.

E. Five (5) Day Suspension:

After the one (1) day suspension, if the Employee's conduct or performance continues to be unacceptable, he or she will be suspended from work without pay for a period of five (5) working days. The Employee will be counselled again at this stage and a note will be put in the Employee's file. The Employee will be warned that if he or she does not correct the problem, he or she will be discharged.

F. Discharge:

The Employee will be discharged without further notice if unacceptable performance or conduct continues after he or she return from suspension. The supervisor will notify the Employee of the discharge at a private meeting.

Serious Violation

If a serious incident occurs (such as fighting, theft of company property, a threat to life, person or property, violations of Article 2), the Company may move directly to a written warning, suspension or discharge without the need for prior disciplinary action.

Option for Additional Suspension Step:

After having reviewed a disciplinary situation at the CRSC level of the Concern Resolution Process, The General Manager shall have the exclusive discretion to implement an additional three (3) day suspension step in the Progressive Disciplinary process, where he/she considers it appropriate to do so. This option shall not give rise to a positive obligation on the part of the Company to provide an additional step in

the disciplinary process and the Fairness Committee shall have no authority to modify disciplinary sanctions to require this step.

Section 5 - Time Limits

The stages of progressive discipline exist to help Employees correct any difficulties they are having on the job. As such, disciplinary action shall be issued as soon as reasonably possible. Normally, such discipline will be issued within ten (10) working days of the Company becoming aware of the facts that may give rise to the discipline. Both parties recognize that there may be instances when it is necessary to extend this period due to the time required for investigation of the situation or where other extenuating circumstances exist.

Section 6 - Appeals

Employees have the option of appealing disciplinary actions through the steps set out in the Concern Resolution Process. In cases of discharge, or five (5) day suspension, appeals begin at the Concern Resolution Sub Committee (CRSC) step of the Concern Resolution Process.

ARTICLE 14
NEW POSITIONS/CLASSIFICATIONS

When new positions are introduced at the division, which cannot be properly placed in existing classifications, the Company will establish a new classification and rate of pay covering the position in question and will designate it as temporary. A copy of the temporary rate and classification name will be furnished to the Employee Advocate.

As soon as possible, but within sixty (60) calendar days after an Employee has been placed in the position, the CR Sub-Committee shall negotiate the rate and classification. If the negotiated rate is higher than the temporary rate that was established, the Employee performing in the position will be paid the difference retroactive to the date the Employee started in the position.

Should the CR Sub-Committee fail to reach agreement on these negotiations, the issue will be referred to the ERRC.

All new positions will be posted and filled in accordance with the job posting procedure set out in Article 10.

ARTICLE 15
RETIREMENT & GROUP BENEFITS

Section 1: Retirement Programs

The Company agrees to provide Employees with the benefits under the Magna Group of Companies Retirement Savings Program as set out in the Employee Retirement Savings Program Booklets.

Section 2: Group Benefits

The Company agrees to provide Employees with the group health and dental benefit program as set out in the Employee Benefit Booklet.

Section 3: Retiree Healthcare Premium Reimbursement

Employees and current retirees will be eligible to participate in the Magna Retiree Health Care Premium Reimbursement Plan as set forth in the Retiree Health Care Booklet.

ARTICLE 16 **REMUNERATION**

The Company and the Union have agreed that the total compensation of employees will be competitive. The competitiveness of any Division's wages and benefits shall be determined by reference to that Division's total compensation (including total wages and total benefits) in relation to both product and geographic competitors, as set out in the Employees' Charter.

Differences in compensation across Divisions reflect differences in the products, processes and the competitive situation faced by each Division.

Total compensation will be at or above the average of the total compensation of the other union and non-union competitors that make similar products and other comparable manufacturers in the geographic region.

Section 1: Wages and Classifications

The parties agree to include a classification and wage structure for each Division covered under the Agreement.

Section 2: Annual Adjustments

The wages referenced in Section 1 shall be adjusted each year by an Annual Adjustment factor. The Annual Adjustment factor shall consist of two components: a Base Adjustment and a Continuous Improvement Adjustment. Both of these components shall be determined by the ERRC on the basis of the principles outlined in paragraphs (a) and (b).

a) Base Adjustment

The Base Adjustment shall be equal to the annual percentage change (to the nearest tenth of a percentage point) in the most recently reported all-items Consumer Price Index (CPI) for Ontario, as published by Statistics Canada in CANSIM Table 326-0020, or such other series as may track this index from time to time. The annual percentage change shall be measured using the incremental percentage increase between the current year's average CPI over the previous year's average CPI.

Should the CPI determined above be less than zero, the Base Adjustment will be deemed to be zero. In such circumstances the actual annual percentage change in CPI shall be applied as an offset against future Base Adjustments.

(b) Continuous Improvement Incentive

The Continuous Improvement Incentive shall be an amount between 0 and 1 percent of Base Salary each year. The adjustment shall be determined by the ERRC for each Division based on that Division meeting or exceeding its targets for quality, productivity, safety and cost reduction (0.25 percent increase for meeting each target).

The Continuous Improvement Incentive will be paid out in the form of an annual lump sum payment. Should the ERRC determine otherwise, the Continuous Improvement Incentive for a Division may be paid out using pro-rated lump sum installments throughout the year (e.g. quarterly, bi-annually), conditional upon the applicable Continuous Improvement metrics being achieved during the period under review.

Continuous improvement metrics shall be consolidated on a Division-wide basis. Targets for each continuous improvement metric shall be adjusted annually based on actual annual performance for that metric from the prior year, as well as current operational requirements.

Section 3: Extraordinary Adjustments

Notwithstanding the Annual Adjustment referenced above, should it be deemed necessary in order to maintain or enhance competitiveness, or address current operational, recruitment, or retention challenges at any Division covered by this Agreement, the ERRC may vary the Annual Adjustment in an amount and/or format different from that described above.

Section 4: Reference to Neutral if Necessary

The Company and the Union agree that it is preferable for the parties to reach a mutual agreement on the Annual Adjustment, on the basis of the preceding principles, without reference to the Neutral.

Should the ERRC not reach agreement on the Continuous Improvement Incentive according to the principles described in Section 2(b), it will be determined by the Neutral after the presentation of evidence regarding the factors considered by the section. The Neutral’s determination will be guided by the principles embodied in the FFA and by the principles described in this Article. The Neutral may also address any matter related to an Extraordinary Adjustment on which the ERRC cannot reach agreement.

Section 5: Timing of Annual Adjustments

Wages will be increased by a percentage equal to the Annual Adjustment (equal to the sum of the Base Adjustment and the Improvement Factor) plus or minus any Extraordinary Adjustment (see Table 1, below).

Table 1:

Annual Adjustment					Extraordinary Adjustment	Total Adjustment
Base Adjustment	Continuous Improvement Incentive					
(A)	(B)				(C)	(D)
	Quality	Productivity	Safety	Cost Reduction		
Annual % change in CPI	0 or 0.25	0 or 0.25	0 or 0.25	0 or 0.25	+/- %	

D = A +/- C

B = Lump Sum Payment

A = Annual % change in CPI

B = 0.25% for meeting each target (Quality, Productivity, Safety, Cost Reduction)

C = +/- an amount not to exceed A+B

D = Total Annual Adjustment

Unless the ERRC determines otherwise, the Annual Adjustment and Continuous Improvement Incentive will be implemented on January 1 of each year.

The parties recognize and agree that a transitional wage adjustment may be implemented should a Division become subject to the terms of this Agreement prior to their next full annual adjustment date.

The adjustment shall commence in the first pay period following each Division's annual adjustment date, and on the applicable anniversary date thereafter.

ARTICLE 17

WORKING HOURS, SHIFT HOURS, OVERTIME, BREAKS & LUNCH PERIODS

Employees normally work an eight-hour day, five days per week with a 30-minute unpaid lunch break and two 10-minute paid rest periods. Employees that work beyond nine (9) hours will be provided an additional ten (10) minute break to be taken at the end of the ninth hour. Unless otherwise scheduled, the regular work-week is from Monday to Friday.

These shifts may change to meet customer demand or for other business reasons. Employees will be given at least five (5) days advance notice, whenever possible. In some cases Employees may have to work special or staggered hours.

When scheduling changes become necessary they will be discussed with Employees and the Employee Advocate and shall be implemented with as much advance notice as possible.

Nothing in this Article is to be construed as a guarantee of any number of hours of work per day or days of work per week.

For the purpose of determining shift premium, 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.

Prior to the introduction of an alternate work schedule the parties will discuss in advance the shift hours, start times and other scheduling issues related to the alternate work schedule. No changes to compensation or other matters covered by the terms of the Agreement shall be made without mutual agreement.

Section 1: Overtime Pay

Overtime is sometimes necessary to meet production schedules, address unforeseen circumstances and most importantly, meet the needs of our customers. The Company will determine and schedule overtime and shall give notice of overtime as far in advance as practical. Overtime shall be distributed on a voluntary basis except where there are insufficient volunteers to perform the required work. Overtime premiums of time and one-half will be paid for all time worked by an employee in excess of forty (40) hours in a week.

Employees will be paid at a rate of two times their straight time earnings for hours worked on Sunday, provided they have no unexcused absence during that week. Such overtime premiums shall only apply where Sunday is not part of the Employee's regularly scheduled workweek.

Note: Overtime must have prior approval of management and must be accurately recorded and reported to management. Divisions covered under the terms of this Agreement shall maintain their existing system of recording, monitoring and fairly distributing overtime.

Employees required to work on a holiday are entitled to 1½ times their regular rate for hours worked, plus a holiday pay premium of normal scheduled hours at their regular rate.

Employees who work one (1) hour or more of pre-shift overtime will be provided an additional ten (10) minute break to be taken prior to the start of their regularly scheduled shift.

There shall be no duplication or pyramiding of overtime or premium pay.

Section 2: Shift Premiums

Employees regularly assigned to the afternoon shift or the midnight shift will continue to be paid the applicable shift premium as is in place at the time such employee becomes subject to the terms of this Agreement, provided that the shift premium is greater than or equal to .30 cents for afternoon shift and .60 cents for midnight shift.

Section 3: Notice of Overtime

The Company will make every reasonable attempt to notify Employees of mandatory overtime by posting a notice on the bulletin board with a copy to the Employee Advocate, 24 hours in advance if overtime will be required on their scheduled days off.

The Company will provide a minimum notice to all affected Employees and the Employee Advocate of daily overtime, no less than two (2) hours prior to the end of the shift. Failure to provide such notice will relieve the Employees of the requirement to work such overtime and Employees will be asked to work on a voluntary basis. Notwithstanding the commitment to provide advance notice, employees may be scheduled to work mandatory overtime with less than two (2) hours notice where there is an emergency or customer need that must be met and there are insufficient volunteers. In such a case, Employees will be scheduled to work in reverse order of seniority of those employees who are capable of performing the available work.

Section 4: Banking of Overtime

The Company may permit Employees to bank up to 130 hours of overtime to be used during periods of lay-off. During periods of layoff, crew-down and other work shortages, banked overtime hours may be used in the same manner as vacation days. Employees may replenish any banked hours used, subject to the 130 hour maximum noted above, and may request payout of banked overtime pay at any time, in accordance with the Division's normal payroll practice.

Employees shall be permitted to roll banked overtime amounts into their Group RRSP (GRRSP) on a quarterly basis. Such contributions may be eligible for the employer match, subject to the terms of the GRRSP program.

Employees wishing to roll banked overtime into the GRRSP must notify the Company in writing and complete and submit to the Company the required documentation during the following periods:

- (a) January 1-7;
- (b) April 1-7;
- (c) July 1-7; and
- (d) October 1-7.

Section 5: Call-Back Pay

When an Employee is called to work after completing his/her scheduled shift, he/she will receive a minimum of four (4) hours' pay or available work at the applicable rate and premium. Upon completion of work and with approval of the Company, Employees may

have the opportunity to leave before the end of the four (4) hour period and forfeit the pay for the time not worked.

Section 6: Reporting Pay

An Employee who reports for work will be given four (4) hours pay or available work. This provision will not apply if the Company provides proper advance notice to an Employee not to report to work or due to an Act of God or other condition beyond the Company’s control. Upon completion of work and with approval of the Company, Employees may have the opportunity to leave before the end of the four (4) hour period and forfeit the pay for the time not worked.

ARTICLE 18
VACATIONS

Section 1: Vacation Eligibility & Pay

Annual vacations are based on length of continuous service with the Company (for clarity, service shall be deemed continuous for so long as an Employee retains a right to recall).

The annual vacation reference period will be from January 1st to December 31st of each year or such other schedule as may be required to meet business needs. Vacations will be taken during each year, based on vacation time the employee is eligible for on December 31st of the prior year. Employees may be required to take their earned vacation during plant shutdown, which is normally scheduled for July of each year.

All employees are required to submit an Authorized Time Off Form, twenty-four (24) hours in advance if they desire to be absent for vacation day(s). Subject to the proper operation of the business, the employee’s Supervisor will approve or deny the absence.

Vacation eligibility for employees with less than one year of service is determined by the following schedule:

<u>Month of Commencement of Employment During Vacation Year</u>	<u>Days Earned</u>
Month 1	10
Month 2	10
Month 3	9
Month 4	8
Month 5	7
Month 6	6
Month 7	5
Month 8	5
Month 9	4
Month 10	3
Month 11	2
Month 12	1

Vacation eligibility is determined by the following schedule:

<u>Completed Yrs of Service</u>	<u>Vacation Eligibility</u>	<u>% of Earnings</u>
1 year to 3 years	2 weeks	4%
After 3 years	3 weeks	6%
After 10 years	4 weeks	8%
After 15 years	5 weeks	10%

Section 2: Vacation Scheduling

The Company reserves the right to schedule vacation periods and limit the number of employees on vacation at any one time in order to ensure the proper operation of the business.

To ensure there is no conflict of work schedules, Employees must notify their immediate supervisor in writing well in advance as to when they want to take vacation time. Vacation requests received by January 1 of each year shall be scheduled on the basis of seniority within the classification, department and shift. If an Employee's vacation request cannot be granted, he or she shall be advised of such, and shall be able to select an alternate vacation date. Following January 1 of each vacation year, all vacations will be scheduled on a first come-first served basis. Where more than one vacation request is received on the same day, vacation requests will be approved based on seniority within a classification, department and shift.

The Company will schedule, at its sole discretion, all vacation time remaining outstanding as at June 1 for which an employee has not submitted a vacation request.

Employees wishing to cancel a previously approved vacation request must do so at least five (5) business days prior to the commencement of such scheduled vacation. Except in extenuating circumstance, failure to provide such advance notice will result in the original schedule being maintained. Rescheduling of vacation will be on a first come first served basis.

Any employee who, without a reasonable explanation and without notifying the appropriate Company officials in a timely manner, does not return to work after their vacation will be considered to have voluntarily terminated their employment.

Vacation days must be taken as full days only.

Unused vacation cannot be accumulated and carried into the next calendar year.

An employee's vacation entitlement, over and above the first two (2) weeks of vacation eligibility, must first be utilized prior to any personal leave of absence being requested.

Should an alternate vacation year be implemented, the dates referenced in this Article shall be adjusted accordingly.

ARTICLE 19
HOLIDAYS

Section 1: Holidays

Employees will continue to observe the same paid holidays as in place at the time such employees become subject to the terms of this Agreement, provided that they are greater than or equal to the following holidays:

New Year Day	(January)
Family Day	(February)
Good Friday	(March/April)
Victoria Day	(May)
Canada Day	(July)
*Civic Holiday	(August)
Labour Day	(September)
Thanksgiving Day	(October)
Christmas Day	(December 25)
Boxing Day	(December 26)

*Please note: Although this is not a designated public holiday, we have included it as an additional holiday.

Floating Holidays

In addition, all full-time employees are entitled to three floating paid holidays each year. Two holidays are employee-designated and one is designated by the Division. The employee-designated holidays must be approved in advance by the Division. The parties regard employee-designated floating holidays and half day medical leaves as an accrued benefit equivalent to vacation days. Accordingly, any employee-designated floating holidays not used by the end of the vacation year shall be paid out by the Division.

Section 2: Qualifying for a Paid Holiday

To qualify for a paid holiday an Employee must have worked his normal scheduled working hours on the regular working day before and after the holiday unless he is absent for documented reasonable cause. (i.e. Employees illness, illness of immediate family, death in family, job related illness or injury, fire, flood or any other documented reasonable excuse).

When the holiday falls within an Employee's scheduled vacation period, the Employee will be allowed to reschedule that day as a single day of vacation. This vacation day will be based on the Employee's regular day's work hours, times his/her straight time hourly rate, including shift premium.

Section 3: Working on a Holiday

When working on a designated holiday you will report to work and perform the job assigned, as you would on any other regular working day.

The rate of pay for an Employee who qualifies for, and who works on a designated holiday, is 1 ½ times the Employee's straight time for the hours worked on that holiday plus holiday pay based on the Employee's regular day's hours times the Employee's straight time hourly rate, including shift premium.

Employees will receive a premium rate of double time for any time worked on those public holidays required by the Ontario Employment Standards Act (excluding customer holidays or personal holidays/floating holidays.)

In situations where the statutory public holiday has been reallocated to cover another customer holiday, the premium rate of double time will apply where an employee is required to work on the reallocated holiday.

When any of the above listed holidays fall on a Saturday, it will be observed on the preceding Friday; and when any of the above listed holidays fall on a Sunday, it will be observed on the following Monday, in either case, provided that such observance does not negatively impact the division's ability to meet the needs of their customer(s).

Hours worked on a holiday for which a premium rate is paid do not count towards overtime.

ARTICLE 20
LEAVES OF ABSENCE

Section 1: Personal Leave

A personal leave of absence of three (3) days or less must be approved by the employee's immediate supervisor prior to the Employee commencing the leave. Leave of absence periods of more than three (3) days must be approved in advance, in writing, by the Manager of Human Resources or his designate on the forms provided.

Section 2: Pregnancy/Parental Leave

Pregnancy / Parental Leave of Absence will be available to any employee in accordance with the *Employment Standards Act*. Seniority will accumulate during the period of pregnancy/parental leave.

Before returning to work, following the pregnancy leave, the employee must provide the Company with a physician's certificate stating that she is fit to return to her normal duties, at least five (5) working days prior to the date of return.

Section 3: Medical Leave

An employee with seniority who is unable to work because of illness or injury and who provides the Company with satisfactory medical evidence shall be granted a medical leave while disabled of up to two (2) consecutive years.

Section 4: Bereavement Leave

When a death occurs in an employee's immediate family (mother-in-law, father-in-law, brother, sister, brother-in-law, sister-in-law, grandparents, spouses' grandparents, great-grandparents and grandchildren, step child, step parent, step sibling), the employee will be granted bereavement leave with pay for three (3) consecutive working days, excluding Saturday and Sunday.

In cases involving the death of an employee's father, mother, current spouse or child, the employee will be granted five (5) consecutive working days off with pay, excluding Saturday and Sunday.

Special consideration may be given for unusual circumstances that are not covered by the above.

Employees are responsible for requesting bereavement leave from their immediate supervisor and may be required to submit documentation, upon request.

Should an eligible seniority employee wish to use his/her bereavement leave entitlement more than thirty (30) days after the date of the qualifying death, the employee must notify the Company of the death, and provide proof of same, within thirty (30) days of the death occurring.

Employees must provide thirty (30) days' advance notice of the expected bereavement leave dates if the leave is taken more than thirty (30) days after the death.

Bereavement leave entitlements must be taken within six (6) months of the date of the death.

Bereavement pay will not be paid in addition to any other type of allowable pay for the same day(s), such as holiday pay, vacation pay or any other days that would have been used when not performing work for the Company.

The parties agree that attending a memorial service when individuals are unable to travel to the funeral will be considered eligible for bereavement leave and pay.

When bereavement falls within an employee's scheduled vacation/holiday, the days will be added to the end of the scheduled vacation/holiday time.

For the purposes of the administration of *Employment Standards Act* personal emergency leave entitlements, bereavement leave will not be counted as a personal emergency leave occurrence.

Wages will be paid to an Employee on bereavement leave without interruption. In the event that the Employee is subsequently unable to substantiate his/her entitlement to bereavement leave, the Employer shall be entitled to be reimbursed by the Employee for any amounts paid under this Section.

Section 5: Jury Duty/Crown Witness Leave

A seniority employee who is summoned and reports for jury duty, shall be paid by the Company an amount equal to the difference between the daily jury fee paid by the Court (not including travel allowance or reimbursement of expenses), for each day on which he/she reports for, or performs, jury duty, on which he/she otherwise would have been scheduled to work for the Company and, the wages that would have been earned by the employee from the Company by working during straight-time hours on such days.

This clause will also apply in the case of an employee who was working afternoon or night shift, who has to report for jury duty or as a crown witness during non-scheduled working hours. Such employee will be granted his shift off with pay, the shift following or shift prior to the day he reports for jury duty or as a crown witness.

Section 6: Union Leave

Any employee with seniority elected or appointed to Union office or selected for other Union activities by the national Union, local Union, the Ontario Federation of Labour, or the Canadian Labour Congress, shall be granted an unpaid leave of absence for a period of up to one (1) year with extension privileges, providing however, that such employee shall renew their leave of absence annually.

Any employee with seniority elected or appointed to any public office of the municipal, provincial or federal government, shall be granted an unpaid leave of absence for a period of one (1) year with extension privileges provided however, that such employee shall renew their leave of absence annually.

Section 7: Education Leave

An employee with three (3) or more years of service wishing to further his/her education by full time attendance at a recognized college, university, trade or technical school, will be granted an unpaid leave of absence for up to one (1) year, subject to the following conditions:

1. The Employee's proposed course of study is related to potential employment opportunities at the Division. Attendance at a primary or high school shall be regarded as meeting this provision.

2. Before being approved for the leave (or any potential extension thereof), the Employee must provide the Company with satisfactory evidence that he/she has been accepted by the educational institution in question.
3. Upon expiry of each term, semester, course and/or program, the Employee must provide the Company with satisfactory proof of attendance, as well as evidence that the Employee has obtained a passing grade in the educational program of their choice.
4. The Company may extend the Educational Leave for additional periods, not to exceed one (1) year, subject to the criteria set out above.

While absent on an approved Educational Leave, seniority will continue to accrue, and the Employee will remain eligible for group benefit coverage, subject to the terms and conditions of the applicable benefit plans, and the Employee continuing to pay applicable premiums that may be required.

In the event that the Employee fails to return to work with the Company upon completion of their Educational Leave, they will be required to reimburse the Company for the costs of any benefit coverage provided during the leave of absence.

Section 8: Reinstatement Following Leave

After a leave of absence, except where otherwise provided in this Agreement, an employee will be placed into his former classification if it still exists, and otherwise shall be placed in the lowest rated position in the Division, in either case, seniority permitting.

Section 9: Medical/Dental Appointments

A seniority employee who requires time off during the work day to attend a medical or dental appointment for themselves or a dependent, may take up to two (2) separate half days paid leave per year for such appointments. In order to be paid for the period of absence, the employee must provide appropriate supporting documentation (i.e. appointment card, receipt, etc.) verifying the reason for the absence.

Section 10: Organ Donor Leave

Organ Donor leave will be available to employees in accordance with the Employment Standards Act. Employee seeing to take Organ Donor Leave must provide the Company with at least 2 weeks prior written notice of their intention to do so. Employees are required to provide the Company with satisfactory medical evidence in support of their request for such leave.

Section 11: Military Reservist Leave

Military Reservist leave will be available to employees who are members of the Canadian Forces in accordance with the Employment Standards Act, for prescribed periods of deployment. Employees seeing to take Military Reservist Leave must provide the Company with the prescribed period of prior written notice prior to taking such leave, and must also provide the Company with satisfactory evidence of entitlement in support of their request.

MEMOS OF UNDERSTANDING
PART A

MEMORANDUM OF UNDERSTANDING
EMPLOYEE VOTES ON REINSTATEMENT

1. Seniority employees who have been discharged from their employment may file an application requesting to have the reasons for their discharge reviewed for the purposes of potential reinstatement.
2. An Employee Vote on Reinstatement will only be available to an individual once during any particular chain of active progressive disciplinary action. Once utilized, an employee will not be able to apply for a further Reinstatement Vote until such time as all active progressive disciplinary action has been removed from their file.
3. All employees covered under this Agreement pursuant to Article 1 - Recognition will be eligible to have their discharge reviewed through the Reinstatement Vote process.
4. Eligible employees seeking to exercise the Reinstatement Vote option are first required to submit a written request to either the Employee Advocate or the Human Resources Department, within three (3) working days of their discharge.
5. Such request must include written reasons why they believe their discharge should be overturned, and must be submitted using the template "Reconsideration Request Form".
6. Before having their request considered, the employee will be required to sign a consent form and release, providing their agreement to have the reasons for, and information relating to, their discharge reviewed, with the understanding that all information relevant to their case will be disclosed to those co-workers involved in the Reinstatement Vote process.
7. The completed Reconsideration Request Form will be reviewed by the Divisional General Manager, the Divisional Human Resources Manager, and the Employee Advocate, for the purposes of determining whether the employee is eligible for a Reinstatement Vote.
8. The Parties acknowledge that the Reinstatement Vote is final and binding in nature. Upon applying for a Reinstatement Vote, the employee agrees to waive all further rights to pursue the matter through the Concern Resolution Process set out in the National Agreement, and further waives and releases both the Company and the Union from any and all further claims, actions, complaints or demands arising in relation to the individual's employment or the termination of such employment, that may be brought in any court of competent jurisdiction, including any claims under the Ontario *Labour Relations Act*, Ontario *Human Rights Code*, the Ontario *Employment Standards Act* or at common law.
9. The Parties agree that the Reinstatement Vote process is intended to be used as a means of resolving individual discharges, where the primary issues to be determined involve considerations of fair treatment and the appropriateness of the level of discipline. The Parties therefore acknowledge that not all terminations or discharges will be eligible for a Reinstatement Vote. In particular, an employee shall not be permitted to pursue a Reinstatement Vote in circumstances where:
 - a. The nature or consequences of the employee's conduct are such that it would be inappropriate to return the person to the workplace given potential risk posed to other employees and/or potential damage to the Company's business interests, including: (i) situations involving workplace

harassment, discrimination, threats or violence; (ii) behaviour contrary to the Criminal Code of Canada, including without limitation, theft and fraud, (iii) issues involving disabilities and accommodation related considerations, (iv) terminations arising where specific penalties and loss of seniority have specifically been provided for in the National Collective Bargaining Agreement, and (v) situations involving health and safety related considerations or significant damage to Company property, etc.); and

- b. Terminations where the employee has elected to pursue the matter through the Concern Resolution Process set out in the National Agreement.
10. Based upon the foregoing factors, the Company and the Union will consult with each other for the purposes of determining whether a particular employee request is eligible for a Reinstatement Vote. Within five (5) days of the request first being submitted, the Parties will advise the employee of their decision in writing.
11. Where the Parties disagree on whether a request is eligible for a Reinstatement Vote, the question of eligibility shall be referred to the Concern Resolution Process in the National Agreement, commencing at the Concern Resolution Sub-Committee level. Should the matter ultimately be referred to arbitration, the arbitrator's jurisdiction shall be specifically limited to determining if the employee's request satisfies the eligibility criteria set out in this Memorandum of Understanding, and the arbitrator's decision shall be limited to determining whether the Reinstatement Vote should proceed, or whether the employee's request should be dismissed.
12. If the employee's request for a Reinstatement Vote is granted, then the process will continue as set out below.
13. Within five (5) days of the employee's request for a Reinstatement Vote being approved, a meeting of the employee's peer group will be scheduled, for the purposes of administering the Reinstatement Vote.
14. Unless otherwise agreed between the parties, all employees covered under this Agreement pursuant to Article 1 - Recognition who work in the same department and shift (the "Peer Group") as the employee requesting the Reinstatement Vote shall be eligible to vote on a potential reinstatement.
15. The voting constituency must consist of a minimum of fifty (50) employees, unless otherwise agreed to by the Company and the Union.
16. Where the voting constituency would be less than fifty (50) employees, the list of eligible voters will be expanded to include all employees within a particular department.
17. In the event that a Division's size or internal organizational structure make this impractical, the appropriate voting constituency will be determined by the Company and the Union, with the intent of creating a Peer Group for the vote which most closely resembles the group of coworkers that the Employee would normally work with.
18. Employees who are related to, or personally involved with the employee requesting the Reinstatement Vote, or who have otherwise had direct or indirect involvement in the employee's concern to the point where a real or perceived conflict of interest exists, will be disqualified from participating in the Reinstatement Vote.

19. The Human Resources Manager and the Employee Advocate will coordinate the secret ballot voting process, with the Company and the Union each appointing a single representative to act as scrutineers.
20. The voting process will be reviewed with the Employee's Peer Group prior to the Reinstatement Vote taking place.
21. Immediately prior to the Reinstatement Vote taking place, Position Statements will be read to the Employee's Peer Group. The Employee requesting reinstatement will present the Employee's Position Statement to the Peer Group, and a Management representative will present the Company's Position Statement to the Peer Group. Where the Employee requires assistance to prepare and/or read their Position Statement, they may request the Employee Advocate to do so.
22. Once the Position Statements have been presented, ballots will be distributed to the Peer Group, and the secret ballot voting process will proceed.
23. Only those employees within the Peer Group, who are actively employed and present at work on the day that the Reinstatement Vote takes place, may cast a ballot.
24. Once all ballots have been cast, the votes will be tallied by the Human Resources Manager and the Employee Advocate, under the supervision of the scrutineers.
25. Reinstatement of the Employee or affirmation of the discharge will be determined on the basis of a simple majority (50 per cent plus 1) of the Peer Group.
26. Should the remedy of reinstatement be awarded by the Peer Group, the matter will then revert to the Concern Resolution Sub-Committee (CRSC) for additional consideration.
27. The Concern Resolution Sub-Committee (CRSC) will be convened within ten (10) days of the Reinstatement Vote for the purposes of reviewing relevant facts, and negotiating any conditions associated with the reinstatement that the CRSC may consider appropriate and which are consistent with the terms of the National Collective Agreement, including: imposing a lesser form of disciplinary action, demotion, EAP Counseling, Last Chance Agreement, and whether back pay to the date of dismissal should be awarded.
28. The integrity of the Reinstatement Vote process is recognized as being essential by the Company and the Union. Both Parties are committed to ensuring that any future Reinstatement Vote will take place in a neutral environment, so as to ensure a fair result, free from external influence or bias.
29. It is agreed that leading up to a Reinstatement Vote taking place, the Parties will ensure that no person shall engage in any campaign activity, direct or indirect, or otherwise attempt to influence those employees being called upon to participate in the Reinstatement Vote. Should such activity occur, the Reinstatement Vote will be rescinded and the employee will have the sole option of pursuing his/her concern through the Concern Resolution Process set out in the National Agreement.

**MEMORANDUM OF UNDERSTANDING REGARDING
SELECTION AND APPOINTMENT OF NEUTRAL(S)**

During negotiations, the Company and Union agreed that they would identify a mutually acceptable Neutral and Alternate for the resolution of issues in the Framework of Fairness Agreement and in Articles 4 and 5 of the Agreement. The Neutral will fulfill this function on an ongoing basis (subject to continuing mutual agreement). The Alternate may be used by mutual agreement when necessary in cases when the regular Neutral is unavailable.

In selecting the Neutral and Alternate, the parties agree that their decision shall be guided by the following criteria:

- Must understand and accept the parties desire to implement a new model labour-management relationship as set out in the Agreements;
- Must understand the need for the Company to maintain competitive operations in order to protect job security for employees;
- Must make decisions within the context of the parties' stated need to balance the interests of key stakeholders – customers, investors, employees and society;
- Must make decisions within the context of the philosophies and principles set out in the Framework of Fairness Agreement and any supplemental letters and memoranda;
- Must have a thorough understanding of the automotive parts supply industry;
- Must have a pragmatic, practical approach to problem resolution;
- Must be willing to meet the timelines the parties have established for reaching resolution of any issue referred to him; and
- Must understand the need for employees' compensation, benefits and working rules to be competitive, based on the principles set out in the Employee's Charter and the Framework of Fairness Agreement.

In applying these criteria, the parties have selected the following individuals to act under the terms of the Agreements:

Neutral: _____

Alternate: _____

MEMOS OF UNDERSTANDING
PART B

MEMORANDUM OF UNDERSTANDING
RE: TEMPORARY / PART-TIME STUDENTS

The Parties recognize that it is beneficial to both the Company and Employees that Temporary / Part Time employment opportunities be made available to children and family members of Employees who are actively enrolled in post secondary educational programs.

Temporary / Part Time Student opportunities (TPT Students) meet the following needs of the business:

- Approved time off such as leaves of absence, vacation during the period May 1st through August 31st, etc.
- In the event of an emergency
- To provide weekend and holiday coverage
- Other situations as jointly agreed by Management and the Union

TPT Students will not be utilized while any seniority Employees are on lay-off, and regular full time Employees will be canvassed for premium overtime opportunities prior to TPT Students being utilized.

TPT students will be eligible for overtime pay in accordance with the Employment Standards Act. More flexible scheduling during the regular work week to cover for vacation and LOA requests.

The parties agree to consult with each other at the local level with respect to implementing a competitive TPT hourly rate that meets local business needs.

TPT Students must be at least 18 years of age (up to a maximum of 25 years old), and registered full-time in a recognized post secondary educational program.

In addition to the criteria set out above, Employees currently on layoff and those Employees on an approved Education Leave will be eligible for TPT opportunities.

Determining which applicants will be eligible for potential hire, will be based on the following order of priority:

- 1st: Employees on layoff;
- 2nd: Employees on Education Leave
- 3rd : Children of full-time Employees (includes step-children)
- 4th: Other family members of full-time Employees

In the event there are more applicants than job opportunities, preference will be given to the Child or Family Member of the Employee with the greatest seniority.

TPT Students may work in excess of the one hundred and ten (110) shift limit set out in the Supplemental Staffing Memorandum of Understanding (e.g. where a student works over the course of successive summers) and will not otherwise acquire seniority rights.

MEMORANDUM OF UNDERSTANDING
EMPLOYEE FILES

Upon written request, and reasonable notice to the Human Resources Manager, an Employee will be provided with an opportunity to review their personnel file, in the presence of the Human Resources Manager or his/her designate.

MEMORANDUM OF UNDERSTANDING
REGARDING SUPPLEMENTAL STAFFING

During negotiations, the parties discussed the Company's existing practice regarding supplemental staffing. In this regard, the parties agreed that the Company may continue to utilize supplemental help for legitimate business needs within the following guidelines:

- A. In no case will the Company allow a supplemental employee to work more than one hundred and ten (110) shifts during a twelve (12) month period, unless extended by mutual agreement. If not extended by mutual agreement between the parties, any employee who works beyond such period will be hired as a probationary employee and shall be required to complete the remainder of the probationary period as set out in Article 9.
- B. Any supplemental employee who works more than one hundred and ten (110) shifts during a twelve (12) month period by mutual agreement between the parties shall, upon his hire, become a probationary employee and shall be required to complete the remainder of the probationary period as set out in Article 9. Should such an employee have already worked the required number of shifts to pass the probationary period, he shall immediately become a seniority employee. In either case, such employee will have his seniority back-dated 90 days from the date the probationary period is completed in accordance with Article 9.
- C. In each of paragraphs A and B, above, should a supplemental employee be hired, any shifts he worked beyond ninety (90) shifts in any twelve (12) month period will be credited towards the fulfillment of the probationary period and any waiting periods for benefit eligibility.
- D. Supplemental employees will be subject to the provisions of Article 8 of the Agreement and shall pay dues to the Union once he or she begins accruing time towards the fulfillment of the probationary period in accordance with C, above. The initiation fee and monthly dues regularly required shall be determined by the Union. Notice of the amounts of such fee and dues shall be given to the Company, in writing, by the Union.
- E. Supplemental employees will not be utilized while any full-time employees are on involuntary layoff with a right to recall into that classification.
- F. Any available full-time positions not filled in accordance with Article 9 - Seniority, will be filled by qualified supplemental employees, in order of their commencement date at the

division, provided such supplemental employees are capable of performing the available work.

- G. Supplemental employees shall be paid in accordance with the Company's existing practice, and shall not be eligible for benefits.
- H. Supplemental employees shall be required to remit applicable union dues effective the first date of hire.

MEMORANDUM OF UNDERSTANDING
REGARDING EXCESS HOURS

During negotiations, the parties discussed the provisions of the *Employment Standards Act*, regulating hours of work in excess of eight (8) hours per day or forty-eight (48) hours per week. In order to ensure compliance with these regulatory requirements and so as to allow Employees an opportunity to work beyond the basic limits on hours of work set out in the Act, the Company and the Union agree to the following:

1. The parties agree that Hours of Work and Overtime shall continue to be governed in accordance with existing workplace practices as set out in Article 17 of the Collective Agreement, and that any work in excess of forty-eight (48) hours per week will be voluntary in nature, except in those situations outlined in the Collective Agreement;
2. Employees may work up to a maximum of thirteen (13) hours per day, as governed by the terms of the Collective Agreement;
3. Employees may work up to a maximum of sixty (60) hours per week, as governed by the terms of the Collective Agreement;
4. This Excess Hours Agreement will be subject to the Company obtaining the necessary hours of work regulatory approval from the Ontario Ministry of Labour;
5. This Excess Hours Agreement will remain in force until the earlier of 11:59pm on November 5, 2025, or until such time as the Collective Agreement has expired, and may be renewed or extended for a subsequent period of time with the consent of both parties; and
6. Either party may terminate this Excess Hours Agreement by providing at least two (2) weeks prior written notice to the other party.

MEMORANDUM OF UNDERSTANDING
RE: PUBLIC HOLIDAY PAY

Eligibility for Public Holiday Pay

The parties acknowledge that the applicable provisions of the Ontario *Employment Standards Act, 2000* (as amended) (the “Act”) create certain legal requirements in order for employees to be eligible for public holiday pay, and that the Act also establishes a pro-rated earnings formula to be used for the purposes of calculating the amount of any public holiday pay owed to eligible employees.

It has been the Company’s practice to administer public holiday entitlements in accordance with the provisions of the Act.

The parties recognize that the pro-rated formula used by the Act for the purposes of calculating public holiday pay can occasionally result in situations where employees do not receive public holiday pay equivalent to a full regular day’s wages, especially in situations where short term absences or other public holidays (e.g. Christmas, Boxing Day and New Year’s) take place in the four (4) week period immediately preceding the public holiday in question.

In order to resolve this concern, and notwithstanding the pro-rated public holiday formula set out in the Act, the parties agree that commencing October 1, 2010, eligible full time seniority employees will receive a regular day’s wages for public holidays, conditional upon them being actively employed by the Company and in receipt of employment related wages at some point during the four (4) week period immediately preceding the public holiday in question.

Employees who have not received employment related wages arising from active employment with the Company during the four (4) week period immediately preceding the applicable public holiday, or who otherwise are in receipt of income replacement benefits on the day that the public holiday falls (e.g. short term disability, long term disability, workplace safety and insurance, employment insurance) will have any public holiday pay entitlement calculated in accordance with the pro-rated formula set out in the Act.

Employees who are not yet in receipt of income replacement benefits on the day the public holiday falls as a result of serving an applicable waiting period will receive a regular day’s wages on the public holiday, subject to meeting the remaining criteria set out above. Should the employee subsequently qualify for income replacement benefits, the parties acknowledge that this may result in potential overpayment and benefit clawbacks, which will be the responsibility of the employee to rectify.

It is further understood and acknowledged that in agreeing to calculate public holiday pay in the manner set out above, employees will not be exempt from any other eligibility criteria established by the Act or applicable Company policy as described in Article 19 of the National Collective Bargaining Agreement, including without limitation, the requirement that an employee work all of their regularly scheduled shift before and after the public holiday.

Administering Public Holidays During the Christmas Season

The Parties acknowledge that Section 26(2) of the Ontario *Employment Standards Act* does not provide for the payment of public holiday pay until after an employee works all of his or her last regularly scheduled day of work before the public holiday or all of his or her first regularly scheduled day of work after the public holiday.

This would normally result in the delay of payment for certain public holidays falling during the Christmas holiday season until after an employee returns to work in the New Year, potentially giving rise

to financial hardship for certain employees. Both the Company and the Union wish to address this situation, by agreeing to a limited exception to the normal public holiday pay eligibility requirements established by Section 26(2) of the Ontario *Employment Standards Act*, for those public holidays falling during the Christmas holiday season.

Despite those requirements established by Section 26(2) of the Ontario *Employment Standards Act*, the Company is prepared, on a without prejudice or precedent basis, to advance eligible employees any public holiday pay they may be entitled to receive for Christmas Day, Boxing Day and New Year's Day, as part of the regular payroll process.

In addition to the three (3) public holidays recognized by the Ontario *Employment Standards Act* during the Christmas holiday season, it is understood that certain divisions covered by the National Collective Bargaining Agreement provide for other customer recognized holidays and/or floating holidays during the period between Christmas and New Year's, as described in the Local Appendix for each respective facility. Where a particular facility provides for additional customer recognized holidays and/or floating holidays during this period, it is agreed that this Letter of Understanding will apply to those additional holidays as well, allowing the division to advance payment for those days, subject to the conditions set out below.

In making this exception, the Company reserves its right to administer all other public holiday pay related requirements in strict accordance with provisions the Ontario *Employment Standards Act*, and by agreeing to this advance of public holiday pay during the Christmas holiday season, the Parties agree that in the event that an employee fails to actually work all of his or her last regularly scheduled day of work before the public holiday or all of his or her first regularly scheduled day of work after the public holiday, any public holiday pay advanced by the Company pursuant to this Letter of Understanding, may be deducted from future earnings owed to the employee.

**MEMORANDUM OF UNDERSTANDING
REGARDING SKILLED TRADES**

1) General

- a) “Skilled Trades” for the purpose of this agreement shall mean those classifications identified in the respective local terms, as referenced in Appendix B.
- b) The term “Journeyman/Woman” (Journeyman) as used in this agreement shall mean any person:
 - i) who presently holds a journeyman classification in a skilled trades occupation as listed in 1(a) above, or
 - ii) who has served a bona fide apprenticeship of four (4) years – 8000 hours or five (5) years – 9000 hours and holds a certification which substantiates his/her claim of such service, and holds a Certificate of Qualification in such trade, or
 - iii) who has eight (8) years of practical experience in the skilled trade or classification in which he/she claims Journeyman’s designation and can prove same. A CAW Journeyman/Women Card will be accepted as proof.
- c) The provisions of this agreement shall apply to all skilled trades employees and apprentices

2) Seniority

- a) Seniority in the skilled trades shall be exercised by skilled trades classification.
- b) Employees entering a trade shall have seniority based on their date of entry in that skilled trade classification.
- c) Apprentices shall obtain skilled trades seniority upon satisfactory completion of the apprenticeship program. The effective date of such seniority shall be determined based on the starting date of the apprenticeship, minus any time spent on layoff or in production during the apprenticeship. Accumulation of division seniority is frozen and excludes time served in apprenticeship.
- d) Employees who enter the apprenticeship program shall retain their division seniority until such time as they complete their apprenticeship, when the regular apprenticeship seniority rule shall apply. The apprentice may exercise his division seniority at a time of layoff from the apprenticeship.
- e) Layoff and recall for skilled trades employees shall proceed by classification seniority.
- f) In the event of a decrease in force in any skilled trade classification, the following procedure shall apply:
 - i) FIRST, apprentices will be laid off from the affected classification in the reverse order of their entry into their apprenticeship.

- ii) SECOND, probationary employees will be laid off from the affected classification in reverse order of their start date. If further employees are to be laid off, such employees will be laid off in order of their seniority within their classification.
 - iii) Skilled Trades Employees subject to long term layoff will have the right to exercise their plant wide seniority rights to displace a Non-Skilled Trades Employee with the lowest seniority in a lower classification, provided they are able to perform the work.
 - g) Should a skilled trades employee become permanently medically unfit and unable to follow his/her trade, both the Company and the Union will endeavour to place such employee on a job he or she is capable of performing, taking their total seniority with them. If placed in a non-skilled classification such employee shall forfeit all rights within the skilled trades.
- 3) The Company agrees to deduct Canadian Skilled Trades Council dues as adopted by the Canadian Skilled Trades Council, ½ hour per year.
- a) The first such dues deduction will be made from the employee's first pay following completion of their probationary period. Thereafter, dues deductions will be made in January of each succeeding year or upon completion of one month's work in the calendar year. These deductions along with the names of the employees shall be remitted to the Magna Local.
- 4) Tool Allowance – The Company agrees that any division covered by this agreement shall continue its existing practices regarding tool allowances and license renewals for skilled trades.
- 5) New Technology Training
- a)The parties recognize that a cooperative approach toward technological progress by all parties is an important factor in the Company's growth and its ability to compete effectively. In this regard, the Company shall make available appropriate specialized training programs to assist skilled trades employees, including apprentices, to gain the skills necessary to perform the new or changed work. Whenever practicable, training will be made available prior to new equipment entering the plants.
- 6) Training Opportunities
- The Company will provide technical training for members of the Skilled Trades considered necessary to meet the needs of the business. Potential training opportunities will be discussed with the Employee Advocate.
- Potential training opportunities may include:
- Fanuk Robotics
 - Motoman Robotics
 - Electrical Mechanical PLC
 - Robot Training
 - PM Programs for Troubleshooting
- 7) Personal Protective Equipment

Maintenance employees will be provided with any necessary personal protective equipment, including shop coats, coveralls, and winter coats.

8) Only fully licensed tradespeople with a valid Certificate of Qualification in a skilled trade employed by the Company will be eligible to hold the position of Maintenance Team Leader.

MEMORANDUM OF UNDERSTANDING **SKILLED TRADES APPRENTICES**

General

1. The purpose of the Appendix is to define the provisions governing registration, education, seniority, and all other matters related to skilled trades apprenticeships.
2. Except as expressly modified, all provisions of the Agreement shall apply to skilled trades apprentices.
3. Each division covered under this Agreement shall, where applicable, have a joint apprenticeship committee composed of an equal number of members from management and from the skilled trades classifications.
4. The function of this committee shall be to determine whether a formal apprenticeship training program is necessary and, if so, to advise on the administration of any such training program. This committee shall meet quarterly, as required.

Registration

5. All apprentices will be registered with the Ontario Ministry of Skills Development Apprenticeship Branch. All apprentices will sign a written Apprenticeship Agreement with the Company.

Initial Education Requirements

6. An apprentice will be required to have all Ontario Academic Credits or equivalent unless otherwise agreed upon by the apprenticeship committee. In addition, an apprentice will be required to pass a College Aptitude Test administered by a mutually agreed outside party.

School Attendance

7. Apprentices will be required to attend classes for related instruction. Any time spent in the classroom for instruction will be paid for by the Company if the apprentice loses time from his/her regular work schedule as a result of school attendance. The apprenticeship committee will establish a related progressive training schedule for the apprentices offering full exposure to all aspects of the apprentices trade. The Company will arrange for the apprentices to attend such courses.

Completion of Apprenticeship

8. An apprentice, upon completion of his/her apprenticeship, shall receive the journeyman's classification once he/she obtains the Certification of Qualification.

Applications

9. Seniority Employees
 - a. Notice of apprenticeship openings will be posted on the Company's Bulletin Board.
 - b. Applications for apprenticeship will be accepted by the Human Resources Department from seniority employees who consider themselves eligible under this program of training.
 - c. Applicants meeting the minimum requirements will be reviewed by the joint Apprenticeship Committee for entry into the training program.

Credit for Previous Experience

10. Credit for previous related experience in an apprenticeship program, or a skilled trade in any plant, may be given up to the time required on any phase of the apprentice shop training or related training schedules. Credit for such previous experience shall be given the apprentice at the time he/she has satisfactorily demonstrated that he/she possesses such previous experience and is able to do the job. Related training credit shall be given the apprentice at the time he/she is requesting credit under the related training schedule. At the time such credit is given, the apprentice's wage rate shall be correspondingly adjusted within the apprentice rate schedule based on the amount of credit given toward completion of the shop training schedule.

Discipline

11. The Committee shall have the authority to discipline an apprentice and to cancel the apprenticeship agreement of the apprentice at any time for cause pertaining to his apprenticeship such as:
 - a. Inability to learn
 - b. Unsatisfactory work
 - c. Lack of interest in his/her work or education

The provisions in this memorandum shall not limit the right of the Company to discipline an apprentice for cause.

Wages

12. Apprentices in each of the skilled trades covered under this agreement shall be paid in accordance with the existing practice of the division.

**MEMORANDUM OF UNDERSTANDING REGARDING
PAID EDUCATION LEAVE AND SOCIAL JUSTICE FUND**

Section 1: CAW Paid Education Leave

- (a) The Company agrees to pay into a special fund 3¢ per hour worked for each employee covered by the terms of this Agreement for the purpose of providing paid education leave. Such monies to be paid on a quarterly basis into a trust fund established by the national Union, CAW and sent by the Company to the CAW Leadership Training Fund, R.R. #1, CAW Road 25, Port Elgin, Ontario N0H 2C5.
- (b) The Company further agrees that members of the bargaining unit, selected by the Union to a minimum of two (2) members of the bargaining unit, selected by the Union to attend such courses, will be granted a leave of absence without pay, for up to twenty (20) collective days of class time, (per facility) plus reasonable travel time where necessary, said leaves of absence to be intermittent over a twelve (12) month period from the first day of leave.

Section 2: Social Justice Fund

- (c) The Company agrees to contribute 1¢ per hour worked for each employee covered by the terms of this Agreement to the Social Justice Fund. The Company agrees to forward the contributions quarterly to the Bank of Montreal, Transit # 2465 Account # 1018-788.
- (d) The Company will forward the number of employees, the number of hours used in the payment calculation and the period of time covered to the Employee Advocate of each division covered by the Agreement and to the following address at the same time the contributions are made: CAW/Social Justice Fund, 205 Placer Court, Toronto, Ontario M2H 3H9.

Section 3: Unifor Legal Service Plan

- (e) The Company agrees to contribute 7¢ per straight time hour worked to the CAW Legal Services Plan. The contribution rate for new hires (from the date of ratification) shall be 3 ¢ per straight hour worked.

MEMORANDUM OF UNDERSTANDING REGARDING
EMPLOYEE ADVOCATE SELECTION

During negotiations, the parties had significant discussions regarding the selection process used for Employee Advocates.

Given the unique bargaining history at Mississauga Seating Systems, the parties agree that MSS will continue to select its Employee Advocate using its existing past practice.

Qualtech Seating Systems (QSS) and Windsor Modules (WM) will continue to use the Employee Advocate Selection Process set out in Article 3 of the National Collective Agreement.

For secret ballot Employee Advocate performance vote purposes at both QSS and WM, the following thresholds will apply:

- Employee Advocate's First Term (first 36 months): 65% approval; and
- Employee Advocate's Second or Subsequent Terms: 50% plus 1 approval

The Union's election committee will be exclusively responsible for administering the secret ballot performance vote process, without the presence or involvement of Management.

MEMORANDUM OF UNDERSTANDING REGARDING
LABOUR RELATIONS STRUCTURE

During negotiations, the parties discussed the labour relations structure relative to those facilities covered by the National CBA.

As contemplated by the original Framework of Fairness Agreement, the Union has created an amalgamated Local Union (Local 2009 AP), with the Executive Council, Officers and Elected Officials of such Local Union comprised of the Employee Advocates (EA's) at each of the respective facilities covered by the National CBA.

The Union has advised of its desire to implement a full time President for Local 2009 AP elected by the membership at large, in accordance with the Union's applicable Constitution and policies, as a means of supplementing the existing Executive Council and Officers comprised of Employee Advocates.

This Memorandum of Understanding will confirm that the Company does not object to the Union's intention of electing a full time President for Local 2009 AP, and once elected, the Company will grant such individual an unpaid union leave of absence in accordance with the provisions of the National CBA.

In keeping with one of the fundamental pillars of the Framework of Fairness Agreement, the Union acknowledges that the election process used by the Union for selection of the Local 2009 President will not unduly politicize the workplace in those facilities covered by this Agreement. In particular, the Union has committed to using a "mail in ballot" process for any such election, so as to avoid disruptions caused by workplace political campaigns.

If such individual is elected from one of the existing Employee Advocates, such position will be back filled using the Employee Advocate selection process currently in place in those facilities covered by this Agreement.

In keeping with the original terms of the Framework of Fairness Agreement, future collective bargaining negotiations shall continue to take place at the Employee Relations Review Committee level, with necessary input and involvement from the Divisional General Managers and Employee Advocates.

The Company will reimburse the Union for up to 5 days of paid time at regular rate for up to a maximum of 3 Fairness Committee Members to participate in collective bargaining negotiations, during the local Appendix and economic phase of negotiations.

For 2017 collective bargaining, on a one-time without prejudice or precedent basis, the Company will provide payment to the Union in the amount of \$15,000 towards its bargaining costs.

MEMORANDUM OF UNDERSTANDING REGARDING
CONCERN RESOLUTION PROCESS

The parties recognize that the various steps in Concern Resolution Process set out in the National CBA include specific committees, such as the Concern Resolution Sub Committee (CRSC) and the Employee Relations Review Committee (ERRC) which are officially comprised of a specific number of individuals officially representing both the Union and the Company.

Despite the official composition of these committees as set out in the National CBA, both parties recognize that from time to time, it may be convenient and desirable for either party to delegate alternative individuals to attend these meetings in a support or administrative role, where such individuals may be familiar with the facts of particular cases being discussed, and where the assistance of these individuals may be valuable in terms of resolving an issue in dispute.

At the Concern Resolution Sub Committee level, the parties agree that the Union's National Representative may choose to delegate an Alternate to attend on his/her behalf; and in the Company's case, it is agreed that the Divisional Human Resources Manager will be allowed to attend for the purposes of providing assistance and support to the plant General Manager.

Where the Employee Relations Review Committee is concerned, the parties agree that where necessary, the Company and the Union may invite additional individuals to attend such meetings on an *ad hoc* basis to help provide information and render assistance to the Concern Resolution Process, but such individuals shall not otherwise be entitled to participate as formal committee members for the purposes of decision making.

MEMORANDUM OF UNDERSTANDING
(DPSP SERVICE FACTORS)

During negotiations, the parties discussed situations where terminated employees lose their current service factor in the Deferred Profit Sharing Plan (“DPSP”) as a result of their discharge, but who are then subsequently reinstated to active employment through the Concern Resolution Process.

The parties understand that the terms of the DPSP and Income Tax Act require an employee to dispose of their stock units within the DPSP within 90 days of termination, and that once such stock units are sold and withdrawn by the employee, the employee’s prior service factor is lost and cannot be reinstated to the plan.

In order to address this issue with future termination cases, the parties agree to implement a process following ratification to ensure that employees understand the implications of withdrawing their assets from the DPSP Plan.

In addition, the Company will work with the DPSP Trustee (Sun Life) in order to establish a process which will allow an employee to dispose of their DPSP stock units within the required 90 days following termination, but the resulting funds will be transferred into a Sun Life managed fund and held temporarily, pending resolution of any appeal to the termination being pursued by the Union and the employee through the Concern Resolution Process.

Should the discharged employee ultimately be successful in overturning their termination through the Concern Resolution Process, the employee’s funds will be returned to the DPSP and their previous service factor reinstated without penalty.

At any point, should the employee elect to redeem their DPSP stock units and instruct the plan Trustee to payout their assets held within the plan, the employee’s previous service factor will be permanently lost, regardless of whether they are ultimately reinstated as a result of the Concern Resolution Process.

MEMORANDUM OF UNDERSTANDING REGARDING
NEW DISABILITY PROGRAM

During the months leading up to negotiations, the Parties had significant preliminary discussions regarding the implementation of a new Disability Program.

Specifically, the new Disability Program involved replacing the Company's previous disability insurance carrier (Sun Life) with a new insurance carrier (Great West Life).

During this transition process, any remaining cash reserves associated with the former Sun Life policies were refunded to employees in the form of reduced insurance premiums throughout 2012-13.

Commencing May 1, 2013, the previous insured Short Term Disability (STD) benefit was replaced with a system of self-insured Short Term Absence (STA) benefits, which qualifying employees are eligible to receive over the course of a 26 week elimination period. The terms and conditions of the STA benefit policy are reasonably comparable to the former Sun Life STD Policy, and the overall benefit level remains unchanged.

As discussed between the parties, STA benefit claims are now adjudicated by Acclaim Disability Management ("Acclaim").

Also commencing May 1, 2013, the previous insured Long Term Disability (LTD) program was transitioned from Sun Life to Great West Life, on comparable terms and conditions. As agreed, this change was considered to be an interim measure, pending further renegotiation of the collective agreement scheduled for the autumn of 2013.

Subsequent to these initial Disability Program changes being implemented, the parties have agreed to the following additional changes to the Company's Disability Program:

Commencing July 1, 2014 the Company will replace its current employee paid LTD program, with an employer paid LTD program. The new LTD program will be subject to standard insurance industry terms and conditions and administered exclusively by the insurance carrier. The Company reserves the right to change insurance carriers in the future at its discretion so long as the level of benefit provided to employees remains comparable.

Prior to July 1, 2014, the insurance carrier will conduct a new general enrollment opportunity for this benefit. Participation in the new LTD program will be a mandatory condition of employment. Any employees off work due to non-occupational health issues prior to July 1, 2014 will remain subject to the previous LTD insurance policies in effect upon the date of their disability. Those non-occupational issues arising subsequent to July 1, 2014 will be subject to the new LTD Program.

The basic terms of LTD benefit level shall consist of the following:

1. 100 % employer paid premium
2. Prior completion of 26 week STA elimination period required

3. \$1700 per month flat rate lump sum benefit level for QSS Seating and MSS*
4. First 12 months total disability own occupation / total disability any occupation thereafter
5. Payable to age 65

*\$1500 flat rate monthly benefit for QSS Headliners and WM Assembly

In addition to the foregoing, optional employee paid “buy-up” coverage will be offered to employees for purchase in increments of \$100/month to a maximum of \$1000 in additional coverage for MSS & QSS seating employees, and up to a maximum of \$600 in additional coverage for Windsor Modules and QSS Headliners at applicable market insurance rates, subject to comparable terms and conditions as set out in the applicable insurance policies.

Employee eligibility for LTD benefits will be subject exclusively to the terms and conditions of the applicable insurance policy, and to the specific adjudication procedures and requisite medical evidence mandated therein. The specific insurance policy terms and conditions will not be considered part of the Collective Agreement and individual insurance related decisions shall not be subject to the Grievance Procedure.

Any inconsistencies or disputes between the Collective Bargaining Agreement and the applicable insurance policies regarding eligibility for LTD insurance benefits will be resolved in accordance with the terms and conditions of the applicable insurance policies.

**MEMORANDUM OF UNDERSTANDING RE: INDEPENDENT MEDICAL
EXAMINATIONS (SHORT TERM ABSENCE CLAIMS)**

During negotiations, the parties discussed the possibility of receiving conflicting medical evaluations in relation to claims for Short Term Absence (STA) benefits, where the medical opinion of the employee's physician is different from the medical opinion reached by the firm responsible for adjudicating STA benefit claims (currently Acclaim Disability Management).

In this respect, the parties have agreed that where such conflicting medical opinions exist that potentially give rise to a dispute involving eligibility for STA benefits, as an alternative to advancing such a dispute through the Concern Resolution Process, the parties shall refer the matter to a mutually agreeable third party medical practitioner specializing in the relevant condition (as applicable) for the purposes of having an Independent Medical Examination (IME) performed.

As a condition of being eligible for potential STA benefits, it is acknowledged that the employee will be required to fully cooperate in the IME process, and that the results of said examination will be fully disclosed to both the Union and the Company.

For the purposes of reviewing an employee's medical condition and level of disability, the medical practitioner shall take into account the terms of the Company's Short Term Absence Policy, any functional abilities and restrictions that might apply, as well as offers of suitable modified work provided by the Company.

The parties agree that the final result of the IME shall conclusively determine any issues in dispute regarding such ill or injured employee, including any eligibility to receive STA benefits.

The costs of any IME shall be shared equally between the parties.

MEMORANDUM OF UNDERSTANDING RE: UNION FLAGS

The Company will provide the Union with the opportunity to fly the Union flag at those facilities covered by this Agreement, where suitable flag poles exist on Company property. Where suitable flag poles do not exist, the Union may incur the costs of installing a flag pole of a design and configuration acceptable to the Company, and in a location acceptable to the Company, with such consent not to be unreasonably withheld.

The flying of flags at Company locations shall be consistent with international flag protocols, with the flag of the host nation being larger and higher than any other flag being displayed.

MEMORANDUM OF UNDERSTANDING RE: DAYS FOR RACIAL JUSTICE

Upon the Union's specific request, the parties agree to commemorate National and/or Provincial days for racial justice. Such days may include, but not be limited to the following:

- International day for the Elimination of Racial Discrimination;
- Indigenous People's Day;
- National Day for Truth and Reconciliation; and
- Asian Heritage Month.

The Company will provide a moment of silence on the International day for the Elimination of Racial Discrimination at time to be determined at the Company's sole discretion.

LETTER OF UNDERSTANDING RE: FAIRNESS COMMITTEE LEADERSHIP IN DIVERSITY AND INCLUSION

During negotiations, the parties engaged in thoughtful and productive dialogue regarding the importance of working together in order to combat discrimination in all forms while bringing an enhanced sense of fairness to our workplaces and communities. The Company and the Union are proud to engage with a wide variety of people and cultures, from all walks of life, and the parties recognize that a commitment to diversity and inclusion provides the Company and its workers with an important competitive advantage. Equally, the parties recognize that the members of our local Fairness Committees are uniquely positioned to promote the importance of diverse backgrounds, ideas and perspectives to help make Magna a more inclusive workplace for all. Accordingly, in order to help facilitate the parties' diversity and inclusion objectives, the parties hereby agree that Fairness Committee members will be provided with reasonable opportunities to engage in Magna-sponsored training and leadership workshops, and access to curated diversity and inclusion resources and tools. Further, up to two Fairness Committee members at each FFA plant may request an unpaid leave of absence for up to one day per calendar year for the purpose

of engaging in any Union sponsored diversity and inclusion related education/programming. Such requests will not be unreasonably withheld.

MEMORANDUM OF UNDERSTANDING RE: UNION AWARENESS FOR NEW HIRES

The Company and Union will work together to develop mutually agreeable union awareness material to be added into the Company's orientation package for TPT Workers and new hires.

During the orientation process, the Employee Advocate will be invited to participate and will be provided with a reasonable amount of time to present the union awareness material to TPT workers and new hires.

**MEMORANDUM OF UNDERSTANDING
RE: AUXILIARY EMPLOYEES**

The Parties recognize that it is beneficial to both the Company and Employees that auxiliary employment opportunities be made available to help supplement the regular full-time workforce, afford Employees more opportunities for time-off, and reduce the Company's utilization of Supplemental Staffing.

Auxiliary employment opportunities meet the following needs of the business:

- Approved time off such as leaves of absence, vacation and crew down
- To help provide coverage for absenteeism
- To help reduce situations of mandatory overtime
- Program launches and quality containment situations
- To provide coverage for illness and disability-related leaves and accommodation issues
- To provide weekend and holiday coverage
- Emergency situations
- Other situations as agreed to by Management and the Union

Auxiliary Employees will not be utilized while any seniority Employees are on lay-off, and regular full time Employees will be canvassed for premium overtime opportunities (i.e. weekends and holidays) prior to Auxiliary Employees being utilized. Auxiliary Employees must be available to work on a consistent as-needed basis, subject to the operational needs of each Plant. Auxiliary Employees must be at least 18 years of age.

Auxiliary Employees will be eligible to work on either a part-time or full-time basis. The plant-specific allocation between part-time and full-time Auxiliary Employees will be determined based on the operational needs of each plant and set out in the respective Local Appendix.

Unless otherwise agreed to by the Parties, the number of Auxiliary Employees utilized by a Plant will not exceed a number equal to fifteen percent (15%) of the number of seniority employees.

The Parties acknowledge that the Company's utilization of Part-Time Students will be accommodated under this Auxiliary Employee program.

Auxiliary Employees will be eligible for overtime pay, statutory holiday pay, and vacation pay in accordance with the *Employment Standards Act, 2000* (as amended from time to time). Auxiliary Employees will be eligible for shift premiums at the applicable rate of a new full-time hire.

Auxiliary Employees will be subject to a sixty (60) shift trial period. Following successful completion of the sixty (60) shift trial period, Auxiliary Employees will be eligible for safety shoes. At all times, retention of Auxiliary Employees shall be at the sole discretion of the Company.

Auxiliary Employees will be paid at the rate established by each plant's Local Appendix.

The Employee Advocate will be provided with an Auxiliary Employee hours worked summary, as well as a seniority list and overtime equalization list, on a monthly basis to be discussed at monthly manpower meetings with the General Manager.

Except as stated in this Memorandum of Understanding, Auxiliary Employees will not be eligible for any employment-related benefits or rights conferred by the Collective Bargaining Agreement and will not otherwise acquire seniority rights.

Auxiliary Employees will not be used to establish a production standard on any operation.

Auxiliary Employees will be subject to union membership, and as such, must tender dues in accordance with an agreement between the Company and the Union. Auxiliary Employees will be eligible for Union representation and access to the Concern Resolution Process in situations involving an alleged violation of this Memorandum of Understanding or in respect of allegations of discrimination/harassment. Any disputes relating to Auxiliary Employees will be dealt with at the CRSC.

In situations where daily overtime becomes available (4 early, 4 after), prior to using Supplemental Staffing resources, seniority Employees will be canvassed for such overtime.

Service for Auxiliary Employees will be tracked on the basis of hours worked. Auxiliary Employees will have priority hiring rights for potential full-time hiring opportunities with preference being provided to the Auxiliary Employee with the highest number of recorded working hours, where all other hiring related criteria are deemed equal. Should an Auxiliary Employee be hired for a full-time opportunity, he/she will serve an abbreviated probationary period equal to 30 shifts provided that he/she has, at the time of the full-time hire, worked as an Auxiliary Employee at the Divisions for a minimum of 2080 hours.

LETTERS

LETTER
REGARDING FRAMEWORK OF FAIRNESS FUNDAMENTAL TERMS

CAW

Attention: Hemi Mitic

During negotiations, the parties agreed that the principles and terms of the Framework of Fairness Agreement establish the fundamental conditions of the parties' decision to enter into this broader relationship and national collective bargaining agreement (the "National CBA"). The parties have agreed that no changes shall be made to the Framework of Fairness Agreement, the National CBA, supplemental agreements, letters or memoranda (the "Supplements") that are inconsistent with the terms of the Framework of Fairness Agreement.

The parties agree that neither the Company nor the Union will use any economic sanctions, including lockouts or strikes, to pressure the other party to change the Framework of Fairness Agreement or supplements.

LETTER REGARDING
PREFERENTIAL HIRING

Magna International

Attention: Marc Neeb

During negotiations the parties discussed preferential hiring for laid off employees. In this respect, any employee laid off at a division covered by this Agreement shall have first opportunity to fill a vacant position at any other division covered under this Agreement, provided that he or she has the capability to perform the available work and meets the eligibility requirements established by the Company. Where more than one employee meets these criteria, the more senior employee shall have first priority.

In addition, any employee at a division covered by this Agreement shall have preferential hiring rights for transfer purposes, in the event that a division in question is hiring, provided that he or she has the capability to perform the available work and meets the eligibility requirements established by the Company. Where more than one employee meets these criteria, the more senior employee shall have first priority.

In preferential hire situations, the employee shall enter the wage grid for the applicable job classification to which they were hired having regard to their total Magna Service.

Any employee who feels they were unjustly excluded from preferential hiring may utilize the Concern Resolution Process, beginning at the Hotline step.

The Company also agrees to continue its existing practice regarding voluntary, employee-requested transfers between Divisions.

LETTER REGARDING
DEPOLITICIZATION OF THE WORK ENVIRONMENT

CAW

Attention: Hemi Mitic

During negotiations, the parties discussed their mutual commitments to promoting a harmonious, constructive and globally competitive workplace where employees utilize the open door process to share ideas, provide input for continuous improvement and become actively involved in issues impacting their workplace.

The parties also recognize and agree that activities in a division that politicize or polarize the workplace have the potential to disrupt the operations and create a negative work environment. Such activities are inconsistent with the shared interests identified above, and lessen the democratic involvement of employees in workplace issues.

As such, the parties agree that they shall ensure that no such activities take place in any division covered by the Framework of Fairness Agreement. This commitment is not meant to prevent or otherwise limit an employee's ability to communicate with his or her co-workers on issues of interest, provided that such activities do not disrupt the efficient operation of the division.

LETTER REGARDING
EMPLOYEE OPINION SURVEYS

CAW

Attention: Hemi Mitic

During negotiations, the parties discussed the Company's existing practice of conducting anonymous employee opinion surveys ("EOS") at its divisions to determine employees' satisfaction regarding management's performance in upholding the principles of the Employee's Charter, the Corporate Constitution, the Framework of Fairness Agreement and the collective bargaining agreement (the "Agreement"), as well as the conditions under which employees work. The parties agreed that the results of each EOS conducted at a division covered by the Agreement will be given to the ERRC as soon as such results are available. The parties further agreed that they may jointly develop supplemental questions, from time to time, to be included in the EOS conducted at all divisions covered by the Agreement.

An EOS shall be conducted every twelve (12) to eighteen (18) months, or such other timeframe as the ERRC may deem appropriate. In normal circumstances, divisions that obtain an overall positive score of 80% or greater will follow an eighteen (18) month EOS cycle, while those achieving an overall score of less than 80% shall be on a more frequent cycle.

LETTER OF UNDERSTANDING

Re: Inverse Seniority Layoffs

This letter will clarify the intention of the Parties with respect to the Layoff and Recall provisions set out in Article 11, Sections 1 and 2 of the National Collective Bargaining Agreement (CBA), with respect to layoffs and the application of the Inverse Seniority Provision.

(a) Short Term Layoffs

The parties agree that in situations of temporary short term layoffs covered under Article 11 of the CBA, seniority employees on the affected shift will be offered the first opportunity for short term layoff, notwithstanding the layoff procedure set out in Article 13 of the Collective Agreement.

When applying the Inverse Seniority Provision for temporary short term layoffs, it is agreed that the Company will canvas seniority employees on the affected shift who are willing to be temporarily laid off for the duration of the short term layoff, prior to implementing any involuntary seniority based layoffs under Article 13 of the CBA.

Any seniority employees who elect to be placed on short term layoff will be selected on the basis of inverse seniority, meaning that the most senior employee will be provided the layoff opportunity first, the second most senior employee next, and so on, following the seniority list.

Those employees who volunteer for the inverse seniority layoff will be committed to accepting the temporary layoff for full duration of the short term layoff announced by the Company. Should the temporary layoff extend beyond three (3) weeks in duration, seniority employees who first elected an inverse seniority layoff will have the option of either exercising their seniority rights for the purposes of being recalled to active employment, or with the mutual agreement of all parties, continuing their temporary layoff for an agreed upon period of time.

It is understood that the Company reserves the right to deny or revoke requests for inverse seniority layoff, where an individual's particular skill and ability are considered necessary to operational requirements. Before any such request is denied, the Company and the Union will meet to review the circumstances of each case.

The Parties agree that the Company shall bear no liability associated with inverse seniority layoffs, and that any decisions regarding the availability of Employment Insurance (EI) benefits is the exclusive responsibility of Human Resources and Services Development Canada (HRDSC).

(a) Long Term Layoffs

In situations involving long term layoffs expected to be in excess of three (3) weeks in duration, the option of inverse seniority layoffs will be offered to seniority employees following the same process set out above in section (a).

Employees who have elected an inverse seniority layoff will commit themselves to remaining on long term layoff, subject to the following opportunities where the employee may choose to

reverse the inverse seniority layoff and promptly return to active employment by advising the Company in writing on one of the following dates:

- (a) Thirty (30) days following the commencement of the long term layoff;
- (b) Ninety (90) days following the commencement of the long term layoff;
- (c) At the point where the temporary layoff transitions to permanent layoff for the purposes of the Employment Standards Act, 2000 where the employee has an option of receiving applicable termination and severance pay or remaining on layoff for the duration of the contractual recall rights period.

Where an Employee provides the Company with written notice of his/her intention to return to active employment in accordance with paragraphs (a), (b), or (c) above, the Company shall return the Employee to active employment within five (5) business days. The Employee shall displace the junior employee in his/her classification.

Where an Employee elects to remain on long term layoff beyond the point set out in paragraph (c) above, the decision to remain on layoff will be irrevocable for the full duration of any long term layoff remaining; which depending on the circumstances, could ultimately include termination of employment.

Employees opting for inverse seniority long term layoff shall be responsible for ensuring that their personal contact information is kept current and that they promptly respond to any Company inquiries regarding potential recall. The Parties understand that it is the responsibility of the Employee to ensure that any decision made by the Employee to either return to work at the times set out in (a), (b), or (c) above is clearly communicated to Human Resources and the Union in writing at the times described above.

The Company reserves the right to recall Employees on long term layoff when necessitated by the operational needs of the business.

LETTER OF UNDERSTANDING

Re: Mutual Shift Change Requests

In situations where two employees wish to apply for a temporary mutual shift change opportunity, they must first submit a completed Mutual Shift Change Request Form to the respective Supervisor(s) for approval.

The respective Supervisor(s) will review each request, and provide approval subject to the employees requesting a shift change opportunity having the necessary skill and ability to satisfactorily perform each other's job. Where such a request has been approved, the temporary shift change may be implemented without a job posting.

Employees who wish to undertake a temporary mutual shift change bear full responsibility for making all necessary arrangements in connection with such changes, and once they have committed to a shift change, will be expected to abide by that commitment for the duration of the agreed upon time.

Temporary mutual shift changes will be approved for periods of not less than one (1) week and up to a maximum one (1) month in duration. Should employees wish to extend the arrangement, they must re-submit their request for approval.

Employees switching shifts under this arrangement will assume one another's overtime hours for overtime equalization purposes.

In the event of a layoff affecting either employee, or where either employee party to a mutual shift change arrangement is no longer able to meet their obligations under the agreement, both employees will revert back to their regularly assigned position.

APPENDIX A
DIVISIONS COVERED UNDER THE AGREEMENT

The Company recognizes Unifor as exclusive bargaining representative for the purpose of collective bargaining with respect to the terms and conditions of employment, for the term of this Agreement, for all full-time and regular part-time production and maintenance employees employed by the following Divisions:

- Windsor Modules, located at 9305 Twin Oaks Drive, Windsor, Ontario
- Qualtech Seating Systems, located a 3915 Commerce Road, London, Ontario
- Mississauga Seating Systems, located at 400 Courtneypark Drive East, Unit # 1, Mississauga, Ontario

APPENDIX B WAGES & CLASSIFICATIONS

During negotiations, the parties had extensive discussions regarding the need to be fully competitive and to operate in an optimal manner. The parties recognize and agree that to be competitive on a global basis requires maximum flexibility in the utilization of the workforce and a commitment by all employees to accomplishing tasks on time, in the most cost effective and efficient manner, with world-class quality.

To further these objectives, employees may be required to perform work as it relates to a particular function that involves duties normally performed by employees in another function and/or work area. In order to achieve this operational efficiency and flexibility, the parties are committed to establishing a structure that minimizes the number of production and skilled trades classifications in each division.

The parties agree that the ERRC shall work with each division that becomes subject to the terms of this Agreement to achieve these objectives and shall streamline such division's classification structure. The details of the classifications and the corresponding wage rates shall be included as a local term of this Agreement.

NATIONAL COLLECTIVE BARGAINING AGREEMENT

LOCAL APPENDICES

WINDSOR MODULES

Appendix B – Windsor Modules Wages & Classifications

During Negotiations, the parties had extensive discussions regarding the need to be fully competitive and to operate in an optimal manner. The parties recognize and agree that to be competitive on a global basis requires maximum flexibility in the utilization of the workforce and a commitment by all employees to accomplishing tasks on time, in the most cost effective and efficient manner, with world-class quality.

In meeting these objectives, the parties have agreed to the following classifications and wage rates:

One (1) Time Performance Bonus of \$2600 payable to seniority employees.

Performance Bonus payments to be subject to applicable statutory deductions, and to be payable within thirty (30) days following successful ratification of the Agreement.

Seniority employees on approved leaves of absence will receive the Performance Bonus upon their return to active duties if they return to work within three (3) months of the ratification date of this Collective Agreement.

Wage Rates

#1	Windsor Modules - Schedule "A"				
	11/2021	11/2022	11/2023	11/2024	
Wage Hourly					
Assembler	\$21.67	\$22.23	\$22.79	\$23.50	
MATERIAL HANDLER	\$22.67	\$23.23	\$23.79	\$24.50	
Team Lead	\$23.67	\$24.23	\$24.79	\$25.50	
Maintenance	\$37.33	\$37.33	\$37.33	\$38.08	
Lump sum					
Team Lead	\$500.00				
Maintenance		\$1,800.00	\$1,800.00		
	Year				
	1	2	3	4	5
Grow in					
Assembler	\$17.80	\$18.77	\$19.74	\$20.71	\$21.67
Material Handler	\$18.80	\$19.77	\$20.74	\$21.71	\$22.67
Team Lead	\$19.80	\$20.77	\$21.74	\$22.71	\$23.67

- Hourly Service Department employees will be paid a rate \$1 greater than Assembly. No Service Department Classification will be added to the CBA.
- The Windsor Modules Employee Advocate will be paid at a rate of ten (10) percent above the applicable Team Leader classification. While the Employee Advocate is on an approved Union leave, the Replacement Employee Advocate will receive the Employee Advocate's wage rate for all shifts worked in the Replacement Employee Advocate role.
- New Employees start at start rate.
- In the event that the Employee Advocate might in the future be selected from the Maintenance Technician Classification, the wage will be increased by 15%, while the individual remains in the Employee Advocate Classification
- Any Overtime requests by the EA, must be pre-approved by the division HR Manager or designate.

Auxiliary Employees

The Company proposes the wage rate for Auxiliary Employees to be fixed at the New Hire Start Rate for the applicable Plant Classification. Auxiliary Employees will not be entitled to progress through the wage grid until such time as they are hired as a full-time employee and acquire seniority rights following the successful completion of the probationary period.

**APPENDIX C – WINDSOR MODULES
CONTINUOUS IMPROVEMENT METRICS**

The parties agree that Article 16, Section(b) “Continuous Improvement Incentive” will no longer apply to Windsor Modules.

**APPENDIX D – WINDSOR MODULES
REGARDING HOURS OF WORK – ARTICLE 17**

While the division operates on a three (3) shift model, employees working under such a shift model will work an eight-hour day, five days per week with a 20-minute paid lunch break and two 10-minute paid rest periods. Employees that work beyond nine (9) hours will be provided an additional ten (10) minute break to be taken at the end of the ninth hour. Unless otherwise scheduled, the regular work-week is from Monday to Friday.

Employees regularly assigned to the afternoon shift shall receive a shift premium of \$0.60 per hour. Employees regularly assigned to the night shift shall receive a shift premium of \$0.80 per hour.

Time and one half (1.5) for work on Saturday, provided that the employee has no unauthorized absences during the week.

**APPENDIX E – WINDSOR MODULES
REGARDING HOLIDAYS – ARTICLE 19**

Employees at the Division will continue to observe the holidays referenced in Article 19 of this Agreement, except that Remembrance Day in November shall be observed in lieu of the August Civic Holiday

Family Day will no longer be observed as a paid holiday, and will instead be replaced with the following 3 paid holidays, which will be administered in accordance with Article 19 of the National Collective Bargaining Agreement:

- Easter Monday
- Friday prior to Victoria Day (May Long Weekend)
- Friday prior to Labour Day

The 1 Company designated floating holiday will become employee designated, which will be administered in accordance with Article 19 of the National Collective Bargaining Agreement

Two (2) floater days may be taken in a half day increment. The remaining floater days will be taken in full day increments.

**APPENDIX F – WINDSOR MODULES
SAFETY**

The safety shoe allowance will be increased to a maximum of \$135.00 per year (or \$270.00 every two years). Skilled Trades eligible for two pairs of safety shoes per year (\$270.00 per year, subject to receipts).

Material Handler Team Leaders and Service will be entitled to receive a \$60.00 annual contribution towards PPE.

Memorandum of Understanding Regarding Skilled Trades

Future Hiring

Any further employment in the Skilled Trades shall be limited to journeymen/women and apprentices. The Company will present to the Union proof of qualifications before hiring.

Layoff and Recall of Skilled Trades

In the event of a permanent layoff impacting the trades, and consistent with the provisions of Article 11, Section 2 of the National Collective Bargaining Agreement, Skilled Trades employees subject to a long term layoff will have the right to exercise their plant wide seniority rights to displace a Non-Skilled Trades employee with the lowest seniority in a lower classification, provided they are able to perform the work.

Utilization of the Skilled Trades

The Company and the Union have addressed Skilled Trades concerns over income and job security.

Primary among these understandings is the Company's commitment that there will be no reduction of Skilled Trades employees as a result of outside contracting throughout the life of this agreement.

More specifically:

Planning – Plant management shall meet semi-annually to review with the Employee Advocate projected workloads regarding the installation, construction, maintenance, repair, service, and warranty work of existing or new equipment, facilities and the fabrication of tools, dies, jigs, patterns, and fixtures.

- (a) Information – Advance notice of outside contract activities involving the Skilled Trades will be provided to the Employee Advocate, in situations other than emergencies, at least ten (10) days in advance to permit meaningful discussion and a careful analysis of the Company's workforce capabilities in connection with the subject work. This written notice will provide the Union with all available information on the nature of work, including plans and the number of trades persons required to perform the work.
- b) Layoff Recall – When Skilled Trades employees are on layoff in a classification, the nature of which they customarily perform, and consideration is being given to outside contracting said work, Skilled Trades employees will be given first priority for the work, before letting the contract provided that they can perform the available work.
- c) Full Utilization – It is the policy of the Company to fully utilize its own employees in maintenance Skilled Trades classifications in the performance of maintenance and

construction work, provided such employees have the necessary skills and ability to perform the available work.

Seniority List

Windsor Modules will continue its current practice of posting an accurate and up to date seniority list on a monthly basis.

Tool Allowance

There will be an annual Skilled Trades Tool Allowance of \$500.00, subject to receipts being provided.

APPENDIX G – WINDSOR MODULES REGARDING MEDICAL LEAVES – ARTICLE 20

The 2 half day medical leaves in Article 20 (Section 2) of the National Collective Bargaining Agreement will no longer require medical documentation, and employees may apply for such time off in accordance with the Personal Leave provisions set out in Section 1 of Article 20

APPENDIX H – WINDSOR MODULES REGARDING BACK UP POSITIONS

The only classification that Back Ups will be required for is the Material Handler classification.

- a) “The Company will utilize a Back Up system for temporary vacancies in the indirect job classification of Material Handler”.
- b) Back-Up vacancies will be posted and only employees in the classification of Production Team Member may apply. Employees will be accepted as per Article 10, Section 2 of the National Collective Bargaining Agreement, provided they are on the shift where the vacancy occurs.
- c) Back Up opportunities will be distributed on a rotating basis among the fully trained Back-Up employees on the same shift, provided there is no internally displaced employee on the same shift with right of recall to the Material Handler Job Classification. Back Up coverage of less than 3 full hours will not be considered an “opportunity” for the purpose of rotation.
- d) A Back Up employee will lose such Back Up position through a transfer to another shift.
- e) An employee having lost such a Back Up position through a reduction will be reinstated as a Back Up employee when he accepts a recall to his regular shift.
- f) A Back Up employee will be eligible for overtime only when all other employees in the classification on that shift or the overlapping shift have been offered the overtime opportunity. All overtime hours worked by any employee will be charged to that employee’s original work centre.

**APPENDIX I- WINDSOR MODULES
REGARDING LAYOFF**

In the event of a plant wide layoff equal to one (1) calendar week or longer, any occasional work opportunities (e.g. painting, line bumping, etc.) scheduled during the layoff period may be offered to production employees in required classifications by plant wide seniority, provided that such employees have the skill and ability to perform the required work. For clarity, a “plant wide layoff” is defined as a layoff of all production employees for a period during which no production occurs on any shift, usually because the customer has ceased or curtailed production.

**APPENDIX J – WINDSOR MODULES
REGARDING DAILY SHIFT SWITCH**


Daily shift switches are permitted provided that the switch is otherwise consistent with the Letter of Understanding Re: Mutual Shift Change Requests, and is compliant with all applicable legislation.


SIGNATORIES:

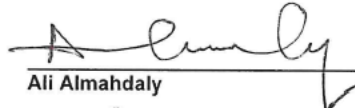
FOR THE UNION:

NOVEMBER 6, 2021 – MISSISSAUGA, ONTARIO

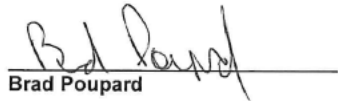
For the Union:


Luis Domingues

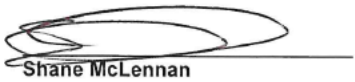

Jimmy D'Agostino


Ali Almahdaly


Currie Ferguson

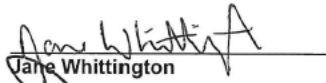

Brad Poupard


Christine Whitesell


Shane McLennan

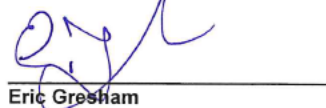
FOR THE COMPANY:

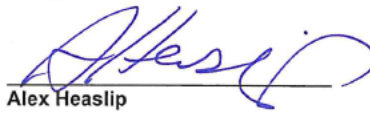
For the Company:


Jane Whittington


Mike Magri

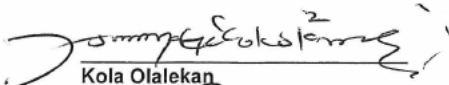

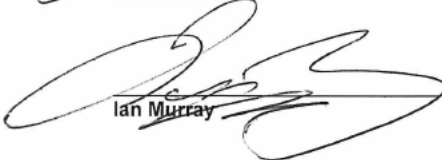
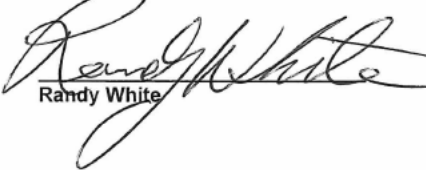

John Cunningham


Eric Gresham


Alex Heaslip

Kurt Windibank


Martin Smieszek


Alex Bas
Gina Theriault
Kola Olalekan
Tara Meyer
Ian Murray
Nathan Lockwood
Traci Campbell
Randy White

SIGNED AT MISSISSAUGA, THIS 6th DAY OF NOVEMBER, 2021

FRAMEWORK OF FAIRNESS AGREEMENT

BETWEEN:

MAGNA INTERNATIONAL INC.

- AND -

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

OCTOBER 15, 2007

**CANADIAN
FRAMEWORK OF FAIRNESS AGREEMENT
OCTOBER 15, 2007**

A. Background and Principles

3. *Introduction*

Canada's automotive assembly and parts industry is our country's most important high-technology, value-added, export industry and employs thousands of people directly and indirectly. It makes a crucial contribution to family incomes, productivity growth, and foreign trade performance. Because of the high productivity of the industry and because of the strong linkages between assemblers, parts producers, and the thousands of companies which supply them (with everything from components to materials to services), every new job in an assembly or parts facility ultimately generates several additional jobs for Canadians. Automotive manufacturing is one of Canada's only industrial "success stories," and has made a crucial contribution to diversifying our economy away from an exclusive reliance on the production and export of natural resources and energy. For all of these reasons, the auto industry holds an immense economic and social importance to Canada.

Within this context, Magna and the CAW are motivated by the shared goal of not only preserving but expanding Canada's automotive sector through high-performance work practices; investments in both capital and human resources; effective and just labour relations; world-class quality, productivity, and reliability; developing and renewing top-quality skilled trades; and continuing to support and enhance social and environmental sustainability.

Moreover, both Magna and the CAW have made significant contributions over the years to the development of a distinctly Canadian identity in our auto industry. Magna is the largest automotive manufacturer (measured by employment) in Canada. It has pioneered new technologies, new products, new forms of work organization, and new forms of workplace democracy. The CAW is Canada's largest private-sector trade union. It became an independent Canadian organization in 1985, and since then has pioneered more effective and democratic union principles and practices, and contributed importantly to the evolution of a more authentic and democratic Social unionism. In Canada, Magna and the CAW already have an effective and productive working relationship, both in Magna's existing CAW-represented facilities, and through our cooperation in bodies such as the Canadian Automotive Partnership Council and related forums. This gives us a special shared interest in continuing to build a more well-rounded, economically and financially successful domestic auto industry.

Despite its past successes, the Canadian automotive parts manufacturing industry has undergone significant evolution in recent years. Greater responsibility for the design and production of parts systems, and modules has shifted to automotive parts suppliers. The implementation of multilateral trade agreements, the general globalization of the automotive industry, and the wide variance between international trade practices, have all placed increasing demands on Canada's automotive employers and their employees to remain competitive in the global marketplace. Technological, competitive, and environmental challenges will require auto producers to be innovative, flexible, and efficient, if the Canadian automotive industry is to continue to play its important role in our national economy.

Magna and the CAW are entering this agreement at an especially challenging time for Canada's auto industry, and for our entire manufacturing sector. Canadian value-added industry is facing challenges resulting from strong Canadian currency, unequal trade practices, and competition for scarce resources for developing Canadian manufacturing capacities and skills. Our effort to implement a unique and innovative labour relations system at Magna occurs in the context of these historic challenges facing Canadian manufacturing.

As each stakeholder – companies, unions, employees, communities and government – shares in the benefits of a successful and prosperous automotive industry, each stakeholder must also contribute, in a meaningful way, to ensuring that continuing success.

This responsibility requires that all parties seek new and innovative ways to deal with the industry's challenges, working cooperatively to achieve these goals. To this end, Magna and the CAW are committing with this Framework of Fairness Agreement (the "FFA") to develop a new, innovative, flexible, and efficient model of labour relations. This model will combine the best features of union representation, with Magna's established culture of workplace democracy and fair treatment (as embodied in the Magna Employee's Charter). The model incorporates aspects of existing North American and European labour relations practices, yet will also reflect a uniquely Canadian attempt to combine industrial and financial success with principles of fairness and social responsibility.

Consistent with these principles, Magna and the CAW have entered into this Framework of Fairness Agreement (the "FFA"), and make the following commitments to ensuring the long-term success of the Company and job security for employees.

The Company will contribute to this success by:

- making appropriate investments in new products and processes;
- running operations in an efficient manner;
- treating employees fairly, in accordance with the Employees Charter and the FFA;
- ensuring employees receive appropriate training to enhance their skills and capacities;
- maintaining health, safety, and environmental practices in accordance with the Magna Health, Safety and Environmental Policy and applicable laws;
- ensuring that employees are recognized for their contribution to, and share in, the financial success of the Company;
- providing regular communication to employees regarding issues impacting the industry and their division; and
- ensuring that operations generate a competitive return for their shareholders.

The Union will contribute to this success by:

- providing a check and balance for the interests of employees in Magna's Fair Enterprise system;
- providing assistance to Magna in the sourcing process;
- building higher employee morale;

- enhancing stronger employee participation and commitment in the Magna production process, to improve quality and productivity, and build a better product for a better price;
- facilitating relationships with automotive assemblers and other customers;
- enhancing transparency, credibility, and trust in labour relations policies and practices, including the Open Door process, Fairness Committees, Employee Advocates and the Magna Hotline;
- providing access to professional expertise and training from CAW resources;
- helping to establish apprenticeship programs, where necessary, to increase the skill level of Magna production and skilled trades employees;
- contributing to the enhancement of effective practices and structures to ensure gender and racial equality in a harassment-free workplace;
- providing CAW expertise in the enhancement of effective Wellness programs, employee assistance programs, and other measures to enhance the all-round well-being of Magna employees;
- providing CAW expertise in advancing health and safety practices, and addressing environmental issues;
- leveraging better rates for products and services by using the parties' joint economies of scale;
- partnering on legislative issues to advocate on behalf of the Company and the automotive industry at all levels of government;
- partnering on community projects to enhance social and environmental well-being in the communities in which Magna and CAW plants are located.

4. *Founding Principles*

Dramatic changes in the global auto industry have created new technological, economic, and financial challenges for Canadian-based automotive producers. These challenges can be met most effectively, thus strengthening the Canadian industry, through a cooperative and productive working relationship between the employer and the union. By combining the best features of union representation with Magna's existing Fair Enterprise culture, the FFA aims to strengthen mechanisms of employee voice, employee security, consultation and input, with the goal of building a stronger, fairer automotive industry.

Magna and the CAW are fully committed to building a working relationship based on the values reflected in the Magna Employees' Charter, the Magna Corporate Constitution, and the CAW Constitution, including:

- A safe and healthful workplace;
- An environmentally sustainable industry;
- Fair treatment for all employees;
- Competitive wages and benefits;
- Fair job security and seniority rights;
- Open and transparent sharing of information and communication
- Participatory democracy;
- Opportunity for access to training and skills development;
- Employing a top-quality skilled trades workforce;
- Recognition of the value of collective bargaining and union representation;
- Recognition of the need for ongoing improvements in quality and productivity;

- Recognition of the need for continuing profitability of the company;
- Commitment to balancing the interests of customers, shareholders, employees, and broader society.

Consistent with these principles, the CAW and Magna will work together to provide a fulfilling work environment where employees are able to participate, through an Open Door Process, in the decision-making that affects their lives. The involvement of employees by taking ownership, responsibility, and accountability is necessary for the success of their facility and the Company as a whole.

The following provisions establish the mechanism for determining representation status, as well as describing the processes and structures necessary to support this new labour relationship.

B. Determining Majority Status

1. Ratification Process By Secret Ballot

Secret-ballot votes will be held at each Division covered by the FFA, according to an agreed upon schedule and in accordance with the Memorandum of Understanding regarding the Recognition Process. The ballot shall indicate whether the applicable bargaining unit members in the Division wish to be represented by Unifor under the terms of the Unifor-Magna National Collective Bargaining Agreement (the “National Agreement”).

Where a majority of employees in a Division ratify the National Agreement, then Unifor will be recognized by Magna as the sole bargaining representative for the applicable employees of that Division.

As employees at additional Divisions ratify the National Agreement in subsequent votes, they will be covered by its terms and conditions, and will be folded into Unifor Local covering Magna employees.

C. Labour Relations Structure

1. Employee Advocate

Employees at each Division, for which Unifor is the exclusive bargaining representative, will be represented by a Unifor-Magna Employee Advocate (“EA”).

The duty of the EA is to ensure that the Employee’s Charter, the FFA and the National Agreement are consistently followed and applied in a fair manner. In carrying out these duties the EA shall:

- a. Support Employees in seeking resolutions to their concerns through the Open Door Process up to and including the Hotline step in the Concern Resolution Process. Should a matter be appealed beyond the Hotline, the responsibility for pursuing resolution of the concern shall shift from the Employee or group of Employees to the Employee Advocate, who at that point, shall have the additional responsibility of pursuing the matter on behalf of the Employee or group of Employees to the Concern Resolution Sub-Committee (“CRSC”) and ERRC.
- b. Promote communication and a positive work environment between management and employees and between employees and their co-workers.
- c. Use the Employee’s Charter and the Agreements as a guide to achieving these goals.

- d. Ensure that employees receive “due process” and are treated in a fair and consistent manner during the disciplinary process (including discharge).
- e. Work with all parties to develop continuous improvement ideas to make the division more competitive, consistent with the Statement of Principles in the National Agreement.

There shall be one full-time EA per plant unless otherwise agreed upon by the ERRC. In facilities with less than 150 employees, the EA shall also perform his or her normal production duties when not engaged in duties relating to the EA role. The EA’s area of responsibility will include all operations on all shifts.

The EA may perform additional functions with the approval of the Company and the Union.

2. *Amalgamated Unifor Local Union Structure and Activities*

The National Executive Board of Unifor shall charter an amalgamated Unifor local union for all Magna Divisions (the “Magna Local”), including the transition of those divisions currently represented by the Union.

An Executive Council for this amalgamated local union will be constituted, consisting of the EA from each of the Unifor represented Divisions of Magna.

Members of the Executive Council will elect the amalgamated local’s executive (the “Local Officers”), and will hold regular meetings in accordance with Unifor’s National Constitution. Any Local Officers elected to a full time role within the Magna Local, shall have their EA role backfilled in accordance with the established EA selection process.

Members of the Executive Council will help to coordinate and promote Unifor’s broader activities (including coordinating participation in Unifor educational programs, responding to member inquiries, and promoting other Unifor initiatives) within their respective Divisions.

3. *Employee Relations Review Committee*

A joint Employee Relations Review Committee (“ERRC”) will be established. The ERRC shall consist of three Company and three Union representatives. Union representatives shall be designated by the National Unifor, and shall include an Assistant to Unifor National President (the “Unifor AP”), the senior Unifor National Representative assigned to service the Magna Local, and the President of the Magna Local. Company representatives shall include two representatives from the office of the Magna EVP, Global Human Resources and one Senior Operating Executive.

The ERRC will meet at least quarterly (and additionally, as required) to review Magna’s financial and operational performance in Canada, and to discuss other relevant top-level issues related to investment, production, employment, technology, and the general state of labour relations.

These quarterly meetings will serve as a forum for the Company and Union to discuss future goals and projects, including:

- Reviewing the general labour-management relationship and operational issues, and providing recommendations in the spirit of continuous improvement, the Magna Employees’ Charter, and the Agreements.

- Reviewing the ongoing health of the automotive business in Canada, North America, and globally, and implications for the supplier industry.
- Participating in labour-management industry forums to recommend initiatives to enhance the success and competitiveness of the Canadian automotive industry, while maintaining or enhancing the job security of employees.
- Reviewing the key operational metrics and measurables shared with employees at all Unifor-represented Divisions.
- Sustaining a commitment to make Magna a “learning organization” that continually strives to improve the quality of its products, the productivity of employees, and the quality of work life through ongoing education and training.
- Creation of programs targeted at ensuring Magna remains competitive through continuous improvement initiatives, work-redesign, cost reduction, and other initiatives.
- Specialized training for managers and union representatives for effectively implementing the principles of the Magna Employees’ Charter and the Agreements.
- Working jointly to promote new investment and production opportunities.
- Joint presentations to, and dialogue with, applicable government representatives on matters of importance to the Canadian automotive industry.

The parties strongly believe that employee concerns are best resolved by those directly involved in such issues in the workplace and, as such, have structured the Concern Resolution Process to ensure employees and managers take accountability for resolving any concerns that may arise in their Division. The ERRC serves as a final internal resort in the Concern Resolution Process, in cases when a mutually satisfactory resolution of a workplace concern cannot be attained through the Open-Door Process, through a Fairness Committee hearing in the Division, or through reference to the Hotline.

D. Magna-Unifor National Agreement

1. Establishing National Agreement Terms

The ERRC will serve as the top-level committee for purposes of negotiating the National Agreement.

Magna and Unifor agree that long-term stability in their relationship is best achieved by the parties mutually agreeing to a long-term agreement. Notwithstanding the duration of the agreement, the parties recognize the importance of a regular review of key economic and other terms in the National Agreement. As such, certain key terms will be renegotiated on a more frequent basis, as agreed upon by the parties.

In addition to the ERRC, the negotiation process may include specialty sub-committees established to research and negotiate plant-specific issues requiring local approval, provided that such issues do not conflict with the Division’s Handbook.

The parties’ negotiations shall be guided by input received from employees, plant management and EAs of Divisions covered by this FFA.

The National Agreement will specify guidelines and benchmarks governing wage adjustments, shift premiums, retirement programs, benefits, and working hours. Appropriate flexibility will be provided for individual Divisions in implementing these benchmarks, giving consideration to

specific Division-level financial, operational, and competitive conditions. A description of the anticipated provisions of the National Agreement is contained in Appendix A to this document.

The provisions of the National Agreement will be determined with full reference to and in accordance with the provisions of Magna's Employee's Charter.

2. Modification of the National Agreement and Local Terms

The parties recognize and agree that it is always preferable to reach a mutually satisfactory negotiated settlement through the collective bargaining process without a work disruption. With this in mind, the parties have established a process for negotiating changes to the National Agreement and local terms that reflect their goal of achieving a negotiated settlement without disruption to any of the Company's operations or their customers or suppliers.

In any renewal of the National Agreement and local terms, the parties shall follow the negotiation process (Figure 1), as set out in the Memorandum of Understanding Regarding Modification of the Collective Bargaining Agreement and in Article 5 of the National Agreement. This process shall not be changed without the mutual written consent of the parties.

a. Collective Bargaining

The bargaining of the National Agreement will reflect the following principles:

- Each Magna Division must be recognized as a separate profit centre, and its future is dependent on it achieving and maintaining an acceptable return on investment.
- All parties must be committed to delivering high-quality products, on time, and at competitive price, to maintain existing business and win new business.
- As Magna and Unifor work together to meet customer expectations, the success of Magna and its individual facilities will be enhanced, as will the security and prosperity of Magna employees and Unifor members.
- The impact of the National Agreement on the company as a whole, including other facilities in Canada and elsewhere, must be considered.
- Unless otherwise stipulated, all Divisions covered under the National Agreement shall follow the terms of the National Agreement.
- Wage rates and classifications shall be determined by the ERRC with input from the local parties.
- Recommendations for local modification of the National Agreement will be made by the Division General Manager and/or the EA to the ERRC for final review and approval
- Disputes regarding the implementation of the Division-level flexibility will be referred to the ERRC.
- No modification shall be made to either the National Agreement or to any local terms unless the ERRC agrees that such modification should be made or the Neutral so decides through binding arbitration, provided that such decision must be consistent with the provisions of the FFA and Part A of the National Agreement.

3. *Concern Resolution Process*

Magna and Unifor are fully committed to the effective, timely, and fair resolution of employee concerns, in a manner that considers both the legitimate concerns of Magna employees, and the need for continuing operational effectiveness.

The effective resolution of workplace concerns requires effective and open communication between all parties; the ability to honestly convey concerns in a timely manner; mutual respect and responsibility; and a commitment to upholding the principles of the Magna Employees' Charter, and the FFA.

The Concern Resolution Process relies on several overlapping structures and channels of communication, including:

- Access to an Open-Door Process, where Magna employees can raise their concerns with appropriate management at any time. This Open-Door Process is flexible, and concerned individuals can approach their immediate supervisor, area manager, general manager, or any other avenue in the process;
- Access to the Division's Fairness Committee (on an informal or formal basis);
- Access to the Magna Hotline at any time; and
- Access to the Concern Resolution Sub-Committee, the Employee Relations Review Committee (the "ERRC"), and the arbitration process, when necessary.

Non-probationary Magna employees who wish to invoke any of these structures and channels will be fully protected from any reprisal or discipline for pursuing their concerns.

Fundamental to this principle of employee participation, is the responsibility of each employee to take ownership for pursuing the resolution of any concern they may have up to and including the Hotline step of the Concern Resolution Process. Thereafter, carriage of the concern shall be the responsibility of the EA and the Union.

The steps in the Concern Resolution Process are summarized in Figure 2.

a. Open Door Process

The Open-Door Process can be used to resolve concerns and implement suggestions, while adhering to the Employee's Charter and the National Agreement.

While an employee with a concern or complaint may speak with anyone in the Open-Door Process, they are encouraged to take up their issue with the immediate supervisor first. The employee may request the assistance of the EA, or a Fairness Committee member, to facilitate resolution of the issue.

Employees seeking to resolve their concern may use any of the following resources in the Open-Door Process, including:

- Supervisor
- Fairness Committee member
- Department Manager
- Human Resources
- Assistant General Manager
- General Manager
- Joint Health & Safety Committee member (for safety related issues)

Issues unable to be resolved inside the plant through the Open Door Process may be referred, by the employee or the Company, to the Magna Hotline (see below).

b. Fairness Committee

Employees in each Division covered by the FFA shall be supported by a Fairness Committee (“FC”). The purpose of the Fairness Committee is to act as a resource in the Concern Resolution Process in each facility, and to work to build a positive and productive work environment within their Division.

The Fairness Committee (FC) will consist of:

- a) Members selected by employees from each department or work area, and shift;
and
- b) Members appointed by plant management, including managers or supervisors.

The Employee Advocate may participate in any Fairness Committee activities as an *ex-officio* member.

The non-managerial members will constitute at least 50 percent plus one of the members of the Fairness Committee.

The requirements and qualifications for elected Fairness Committee representatives, and the process for their election, is described in Appendix B.

FC members shall perform their FC duties on non-work time, with the exception of attending FC meetings, formal hearings, and dealing with issues in extenuating circumstances. A FC member who must carry out his or her duties during working hours shall require supervisor approval prior to leaving his or her production duties.

The FC can review issues that concern the application of the National Agreement to non-probationary Employees. The FC cannot directly change Magna policies or procedures or the provisions of the FFA or the National Agreement, however, their decisions may influence future management reviews or collective bargaining. Other matters beyond the scope of review of the FC include pay and benefit rates and employment terminations. Resolution of issues relating to the termination of employment shall begin at the Hotline step of the Concern Resolution Process. While some Fairness Committee members are also members of the Union, they are not union representatives nor does their role include the representation of employees.

c. Employee Advocate

Employees who have experienced a concern in the workplace can be supported at any stage of that process, if they choose, by their EA. For clarity, the role of the EA is one of facilitator, assisting an employee in getting their concern resolved. However, should a concern be pursued beyond the Hotline step in the Concern Resolution Process, the EA shall, at that point, act on behalf of the Union in a representative capacity to support an employee in achieving resolution of their concern.

d. Magna Hotline

Concerns not resolved in a mutually satisfactory manner through the formal panel may then be referred to the next stage of the Concern Resolution Process, the Magna Hotline. Concerns involving termination are referred directly to this stage. Magna employees are also welcome to contact the Hotline directly with their concerns, if they choose, rather than requesting a formal panel at the Division level.

The right of Magna employees to call the Hotline is guaranteed by the Employees' Charter and the National Agreement. While the right of an employee to call the Hotline at any time is guaranteed, Magna and Unifor encourage all employees to exhaust plant-level options (including the informal open door policy, and the formal hearings undertaken by the Fairness Committee) before calling the Hotline, in order to resolve issues at the division level.

The Hotline service maintains confidentiality of all calls, unless otherwise authorized by the employee with the concern. Hotline callers who wish to remain anonymous may do so, although certain matters – for legal and practical reasons – cannot be investigated on an anonymous basis.

The Hotline service is operated by individuals employed by the Company, who operate independent of all operations (Division and Group). The Hotline shall review any matter referred to it by a concerned employee or by the GM of a facility, provided such matter is referred or appealed within the applicable time limits. The role of the Hotline includes the following duties:

- To be an advocate of the Employee's Charter and, where applicable, the FFA and the National Agreement
- To promote the internal resolution of employee concerns
- To ensure that employees are treated fairly, in accordance with the Employee's Charter, the Division's policies and procedures, and the National Agreement

e. Referral to the Concern Resolution Sub-Committee of the ERRC

The CRSC shall consist of two (2) Company and two (2) Union representatives. Union participants shall include a representative from the office of Unifor AP and the Division's EA. Company representatives shall include the Group HR Director (or Magna Director, Labour Relations) and the Division GM (or a designate). The Company's CRSC representatives will review any matter put forward by the GM of a facility and decide whether to advance such matter to the full CRSC for review. The Union's CRSC representatives will review any matter put forward by an employee or group of employees and decide whether to advance such matter to the full CRSC for review.

Should a matter be advanced to the full CRSC, the Committee shall review the issues and seek a satisfactory resolution, giving due consideration to the needs of the employees and the Company and such resolution shall be consistent with the Employee's Charter, Corporate Constitution and the National Agreement. This Committee's ultimate purpose is to resolve open issues without the need for full ERRC involvement.

The CR Sub-Committee shall convene monthly to review appeals from a decision of the Hotline and return its decisions within 48 hours of each meeting. If the CR Sub-Committee is not able to resolve the issue, within 10 days of the decision of the CR Sub-Committee, the National Unifor AP or Division GM may appeal the decision to the ERRC.

f. Referral to Employee Relations Review Committee

If an employee's concern is not resolved by the CRSC, it may be referred for resolution by the full ERRC.

The ERRC's goal is to resolve concerns without reference to the Neutral Arbitrator (see below).

The ERRC shall meet regularly to review issues that are not satisfactorily resolved through the preceding steps in the Concern Resolution Process. The ERRC shall return its decisions within 48 hours of each meeting. If the ERRC is not able to resolve the issue to the mutual satisfaction of both the concerned employee and Division management, either the Unifor AP or the Magna EVP may appeal the decision to the Neutral Arbitrator described below.

g. Neutral Arbitration (Rights)

Any issue relating to the interpretation, application, operation or alleged violation of the National Agreement or the FFA, which is unable to be resolved by the ERRC will be submitted to the Neutral on an expedited basis. The Neutral shall have complete authority to remedy any violation of the FFA and the National Agreement, and the decision of the Neutral shall be final and binding. The Neutral, however, will have no power to add to, subtract from, or modify any of the terms of the National Agreement or the FFA or to make any decision inconsistent with the provisions thereof. Further, the Neutral will have no power to establish wage rates or schedules unless expressly provided for in either the National Agreement or the FFA.

All parties waive their right to challenge the decision of the Neutral in any forum, except where such challenge relates to the Neutral's jurisdiction.

The Neutral Arbitration process represents, when necessary, the final stage of the Concern Resolution Process. (This process is distinct from the final-offer interest arbitration process, which constitutes, when necessary, the final stage in negotiating the National Agreement.)

The parties shall jointly designate the Neutral and the Alternate. In the event that the Alternate is designated to serve in any capacity under this National Agreement, he shall have rights and duties identical to those described with respect to the Neutral. In the

event any of the individuals identified in the above section resigns, dies, or is otherwise unable to continue to serve, the parties will, by mutual agreement, identify a replacement for such person.

4. *Division Handbooks*

The FC within each Division will discuss and recommend changes to their Division's Handbook, as necessary. The Division Handbooks will not address compensation or other matters, which are addressed by the National Agreement. Any matters that require follow up at the local level will be handled by the FC with the assistance of the Employee Advocate, if appropriate.

The Division Handbook shall not be the subject of collective bargaining.

E. Confidentiality of Information

Both the company and the union agree that their commitment to mutual trust and openness in the sharing of information shall only be successful where both parties can share this information freely, without concern as to its further dissemination. In this respect, the parties agree that all individuals who have access to confidential or proprietary information through any of the processes described above shall be required to sign an appropriate Confidentiality Agreement.

F. Modifications to the Framework of Fairness Agreement

The parties agree that the fundamental principles set out in this FFA and any supplemental agreements, letters or memoranda (the "Supplements"), shall not be changed through future negotiation, arbitration nor shall such principles be the basis for any labour action. Any changes to the FFA or the Supplements shall only be made through mutual agreement between the parties.

G. Conclusion

The goal of the Canadian Framework of Fairness is to establish an innovative, effective, and fair process of labour relations in Magna's Canadian facilities that respects the needs and rights of Magna employees, the need for Magna to remain an operationally superior and financially successful company, and the Union's role in supporting both objectives. The FFA reflects an innovative approach to labour relations, which aims to combine the best features of union representation with the continuing operational and financial excellence of the Company. It is our shared desire that these provisions be implemented in a manner, which enhances both the well-being and security of employees, and the success and growth of the Company.

APPENDIX A
ANTICIPATED PROVISIONS OF
UNIFOR-MAGNA NATIONAL AGREEMENT

Recognition:

- Only production, maintenance, and skilled trades employees are covered.
- The National Agreement recognizes Unifor as the sole bargaining agent for covered employees.
- Dues check-off is authorized.

Wages:

- In addition to base wages, cash compensation may also include a specified variable pay component tied to the performance of key division-specific operating indicators.
- Total compensation (including any variable pay component) shall match or exceed the average of other union and non-union competitors making similar products, as well as with comparable manufacturers in the geographic area.
- Annual wage adjustments shall be based on a negotiated formula tied to annual average manufacturing wage increases in Canada over each calendar year.
- Alternative lump-sum target-based variable payment is a possible feature of the contract if both parties agree that such an approach would maintain or enhance competitiveness or address operational challenges and meet employees' needs.

Benefits:

- In addition to public health insurance, quality supplementary health benefits (including dental, vision, and other health benefits) will be provided to Magna employees/Unifor members, while remaining competitive with other automotive parts suppliers.
- Such health programs will include employee cost-sharing provisions competitive in the industry and consistent with the Magna Employee's Charter.
- The union and the company will ensure that future health benefit cost escalation shall be managed through measures (including joint efforts to control health care costs, the sharing of cost increases, and other initiatives) that maintain the competitiveness of total compensation costs.
- Other benefits may also be negotiated commensurate with Magna's financial performance and the need to retain cost-competitiveness.

Retirement Programs:

- Defined contribution retirement plans will be provided, under the existing Magna Retirement Savings Program (including the Employee Equity and Profit Participation Program and the Group RRSP).

Work rules:

- Work rules shall provide for flexible and efficient operations that recognize that the success of the company is dependent on its ability to respond quickly to changing business requirements.

- Provisions will focus on operating strategies that increase manufacturing capacity, reduce product cost, and enhance quality, while ensuring adequate predictability and safety for employees.

Hours of work, vacation:

- Hours of work will be determined to address both the operational requirements of Divisions and the needs of employees for adequate time off.
- Employees shall receive access to paid vacation time and other opportunities for time off consistent with the principles of the Magna Employee's Charter and the FFA.

Seniority:

- The contract will define rights to post for job openings and shall provide for other normal seniority rights.

Layoffs and transfers:

- As each Magna facility operates as a separate business unit, there is no automatic right to transfer or bump between facilities, whether Unifor-represented or otherwise.
- Any movement between facilities must meet the job-selection criteria of the accepting facility.
- Any employee laid off at a Unifor-represented facility shall have first opportunity to fill a vacant position at any other Unifor-represented facility, on a seniority basis, provided that they possess adequate skills and meet minimum requirements for the job.

No strike-no lockout

- Neither party shall utilize any "economic sanctions" to force its position on the other party for any reason
- No employee or group of employees shall individually or through concerted action, take part in any activity that impedes the operation of the business
- Any employee or group of employees who participate in such unauthorized activity shall be subject to immediate dismissal, unless mitigating circumstance exist which are satisfactory to the ERRC
- The parties shall negotiate the resolution of all issues in good faith
- Any issue regarding the National Agreement unable to be resolved through negotiation shall be referred to the Neutral for binding arbitration on the basis of final offer selection

Joint committees:

- The parties shall establish such joint committees as the ERRC shall deem appropriate to deal with such matters as health and safety, environment, apprenticeship and other issues relevant to the business

APPENDIX B

SELECTION, CRITERIA, AND RESPONSIBILITIES OF FAIRNESS COMMITTEE MEMBERS

There shall, where feasible, be one FC member for each department or work area and shift, who shall be selected by the Employees in that department or work area and shift by secret ballot vote. Applicants for a FC position in a particular department, work area or shift shall indicate their interest by signing up for the role with the EA. The FC role shall be posted on employee bulletin boards for 5 business days spanning 2 different workweeks prior to the secret ballot vote. The secret ballot vote shall be conducted under the direction of the EA and existing members of the FC, provided that such FC members are not candidates in the election.

Magna facilities covered under the National Agreement with existing FCs shall hold a secret ballot vote to select the FC within sixty days of such division being recognized under the National Agreement or within such other timeframe mutually agreed upon by the ERRC. FC members must have achieved seniority status, and shall serve a three (3) year term, subject to continuing to meet eligibility criteria.

The FC in each facility shall be established so that the term of 1/3rd of the members shall expire each year.

FC members shall be trained in facilitation, problem-solving communication and interpersonal skills to assist employees in solving day-to day workplace issues.

Each FC shall select 1 facilitator from its bargaining unit members, 1 facilitator from its non-bargaining unit members, and 1 facilitator from its management members. The methodology for selecting the facilitator shall be determined by the respective FC members. Once selected, the facilitator shall continue to perform this role until the expiration of his or her term, or until he or she otherwise chooses to cease acting as facilitator.

A FC member may be removed by the ERRC for breaching the FC Guidelines.

The criteria and qualities for successful FC members include:

- Must be able to communicate effectively.
- Good disciplinary record.
- Commitment to the principles of the Magna Employees' Charter, the FFA and the National Agreement.

FC members shall continue to perform their existing production-related duties and shall, in accordance with the operating guidelines of the FC, perform the following additional functions:

- Encourage employees to become involved in their workplace by using the Open Door Process to share ideas and provide input on workplace issues and achieving the principles of the FFA
- Ensure employees are aware of the options in the Open Door Process and have the opportunity to take their concerns and continuous improvement feedback on workplace issues to the appropriate avenue in this process
- Convene a formal hearing to fully investigate an employee's concern if the employee has chosen this option

- Sit on a formal hearing panel, if selected
- Attend training and regular meetings
- Participate in the review of Division policies and procedures and provide feedback to Division management regarding such policies and procedures
- Facilitate employee ownership, responsibility and accountability in producing a better product for a better price.

In performing their role, FC members shall:

- Act as an impartial resource in the Concern Resolution Process
- Sign a strict confidentiality agreement and keep strictly confidential, all information shared with them
- Be trained in facilitation, problem-solving communication and interpersonal skills to assist employees in solving day-to-day workplace issues.

APPENDIX C

EMPLOYEE ADVOCATE

The duty of the EA is to ensure that the Employee's Charter and the Agreements are consistently followed and applied in a fair manner.

EAs shall be selected via the following consultative approach:

- a. The Employee Advocate position shall be posted on the bulletin board for five (5) consecutive working days.
- b. Any seniority employee with three (3) or more years of service with the Company may apply for the Employee Advocate position by completing a "Job Posting Response" form and submitting it to the Fairness Committee ("FC") Facilitator. After five (5) full working days, the posting will be removed from the bulletin board.
- c. The FC Facilitator shall ensure that all applicants meet the minimum requirement of three years Magna service. Any exceptions to this three year length of service requirement shall be addressed on a case by case basis, upon agreement of the parties.
- d. All qualified candidates will be submitted to a FC Panel, consisting of four bargaining unit members, three of whom will conduct interviews and rank all qualified candidates according to a mutually agreed upon checklist. The FC Panel will give their interview checklists with scores to the fourth member of the FC Panel who will tally the scores together.
- e. The FC member who conducted the tally shall send the combined scores of the top three (3) candidates, along with the interview checklists, to the Assistant to the President of Unifor (the "Unifor_AP"). The Unifor AP shall conduct interviews of the candidates and select the candidate who best meets the qualifications and expectations of the position.
- f. In new facilities, the Unifor AP shall appoint a temporary Employee Advocate until such time as a FC Panel can be established and convened to conduct Employee Advocate interviews in accordance with the procedure described above. The temporary Employee Advocate shall be appointed from one of the first ten (10) employees hired at the new division. The FC Panel shall be convened to conduct the interviews within six (6) months of appointment of the temporary Employee Advocate.
- g. Once an Employee Advocate is appointed, training shall be provided by Magna and Unifor.
- h. An Employee Advocate evaluation survey shall be completed during the first 18 months following the Employee Advocate's initial appointment and each 36 months thereafter. A secret ballot vote on the Employee Advocate's performance shall be completed each 36 months, commencing 18 months following the first evaluation survey, or sooner if mutually agreed upon by the parties.
- i. Except in extenuating circumstances, such as a failure to perform his duties or a breach of confidentiality or ethics, once appointed the Employee Advocate shall only be removed by secret ballot vote of the bargaining unit employees. The Unifor AP shall make the decision as to whether extenuating circumstances exist that warrant the retention or removal of an Employee Advocate.
- j. An Employee Advocate who resigns or is otherwise removed from his position shall be placed in the classification to which he was assigned at the time he commenced the

Employee Advocate role, provided he has the seniority to hold the classification. He will first be placed in an open job in the classification and if there is no open job, he will displace the least senior employee provided he is capable of performing the available work.

- k. While the Employee Advocate is on an approved Union leave, the Replacement Employee Advocate will receive the Employee Advocate's wage rate for all shifts worked in the Replacement Employee Advocate role.

FIGURE 1 – NATIONAL AGREEMENT REVIEW PROCESS

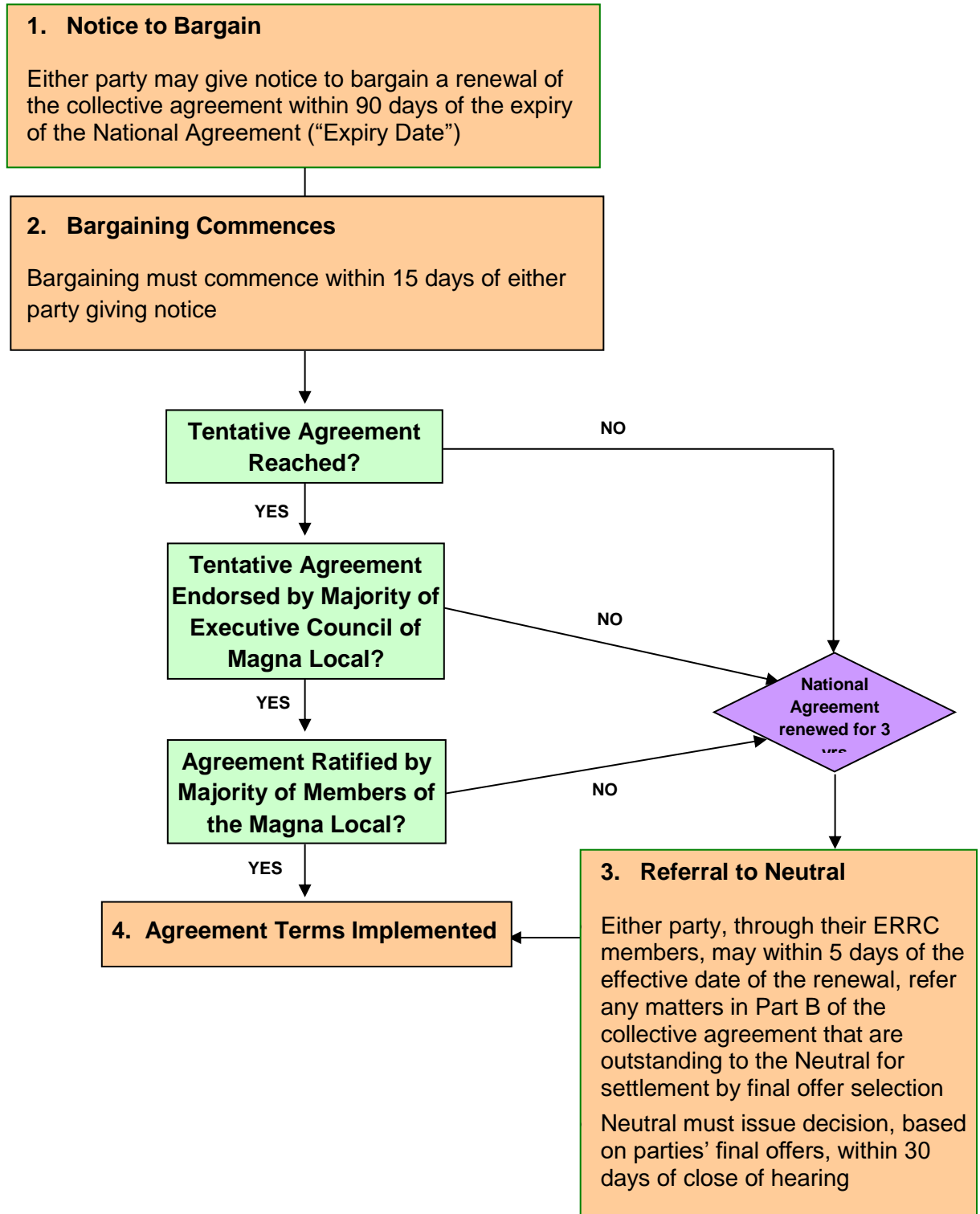
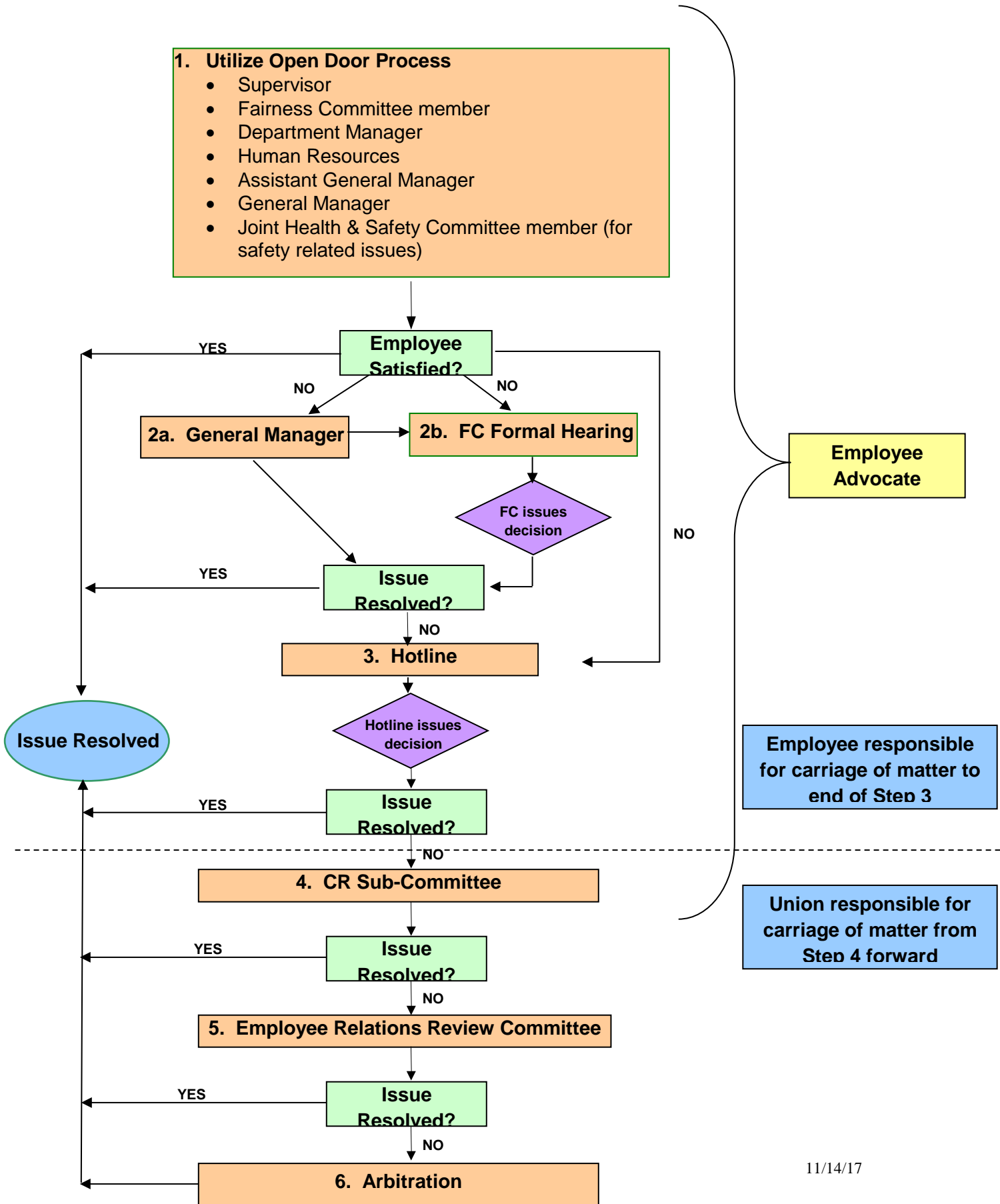


FIGURE 2 – CONCERN RESOLUTION PROCESS

*Time limits apply at various stages in this process, see Article 4, Section 1 for details



MEMORANDUM OF AGREEMENT
REGARDING RECOGNITION PROCESS

1) Commitment to Principles

- a) As more fully expressed in Section A of the FFA, the Union and the Company commit to work together to promote Magna as a model supplier known for quality and efficiency and its positive relationship with its employees. As part of this relationship, employee's freedom to choose is a paramount concern of the Company, as well as the Union. Both parties believe that membership in a union is a matter of personal choice and acknowledge that if a majority of employees, through Secret Ballot Vote (the "Vote"), express their wish to be represented by a union, the Company will recognize that choice. The Union and the Company will not allow anyone to be intimidated or coerced when making a decision on this important matter. The parties are also committed to an expeditious procedure for determining majority status.

2) Communications With Employees

- a) The Company will provide the Union with a list of all employees (both full-time and regular part-time) in the prospective bargaining unit at a facility within one week of the Union's request. The list will be in alphabetical order (last name first) and will show each employee's full name, date of hire, classification, and department. The list shall be updated monthly if requested by the Union.
- b) The Company will provide a reasonable number of Union representatives, as mutually agreed by the parties, access to employees for seven (7) working days prior to the vote. Such access must not disrupt the efficient operations of the division, and discussions with employees shall occur during non-working time and in non-work areas of the division, including, but not limited to, parking lots, building entrances and exits, break areas, smoking areas and cafeterias (the "Non-Work Areas").
- c) The Company shall provide the Union access for a meeting with its employees on the Company's premises during work time, immediately prior to the mutually agreed upon time of the Vote. The Company will introduce the Union at the meeting and communicate to employees that they have a constructive and positive relationship. The Company shall also advise employees that a National Agreement exists, in which both parties are committed to the success and growth of the facility. The parties will communicate to employees their strong support for the principles and values expressed in the Framework of Fairness Agreement and the National Agreement (the "Agreements") and will outline how employees may choose to be represented by the Union under the terms of the Agreements. The parties will also confirm their commitment to respect the democratic right of employees to choose through a Vote, whether or not to be represented by the Union under the terms of the Agreements.
- d) The parties agree that a mutually agreeable period of time will be allotted to allow a full discussion of the issues, including explanation of the terms of the Agreements, and adequate time for questions and answers.

3) Establishment of Majority Status

- a) Immediately following the meeting, employees will be provided with the opportunity to Vote on the question as to whether they wish to be represented by the Union. The Vote will be conducted by a neutral third party organization (the "Election Neutral"). Once all

presentations are completed and employees have made their decision, the Election Neutral will count the ballots and determine if majority status is achieved.

- b) In determining whether majority status has been met, the parties agree to the following:
 - i) In determining which employees are eligible to Vote, the employee population will be composed of only those employees in the bargaining unit on the date the Union gives the Company notice of its intention to conduct a vote at the division.
 - ii) The Neutral shall determine the wishes of employees based on a majority of eligible employees who cast ballots on the date of the Vote.
 - iii) The parties waive their right to file an application or complaint with the Ontario Labour Relations Board (the “OLRB”) in response to a request for recognition.
 - iv) The parties agree that they will schedule the vote on a date that the Election Neutral is available.

4) Following Establishment of Majority Status

- a) In the event that the Union is found to have achieved majority status by the procedures described in Section 3, the Company agrees to recognize the Union as the exclusive bargaining representative of employees in the designated bargaining unit and agrees that such employees will be covered under the terms of the Agreements.

5) Dispute Resolution

- a) Any alleged violation(s) of this Memorandum of Understanding, including, but not limited to, any dispute involving conduct during a membership campaign or voter eligibility (a “Dispute”) shall be resolved in accordance with the procedures set forth in this Section 5.
- b) Following notice that a Dispute exists, the Employee Relations Review Committee (“ERRC”) shall attempt to resolve the dispute by mutual agreement, within five (5) business days.
- c) If the parties are unable to resolve the Dispute as described in Section 5(b), the Dispute will be submitted to the Neutral on an expedited basis in accordance with the following procedures:
 - i) The hearing will be held within five (5) business days following expiration of the period described in Section 5(b), or as soon as possible thereafter.
 - ii) The parties will request the Neutral to render a bench decision.
 - iii) If the Neutral is unavailable or is unable to comply with the time limits described above, the parties shall agree on a revised schedule or shall arrange for the Alternate Neutral to conduct the hearing and render the decision in accordance with those time limits.
 - iv) The Neutral (or Alternate Neutral) shall have complete authority to remedy any violation of this Memorandum of Understanding and the decision of the Neutral shall be final and binding. The Neutral, however, will have no power to add to, subtract from, or modify any of the terms of the Agreements or to make any decision inconsistent with the provisions thereof.
 - v) All parties waive their right to challenge the decision of the Neutral in any forum, except where such challenge relates to the Neutral’s jurisdiction, as set out in this Section.

- d) The selection of the Neutral shall be as set out in the Framework of Fairness Agreement. In the event that the Alternate is designated to serve in any capacity under this Memorandum, such person shall have rights and duties identical to those described with respect to the Neutral.

**MEMORANDUM OF UNDERSTANDING REGARDING
ROLL-IN OF DIVISIONS WITH EXISTING CAW CBAs**

CAW

Attention: Hemi Mitic

1. During negotiations, the parties discussed their mutual desire to have the National Collective Bargaining Agreement and the Framework of Fairness Agreement (the “Agreements”) form the framework of their relationship and set out the terms and conditions of employment for employees at divisions that are currently represented by the CAW. In this respect, the parties agreed to implement the terms of the Agreements at such facilities upon expiry of their existing collective agreements. The parties commit to fully support this strategy and to recommend for ratification, renewal agreements containing the relevant terms of the Agreements. Any unresolved issues between the parties will be referred to the Neutral in accordance with the provisions of Article 5 and the Memorandum of Understanding Regarding Modification of the Collective Bargaining Agreement. The parties agree that their respective final offers shall be consistent with the provisions in Part A of the National Agreement.

2. The parties also discussed the possibility of the Company acquiring new facilities that have existing collective bargaining agreements. In such circumstances, the parties will negotiate in good faith on the basis of implementing the applicable terms of the Agreements as outlined in paragraph 1, above.

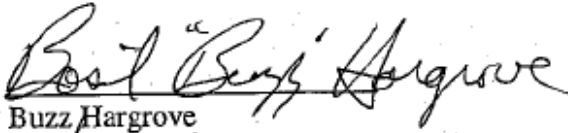
**MEMORANDUM OF UNDERSTANDING REGARDING
MODIFICATION OF THE COLLECTIVE BARGAINING AGREEMENT**

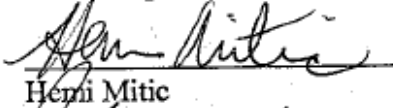
The Company and Union recognize and agree that it is always preferable to reach a negotiated collective agreement between them. In this regard, the parties agree that the process set out below will govern the negotiation of all renewals of the National Agreement, following the giving of a Notice to Bargain under Article 5 of the National Agreement:

- 1) The ERRC shall commence their review and negotiations within 15 days of receiving such notice under Article 5.
- 2) Should a tentative agreement be reached, it shall be referred to the Executive Council of the Magna Local.
- 3) Should a majority of the Executive Council support the tentative agreement, it shall be sent to a ratification vote of the employees covered by the National Agreement.
- 4) Should a tentative agreement not be ratified by the expiry date, the National Agreement will automatically be renewed based on the existing terms for an additional period of three (3) years from such expiry date. Notwithstanding such renewal, either party may refer to the Neutral, the matters in Part B of the National Agreement that were outstanding as of the expiry date, pursuant to paragraph 5, below, and Article 5 of the National Agreement.
- 5) Either party may, within 5 days after the effective date of the renewal established in paragraph 4, above, refer all other outstanding matters to the Neutral in accordance with Article 5.
- 6) If possible, the Neutral shall render his decision within thirty (30) calendar days after the close of the proceedings. The Neutral shall sign the award, and copies of the award shall be delivered or mailed to each of the parties simultaneously.
- 7) All parties waive their right to challenge the decision of the Neutral in any forum, except where such challenge relates to the Neutral's jurisdiction, as set out in this Memorandum and Article 5 of the National Agreement.
- 8) The fees and expenses of the Neutral shall be borne equally by the parties.

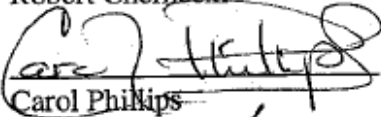
FRAMEWORK OF FAIRNESS AGREEMENTS SIGNATORIES TO AGREEMENT

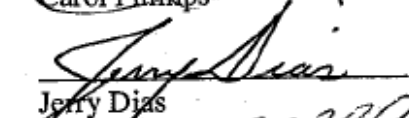
FOR THE UNION



Buzz Hargrove

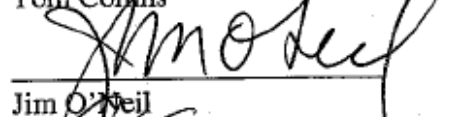

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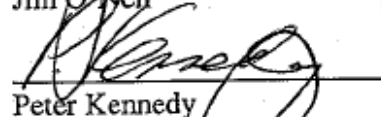

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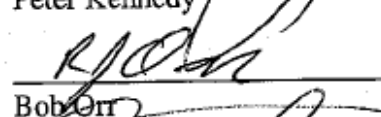

Carol Phillips


Jerry Dias

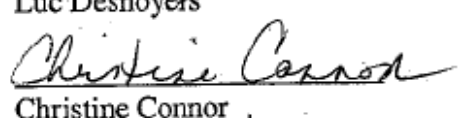

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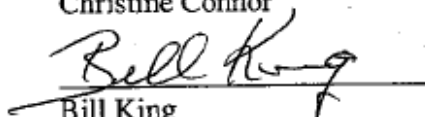

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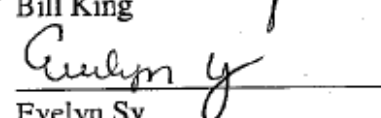

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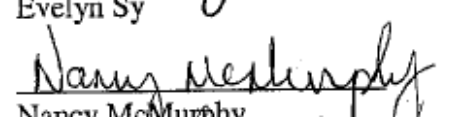

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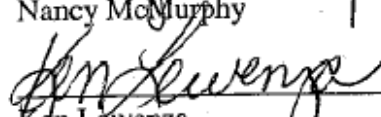

Luc Desnoyers


Christine Connor

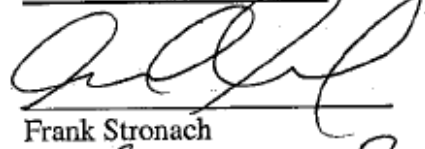

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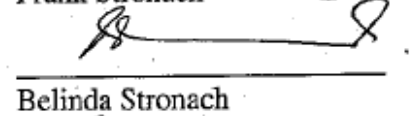

Evelyn Sy

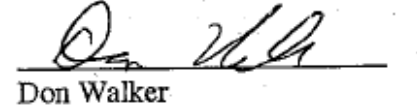

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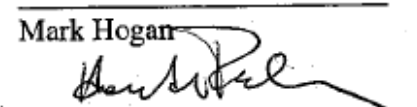

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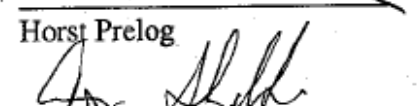
FOR THE COMPANY

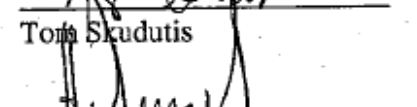

Frank Stronach

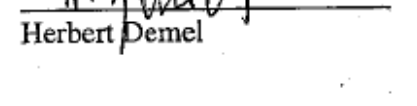

Belinda Stronach

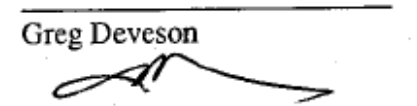

Don Walker

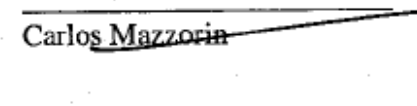

Mark Hogan

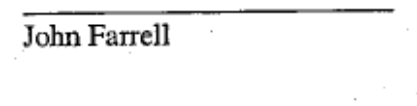

Horst Prelog


Tom Skudutis

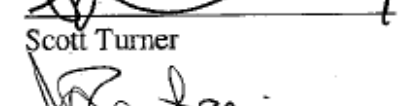

Herbert Demel

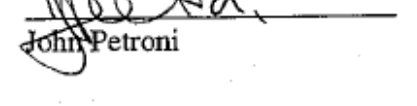

Greg Deveson

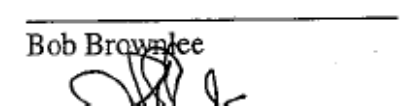

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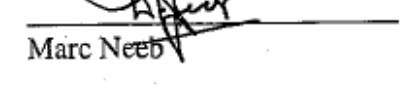

John Farrell


Joe Pittel

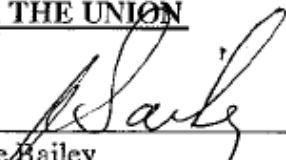

Scott Turner


John Petroni


Bob Brownlee


Marc Neeb

FOR THE UNION



Vince Bailey

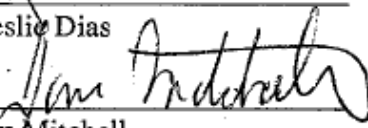
Chris Buckley



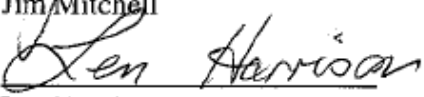
Tim Carrie



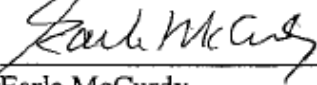
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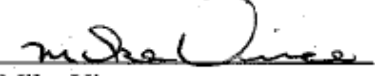
Jim Mitchell



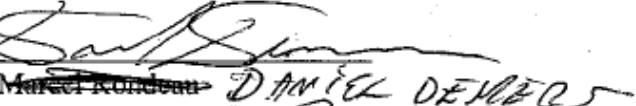
Len Harrison



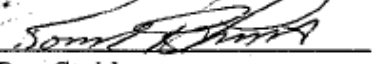
Earle McCurdy



Mike Vince

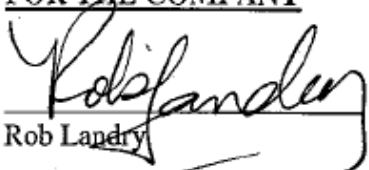


~~Mark Roudan~~ DANIEL DEMERS



Ron Smith

FOR THE COMPANY



Rob Landry

Signed at Aurora, Ontario this 15th day of October, 2007.