

2010 GDLS-C - CAW NEGOTIATIONS SETTLEMENT AGREEMENT

DURATION

- 12:00 A.M. March 22, 2010 to 11:59 P.M. March 24, 2013

WAGES

- Effective April 9, 2010 2.5% Lump Sum Payment
- Effective March 21, 2011 2% General Wage Increase
- Effective March 22, 2012 2% Lump Sum Payment
- 2010 lump sum eligibility based on annual straight time base pay for full time employees on roll effective March 22, 2010
- 2012 lump sum eligibility based on straight time base rate earnings for the previous consecutive 12 months for full time employees on-roll effective March 1, 2012
- Job Classification and Wage Rates: See Attachment 1
- Employees hired (for non-skilled positions) after March 21, 2010 shall receive wage progression as follows:

Hire Date	At 12 Months	At 24 Months	At 36 Months	At 48 Months	At 60 Months
70%	80%	80%	90%	90%	100%

- \$1,700 Special Payment each year of contract
- \$1,000 Ratification Bonus payment will be paid on April 9, 2010 to full time employees on-roll effective March 22, 2010

COLA

- Continue Current COLA Formulation with one (1) cent adjustment for each .037 change in the average Index
- COLA calculations will be determined using the Consumer Price Index published by Statistics Canada (2002 = 100)
- Base Average C.P.I. will be 115.0 (November, December, 2009 and January 2010)
- \$1.41 COLA folded into base rate \$0.05 float
- During the period of this Agreement, adjustments in the Cost of Living Allowance shall be made at the following times:

Effective With Shifts Beginning On:	Based Upon Three-Month Average Of The Consumer Price Indexes For:
June 7, 2010	February, March and April 2010
First Pay Period Beginning On Or After September 6, 2010 and At Three Calendar Month Intervals Thereafter To December 3, 2012.	May, June and July 2010 And at three Month Intervals Thereafter To August, September and October 2012

SHARE PLAN / WSA PREMIUM PAYMENT

- Potential Share Plan payment up to \$600 per quarter
- Potential WSA premium payment up to \$0.60/hr

VACATION, PAA, SPA

- Employees hired after March 21, 2010, will receive the following vacation, PAA and SPA allowance, in accordance with established eligibility criteria:

Progression years	Vac	SPA	PAA
One but less than three	68	80	0
Three but less than five	88	80	20
Five but less than ten	108	80	28
Ten but less than fifteen	128	80	40
Fifteen or more	148	80	52

HOLIDAYS

- 46 over the life of contract – see Attachment 2

RETIREMENT PLAN

Pension Plan:

- Basic Benefit:

Retirement With Benefits Payable Commencing	Benefit Class Code	Basic Benefit Rate Per Year of Credited Service
October 1, 2009 – September 1, 2010	A	\$70.00
	B	\$70.25
	C	\$70.50
	D	\$83.50
October 1, 2010 – September 1, 2011	A	\$71.00
	B	\$71.25
	C	\$71.50
	D	\$84.70
October 1, 2011 – September 1, 2012	A	\$72.00
	B	\$72.25
	C	\$72.50
	D	\$85.90
October 1, 2012 – September 1, 2013	A	\$73.00
	B	\$73.25
	C	\$73.50
	D	\$87.10

- Special Allowance for Early Retirement:

Retirement With Benefits Payable Commencing	Total Monthly Benefit Rate for Determining Monthly Special Allowance	
	Benefit Class Codes	
October 1, 2009 – September 1, 2010	A, B, C \$3,700	D \$4,280
October 1, 2010 – September 1, 2011	A, B, C \$3,790	D \$4,380
October 1, 2011 – September 1, 2012	A, B, C \$3,880	D \$4,480
October 1, 2012 – September 1, 2013	A, B, C \$3,970	D \$4,580

- Employees hired after March 21, 2010 will have \$1.00 per hour deducted from their pay, up to \$1,700 per year, to contribute toward their Defined Benefit pension

Retirement Allowance:

- Maintain \$25,000 lump sum in accordance with existing eligibility criteria

Retirement Savings:

- Enhance personal retirement savings by developing a TFSA contribution process through payroll deduction for weekly wage payments, quarterly WSA payments and the special payment. Implement immediately upon availability at TD Bank.
- Enhance personal retirement savings by extending RRSP contributions through payroll deduction to quarterly WSA payments and the Special Payment.

HEALTHCARE

Drug Plan (Effective May 1, 2010):

- Drug Plan - 10% employee co-payment to a catastrophic maximum cost per family of \$200 effective May 1, 2010, \$250 effective January 1, 2011, and \$275 effective January 1, 2012
- Retain \$11 Dispensing Fee Cap

Dental Plan (Effective Oct. 1, 2010):

- Increase combined annual maximum benefit to \$3,000
- General anaesthetic coverage for special needs children 18-years of age and younger when undergoing dental treatment if required by dentist and approved by HR&A (subject to 10% employee co-payment) (Attachment 3)

Vision Plan (Effective May 1, 2010):

- Corrective lens coverage commonized to \$325 bi-annually
- Coverage for laser eye surgery increased to \$650; no additional vision claims for four years

Medical Services and Equipment (Effective May 1, 2010):

- Add Cancer Antigen125 (CA-125) coverage up to \$35 one time per year (Attachment 4)

Paramedical Services (Effective May 1, 2010):

- Establish a combined annual maximum limit of \$750 for paramedical coverage
 - Speech therapy and psychologist treatment remain at current limits
- Eliminate per-visit maximum for certain intensive speech therapy programs (Attachment 5)
 - Requires HR&A approval

Other Healthcare Items (Effective May 1, 2010):

- Eliminate coverage for semi-private hospital room, excluding treatment for substance abuse
- Out of Province coverage – Replace existing benefit with coverage provided for in Attachment 6

LIFE INSURANCE

- Minimum Basic Life Insurance after age 65 for an employee with ten or more years of service increased from \$5,000 to \$7,500, effective May 1, 2010
- Provide access to additional optional employee life and dependent life insurance coverage in accordance with programs offered by insurance carrier, effective May 1, 2010
- Open enrollment to be held in 3rd quarter 2010 for optional employee life insurance coverage up to the first \$30,000

DISABILITY

- Increase minimum Extended Disability Special Payment from \$1,800 to \$2,000, effective May 1, 2010
- Establish home detox review committee to determine the viability of a trial program (See Attachment 7)

INCOME SECURITY

- Income security will be increased in proportion with the increase in wages
- Re-sign agreement on SUB credit cancellation

SAFETY BOOT ALLOWANCE

- Safety Boot Allowance of \$130

LANGUAGE

The following language is eliminated:

- Appendix B
- Document 13
- Document 26
- Document 28
- Document 30
- Document 36
- Appendix T

The following language is modified:

- Paragraph 115 (see attachment 8)
- Appendix M (see attachment 9)
- Document 6 (see attachment 10)
- Document 12 (see attachment 11)

ATTACHMENT 1

GDLS - C HOURLY JOB CODE & RATES

JOB CODE	JOB RATE AS OF March 21/10	Roll - in COLA	JOB RATE AS OF Ratification	Increase Effective March 21/11	JOB RATE AS OF March 21/11	
SKILLED TRADES						
QTSZ	TEMPLATE MAKER	\$42.28	\$1.41	\$43.69	\$0.87	\$44.56
RBSZ	ELECTRICIAN	\$42.36	\$1.41	\$43.77	\$0.88	\$44.65
RGSZ	PAINTER	\$41.85	\$1.41	\$43.26	\$0.87	\$44.13
RISZ	PLUMBER	\$41.95	\$1.41	\$43.36	\$0.87	\$44.23
RPSZ	INDUSTRIAL TRUCK REPAIR	\$41.95	\$1.41	\$43.36	\$0.87	\$44.23
RWSZ	MACHINE REPAIR MACHINIST	\$42.24	\$1.41	\$43.65	\$0.87	\$44.52
SHSZ	TOOL & DIE MAKER	\$42.36	\$1.41	\$43.77	\$0.88	\$44.65
SLSZ	WELDER/MAINTENANCE	\$42.28	\$1.41	\$43.69	\$0.87	\$44.56
PRODUCTION						
WTAZ	GENERAL ASSEMBLY - ALL PRODUCTS	\$35.61	\$1.41	\$37.02	\$0.74	\$37.76
XCAZ	ASSEMBLY - SPECIAL - PROTOTYPE	\$36.05	\$1.41	\$37.46	\$0.75	\$38.21
XH1Z	LASER BURNER OPERATOR	\$37.09	\$1.41	\$38.50	\$0.77	\$39.27
XIAZ	MACHINIST - SPECIAL SETUP	\$36.80	\$1.41	\$38.21	\$0.76	\$38.97
XLAZ	FABRICATION MACHINE OPERATOR	\$35.80	\$1.41	\$37.21	\$0.74	\$37.95
XMAZ	PAINTER - LOCO/DEFENCE	\$35.94	\$1.41	\$37.35	\$0.75	\$38.10
XP1Z	WELD CELL OPERATOR - WELDER GRINDER, STRUCTURAL QUALIFIED - DEFENCE VEHICLE	\$36.75	\$1.41	\$38.16	\$0.76	\$38.92
XPAZ	WELDER/GRINDER, STRUCTURAL	\$36.11	\$1.41	\$37.52	\$0.75	\$38.27
XPTZ	WELD LAB INSTRUCTOR	\$37.25	\$1.41	\$38.66	\$0.77	\$39.43
NON-PRODUCTIVE						
XYAZ	SWEEPER AND JANITOR	\$34.92	\$1.41	\$36.33	\$0.73	\$37.06
XZAZ	LABOURER	\$35.27	\$1.41	\$36.68	\$0.73	\$37.41
YRAZ	ATTENDANT - CRIB	\$35.71	\$1.41	\$37.12	\$0.74	\$37.86
YWAZ	TRUCK DRIVER - LIFT TRUCK - MAINTENANCE	\$35.58	\$1.41	\$36.99	\$0.74	\$37.73
ZAAZ	MATERIAL CONTROL UTILITY	\$35.81	\$1.41	\$37.22	\$0.74	\$37.96
ZTXE	HAZARD WASTE REMOVAL	\$37.19	\$1.41	\$38.60	\$0.77	\$39.37
INSPECTION						
YAAZ	INSPECTION A	\$35.94	\$1.41	\$37.35	\$0.75	\$38.10
YCAZ	INSPECTION WELDING - ALL PRODUCTS	\$36.11	\$1.41	\$37.52	\$0.75	\$38.27
YHAZ	TEST AND REPAIR - DEFENCE VEHICLE	\$37.19	\$1.41	\$38.60	\$0.77	\$39.37
YIAZ	TURRET INSPECTION	\$37.19	\$1.41	\$38.60	\$0.77	\$39.37
YLAZ	INSPECTION PROCESS LAYOUT	\$38.92	\$1.41	\$40.33	\$0.81	\$41.14
YOAZ	QUALITY AUDIT - ALL VEHICLES	\$36.24	\$1.41	\$37.65	\$0.75	\$38.40

ATTACHMENT 2**Holiday Pay**

Employees shall be paid for specified holidays and the holidays in each of the Christmas holiday periods as provided hereinafter:

1st YEAR	
APRIL 2, 2010	GOOD FRIDAY
APRIL 5, 2010	DAY AFTER EASTER
MAY 24, 2010	VICTORIA DAY
JULY 1, 2010	CANADA DAY
JULY 2, 2010	FRIDAY AFTER CANADA DAY
SEPTEMBER 3, 2010	FRIDAY PRECEDING LABOUR DAY
SEPTEMBER 6, 2010	LABOUR DAY
OCTOBER 11, 2010	THANKSGIVING
DECEMBER 24, 2010	CHRISTMAS HOLIDAY PERIOD
DECEMBER 27, 2010	
DECEMBER 28, 2010	
DECEMBER 29, 2010	
DECEMBER 30, 2010	
DECEMBER 31, 2010	
FEBRUARY 21, 2011	FAMILY DAY

2nd YEAR	
APRIL 22, 2011	GOOD FRIDAY
APRIL 25, 2011	DAY AFTER EASTER
MAY 23, 2011	VICTORIA DAY
JULY 1, 2011	CANADA DAY
JULY 4, 2011	MONDAY AFTER CANADA DAY
SEPTEMBER 2, 2011	FRIDAY PRECEDING LABOUR DAY
SEPTEMBER 5, 2011	LABOUR DAY
OCTOBER 10, 2011	THANKSGIVING
DECEMBER 26, 2011	CHRISTMAS HOLIDAY PERIOD
DECEMBER 27, 2011	
DECEMBER 28, 2011	
DECEMBER 29, 2011	
DECEMBER 30, 2011	
JANUARY 2, 2012	
FEBRUARY 20, 2012	FAMILY DAY

3rd YEAR	
APRIL 6, 2012	GOOD FRIDAY
APRIL 9, 2012	DAY AFTER EASTER
MAY 21, 2012	VICTORIA DAY
JUNE 29, 2012	FRIDAY PRECEDING CANADA DAY
JULY 2, 2012	CANADA DAY
AUGUST 31, 2012	FRIDAY PRECEDING LABOUR DAY
SEPTEMBER 3, 2012	LABOUR DAY
OCTOBER 8, 2012	THANKSGIVING
DECEMBER 24, 2012	CHRISTMAS HOLIDAY PERIOD
DECEMBER 25, 2012	
DECEMBER 26, 2012	
DECEMBER 27, 2012	
DECEMBER 28, 2012	
DECEMBER 31, 2012	
JANUARY 1, 2013	
FEBRUARY 18, 2013	FAMILY DAY

In the event an additional Federal or Provincial holiday is proclaimed during the life of this Agreement, such holiday will take the place of a holiday designated in this Agreement. The selection of the holiday to become the newly proclaimed Federal or Provincial holiday will be made based on mutual agreement between the parties.

ATTACHMENT 3

Anaesthesia for Dependent Children

Mr. C McLarty
Chairperson, Shop Committee
Local 27, C.A.W. Unit 66
GDLS-C

Dear Mr. McLarty:

During negotiations the parties agreed to cover anaesthesia sedation for dependent children, with special needs, 18 years of age and under, for any dental procedures, where a dentist or denture therapist refuses to perform services while the child is conscious due to safety concerns for the patient and medical staff.

A letter from the dentist and a dental pre-determination, outlining the services to be performed, must be submitted to the Area Manager of Benefits and Payroll for review. Upon approval, reimbursement for such services would be subject to the current co-pay levels in effect for the specified procedures and also limited to the current combined dental maximum.

Yours very truly,

Rick Jess
Director of Human Resources and Administration

ATTACHMENT 4

Cancer Antigen 125 (CA-125) Test

Mr. C McLarty
Chairperson, Shop Committee
Local 27, C.A.W. Unit 66
GDLS-C

Dear Mr. McLarty:

This will confirm our understanding reached during these negotiations with respect to coverage for cancer antigen 125 (CA-125) testing.

It was agreed, that effective on the first day of the month following the month this agreement was signed, coverage will be provided toward the cost of one CA-125 test annually, to a maximum of \$35, for covered female persons age 40 and older.

Yours very truly,

Rick Jess
Director of Human Resources and Administration

ATTACHMENT 5

Speech Therapy Intensive Programs

Mr. C McLarty
Chairperson, Shop Committee
Local 27, C.A.W. Unit 66
GDLS-C

Dear Mr. McLarty:

During negotiations the parties discussed removing the per visit maximum included under Speech Therapy for certain intensive programs. It was agreed that the \$90 per visit maximum may be waived for a speech therapy intensive program, based on the approval of a review committee, comprised of the Area Manager of Benefits and Payroll, representation from the Medical Center and the CAW Benefit representative, prior to the registration for the program. The current annual maximum still applies.

Yours very truly,

Rick Jess
Director of Human Resources and Administration

ATTACHMENT 6

Out of Province Coverage Comparison between Current Plan and New Plan

Benefit	Current General Dynamics Out-of-Province Coverage	New General Dynamics Out-of-Province Coverage
Green Shield Travel Assistance	eligible	eligible
Duration of Trip (days)	unlimited	180
Emergency Services dollar maximum	unlimited	\$1,500,000 per calendar year
Referral Services dollar maximum	unlimited	\$50,000 per calendar year
Hospital Services & Accommodation Standard Ward rate in a public general hospital	eligible	eligible
Medical/ Surgical Services	eligible	eligible
Emergency Transportation (land & air)	eligible	eligible
Referral Services Hospital services & accommodation up to a standard ward rate in a public general hospital AND Medical surgical services rendered by a legally qualified physician or surgeon.	Eligible	eligible
Registered Private Nurse	<i>not a benefit</i>	\$5,000 per calendar year
Diagnostic Laboratory Test/Xrays	eligible	eligible
Reimbursement of prescriptions	<i>not a benefit</i>	eligible
Medical Appliances i.e. casts, crutches, canes, etc	<i>not a benefit</i>	eligible
Treatment of a dentist	<i>not a benefit</i>	Up to a maximum of \$2,000
coming home- One way economy airfare plus the additional economy airfare if required to accommodate a stretcher	eligible	eligible
Cost of returning your personal use motor vehicle	Up to a maximum of \$1,000 per trip.	Up to a maximum of \$1,000 per trip.
Meals and Accommodation	<i>not a benefit</i>	Up to a maximum of \$1,500 (maximum of \$150 per day up to 10 days)
Transportation to the bedside Including round trip economy airfare for any one spouse, parent, child, brother or sister	<i>not a benefit</i>	eligible
Return Airfare If your personal use motor vehicle is stolen, reimbursement made for a one way economy airfare.	<i>Not a benefit</i>	eligible
Repatriation of Remains (return of deceased)	<i>not a benefit</i>	Up to a maximum of \$5,000.

ATTACHMENT 7

Home Detox Program

Mr. C McLarty
Chairperson, Shop Committee
Local 27, C.A.W. Unit 66
GDLS-C

Dear Mr. McLarty:

This will confirm our understanding reached during the 2010 negotiations with respect to coverage for home detox programs for alcohol and substance abuse.

It was agreed that a committee comprised of the GDLS-C Medical Director, the CAW Substance Abuse Representative, and the GDLS-C Manager of Employee Services and Security, or designee, will assess the effectiveness of home detox programs and their applicability to the CAW membership.

Should agreement be reached on the potential effectiveness of a home detox program, the committee shall then develop specific criteria for eligibility for the program as well as a formal process for assessment, review, approval, monitoring, and termination of the program for an applicant. The committee shall also determine the eligibility criteria for short term disability (STD) claims for this specific benefit. The criteria and process will be developed no later than four (4) months following the approved assessment noted above.

At that point, a limited duration trial program for alcohol and substance abuse home detox will commence.

Yours very truly,

Rick Jess
Director of Human Resources and Administration

ATTACHMENT 8

(115) An eligible employee may use vacation pay allowances on a pay as you go basis provided the employee meets the notification guideline. Vacation pay allowance shall be calculated on the basis of the employee's rate of pay plus the attached night shift premium that would have been attached to the employee's straight time rate if the employee had worked the employee's regularly scheduled shift had such day not been a vacation day. Unused vacation pay allowances as of the end of the calendar year will be paid out prior to holiday shutdown and calculated in accordance with the Memorandum of Understanding (Doc. No. 68) – Night Shift Premium on Vacation Pay and Unused Paid Absence Allowance Credit.

(c) An eligible employee may use vacation and/or a PAA credit during the eligibility year following the date such vacation and/or PAA is credited to the employee, provided the employee meets the call-in requirements and is not receiving sickness and accident insurance benefits.

(2) An employee may elect to use vacation and/or PAA, in 8 hour increments, by informing the Company no later than ½ hour prior to the start of the employee's regular scheduled shift.

(3) An employee may exercise this option in Paragraph (115)(a)(1) to a maximum of five (5) call-ins per calendar year (a maximum of 40 hours of vacation and/or PAA yearly).

(b) PAA, shall be calculated on the basis of the employee's rate of pay plus the attached night shift premium, but not including overtime premium, that would have attached to the employee's straight time rate if the employee had worked the employee's regularly scheduled shift had such day not been a paid absence. Unused PAA credit shall be calculated in accordance with the Memorandum of Understanding – Night Shift Premium on Vacation Pay and Unused PAA Credit.

(c) An eligible employee who, at the time of the employee's next eligibility date, has not used the employee's entire paid absence allowance credit shall have the unused hours moved to vacation for the balance of the calendar year.

**HARASSMENT PROCEDURE
AND ASSOCIATED TRAINING**

GENERAL DYNAMICS LAND SYSTEMS - CANADA

March 22, 2010

During the current negotiations, the parties discussed the prominence of Human Rights issues in the workplace. The parties have committed to implementing a Harassment Procedure for the benefit of all General Dynamics Land Systems - Canada employees. In addition, the parties agreed to outline the Harassment Procedure within the context of this Appendix. These two elements are fundamentally supportive of each other and to the foundation of a progressive workplace at General Dynamics Land Systems - Canada .

General Dynamics Land Systems - Canada and the Canadian Auto Workers Union are committed to the concept of equal opportunity in the workplace and both parties have devoted considerable energy to promoting this principle. Moreover, providing fair and equitable treatment for all employees is best achieved in an environment where all individuals interact with mutual respect for each others' rights. Since GDLS-C's workforce is composed of men and women with diverse backgrounds, fostering such an environment can be best supported by providing information and education to all employees regarding human rights in the workplace, including the rights and obligations of individuals as well as the Company's.

WORKPLACE HARASSMENT

General Dynamics Land Systems - Canada and the CAW 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 individual dignity and respect on the basis of the grounds such as: gender, disability, race, colour, sexual orientation, record_of offences, marital status or other prohibited grounds. At General Dynamics Land Systems - Canada all employees are expected to treat others with courtesy and consideration and to discourage harassment.

The workplace is defined as any Company facility and includes areas such as offices, shop floors, restrooms, cafeterias, lockers, conference rooms, and parking lots. In addition, it also includes all Company sponsored activities at non-Company locations that are attended by employees in the course of their employment.

Harassment may take many forms: verbal, physical, or visual. It may involve a threat or an implied threat or be perceived as a condition of employment. The following examples could be considered as harassment but are not meant to cover all potential incidents:

- unwelcome remarks, jokes, innuendoes, gestures, or taunting about a person's body, disability, attire or gender, racial or ethnic background, colour, place of birth, sexual orientation, citizenship, or ancestry.
- practical jokes, pushing, shoving, etc., which cause awkwardness or embarrassment.
- posting or circulation of offensive photos or visual materials.
- refusal to work or converse with an employee because of their racial background or gender.
- unwanted physical conduct such as touching, patting, pinching, etc.

- unwelcome invitations or requests.
- condescension or paternalism which undermines self respect.
- backlash or retaliation for the lodging of a complaint or participation in an investigation.

HARASSMENT IS NOT

Harassment is in no way to 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. Neither is this policy meant to inhibit free speech or interfere with normal social relations.

FILING A COMPLAINT

If an employee believes that they have been harassed and/or discriminated against on the basis of any prohibited ground of discrimination, there are specific actions that may be taken to put a stop to it. First, request a stop of the unwanted behavior. Inform the individual that is doing the harassing or the discriminating against you that the behavior is unwanted and unwelcome. It is advisable to document the events, complete with times, dates, location, witnesses, and details.

However, it is also understood that some victims of discrimination or harassment are reluctant to confront their harasser or they may fear reprisals from the harasser, lack of support from their work group, or disbelief by their supervisor or others. The incident should be brought to the attention of your Supervisor and/or Committeeperson, or Employment Equity Representative.

INVESTIGATION

Upon receipt of the complaint, the Supervisor/ Committeeperson, or Employment Equity representative contacted will immediately inform their Union or Company counterpart and together they will then interview the employee and advise the employee if the complaint can be resolved immediately or if the complaint should be reduced to writing on the Human Rights Complaint form or processed through another procedure. Properly completed copies of this form will be forwarded to the Human Resources and Administration Director and the Plant Chairperson.

The Plant Chairperson and the Human Resources and Administration Director will then determine if the complaint requires further investigation and if so the CAW Employment Equity representative and a Management representative will conduct the investigation. In the event of a complaint involving sexual harassment the investigative team, if requested, will be comprised of at least one woman.

A formal investigation of the complaint will then begin. It may include interviewing the alleged harasser, witnesses, and other persons named in the complaint. Any related documents may also be reviewed.

RESOLUTION

The joint investigators will then complete the report on the findings of the investigation and a copy of the completed Incident Report will be forwarded to the Human Resources and Administration Director and the Plant Chairperson who will make a determination on appropriate resolution. The Human Resources and Administration Director and the Plant Chairperson will attempt to resolve within ten (10) days and ensure the resolution is fair and consistent with the intent of General Dynamics Land Systems - Canada and National CAW policy regarding

discrimination and harassment in the workplace. Failing this, the complaint will be referred to the Employment Equity Committee for review.

At the conclusion of this step, the complaint, if unresolved, will be considered as a grievance for the purposes of the Grievance Procedure and will be inserted into the 4th step of the Grievance Procedure for resolution. In the event that the complaint is not resolved by the parties at the fourth step of the grievance procedure it may be appealed to arbitration in accordance with the provisions of the Agreement. The parties agree that this procedure is an alternative complaint procedure and as such complaints should not be pursued through both the Grievance Procedure and the Human Rights Complaints Procedure.

The pursuit of frivolous allegations through the Human Rights Complaint Procedure has a detrimental effect on the spirit and intent for which this policy was rightfully developed and should be discouraged.

RIGHT TO REFUSE

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

This procedure in no way precludes the complainant's right to seek action under the applicable Human Rights Law. However, both the CAW and General Dynamics Land Systems - Canada urge employees to use the internal mechanisms as outlined above before seeking alternative recourse.

Any liability which may arise by reason of the implementation of a mutually acceptable resolution of a complaint shall be shared equally by the CAW and General Dynamics Land Systems - Canada. Where there is a mutually acceptable resolution, the CAW agrees that grievances which may be filed as a result of discipline assumed against an individual alleged to have engaged in harassment will not be filed or pursued without concurrence of the National Union CAW and written confirmation of such concurrence to the Director of Human Resources and Administration.

The parties discussed the importance for Union representatives and Management employees to have a complete understanding of the agreed to revisions in the Internal Human Rights Procedure including the "Right to Refuse" provision. ~~As a result of these discussions, the parties agreed to a three day training program to communicate this information.~~

~~The Employment Equity Committee will have responsibility for jointly determining the content and timing.~~

~~Furthermore,~~ The parties agreed that it will be necessary to communicate to the workforce the agreed to changes in the Internal Human Rights Procedure. ~~This is supplemental to the Human Rights training program for employees.~~ The parties agreed to communicate this information through local Union Newsletters, bulletin board notices and a Company letter to all employees.

Doc. No. 6

March 22, 2010

Mr. C. McLarty

Chairperson, Shop Committee

Local 27, C.A.W. Unit 66

Dear Mr. McLarty:

During the current negotiations, the Company and the Union indicated their mutual interests in advancing the learning of employees through education and training. The parties agreed that employee training has positive effects on product quality and competitiveness and should provide opportunities for employees to participate in decisions relating to manufacturing processes and practices.

The parties indicated that many aspects of employee education and training require the cooperation and commitment of both the Company and the Union.

~~Accordingly, the parties have agreed to maintain a GDLS-C-CAW Training Review Committee comprised of three representatives from the Union, two to be designated by the Plant Chairperson for CAW, one to be designated by the National CAW and three representatives from the Company, to be appointed by the Director of H.R. &A. General Dynamics Land Systems - Canada. This Committee will meet at least on a quarterly basis.~~

Accordingly the parties have agreed that the WSA Steering Team ~~The Training Review Committee~~ will be responsible for the following:

- Review current training programs.
- Discuss and recommend training programs to enhance employee involvement and team skills.
- Encourage participation in joint training initiatives

In addition the WSA Steering Team ~~Training Committee~~ will be responsible for the development and implementation of programs supported by the Training Fund.

The Parties acknowledged that some programs, previously established, will continue during the term of the Collective Agreement. In addition to these programs, the parties identified the following for review by the WSA Steering Team ~~Training Review Committee~~:

- Union Awareness
- Industry Overview
- Building Respectful Workplaces

- Women And Technology
- Health And Well Being
- Community and Government Awareness
- Pre-retirement Planning
- Building Respectful Workplaces for Union Leadership
- Lean Manufacturing

The WSA Steering Team Training Review Committee may conduct other activities that will support employees in the advancement of their learning.

Trainers:

Instructor techniques, delivery methods, and the training hours for each program will all be factors in determining the number of trainers that will be required. These determinations are an appropriate subject for the WSA Steering Team Training Review Committee. Trainers will be jointly reviewed and assigned by the CAW chairperson and the Company. While on a training assignment, trainers will continue to be compensated at their regular hourly wage rate, including COLA.

Due to the variation in training schedules, program content, duration and application to various segments of the workforce, it is anticipated that all training assignments will be on a part-time basis. There may, however, be circumstances when the utilization of a full-time trainer may be considered.

Training Schedules:

The ability to commit to and execute training schedules can be influenced by a number of factors, which were examined in detail during our discussions. Both parties agreed that mutually satisfactory solutions will be essential to the long-term success of this program. In the event that such issues cannot be resolved, they may be referred to the WSA Steering Team Training Review Committee.

Yours truly,

Rick Jess
Director of Human Resources and Administration

Doc. No. 12

MEMORANDUM OF UNDERSTANDING

REGARDING THE ACQUISITION OF THE LONDON

DEFENSE OPERATIONS

ENTERED INTO THE 9th DAY OF JUNE, 2003

General Dynamics Land Systems – Canada
London, Ontario. Hereinafter referred to as “GDLS- C” or “the Company” and: National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada and its Local 27) Hereinafter referred to as the “Union”
General Dynamics Land Systems – Canada and the CAW also being referred to jointly in this Memorandum of Understanding as the “parties”.

Whereas: This Memorandum confirms the discussions between the Company and the Union regarding the acquisition of the London Defense operation.

THEREFORE: While the parties recognized that the acquisition was made from General Motors (hereinafter referred to as “GM” or the “Seller”) as an ongoing business, there was concern regarding the impact of the acquisition on the affected hourly employees. Therefore, this memorandum outlines the resolution to issues regarding the transfer of employment of the hourly employees of the business from the Seller to the General Dynamics Land Systems - Canada.

Transition Date and Successorship

Employees who are employed at the GDLS - Canada facility as of October 1, 2003, will become employees of GDLS – C (hereinafter referred to as a “Transferred Employee”). Affected employees who have unbroken seniority and who are on layoff or leave of absence as of October 1, 2003, will be employed by the Company upon expiration of their layoff or leave. For these employees, October 1, 2003 shall be deemed to be their actual date of employment with the Company.

All affected employees whose employment is transferred to GDLS-C shall retain the protection provided under the GM-CAW and Supplemental Agreements, as the Company shall assume the 2002 GM-CAW and Supplemental Agreements, including Exhibits A through D, and Exhibits F and G and Local Agreements as amended by this Memorandum of Understanding. The Income Security Fund Maximum Company Liability, defined under Article VIII, (19) of Exhibit C-1 shall be pro-rated under the Company’s plan, based on the portion that the number of employees employed by the Company compared to the sum of all Seller’s employees as of October 1, 2003. The sum of the Seller’s employees, for purposes of this calculation, shall include the employees employed by the Company.

The Company will be a successor employer of the Transferred Employees. The employment of the Transferred Employees with the Seller will be terminated on October 1, 2003 for all purposes under the Collective Agreement, the Labour Relations Act, and the Employment Standards Act or otherwise.

Re-employment Opportunities

~~Transferred Employees who, following October 1, 2003 determine that they wish to be re-employed by the Seller will have an opportunity to apply for employment opportunities at the Seller's London operations through the termination of the 2005 GM-CAW Agreement. Such employees may make application and be eligible for transfer to openings that would otherwise require hiring a new employee. Provided such employees possess the qualifications for the openings, they will, upon transfer, retain their original seniority date for all purposes. Employees who accept employment with the Seller will terminate their employment with General Dynamics Land Systems - Canada.~~

~~Employees of the Seller who, following October 1, 2003 determine that they wish to be employed by GDLS - C will have an opportunity to apply for employment opportunities at the Company's London operations through the termination of the 2005 GM-CAW Agreement. Such employees may make application and be eligible for transfer to openings that would otherwise require hiring a new employee. Provided such employees possess the qualifications for the openings, they will, upon transfer, retain their original seniority date for all purposes. Employees who accept employment with the Company will terminate their employment with the Seller.~~

Pensions

The Company shall assume the 1999 General Dynamics Land Systems - Canada Canadian Hourly-Rate Employees Pension Plan (the "GM Pension Plan"), and as a result, the following items were clarified by the parties for affected employees who at the time of the sale were vested under the GM Pension Plan:

- The GM Pension Plan and Company's Pension Plan ("the Plans") will recognize credited service granted under the other Pension Plan for "eligibility" purposes. These provisions will be applicable for periods of re-employment by the seller as provided for in this Memorandum, but will not extend to additional credited service provisions granted under either Plan.
- Pension benefits received from the Plans will be on a pro-rata share, based on a percentage of the number of years of credited service accrued under the GM Pension Plan or Company's Pension Plan divided by the total years of credited service under both Plans as of the date of retirement, death or termination from the Company or Seller. Provided, however, that if the employee is entitled to a supplementary pension and/or a special allowance benefit, from more than one plan, based on the total "eligible credited service", then the supplementary pension and/or the special allowance benefit will be co-ordinated between the GM Pension Plan and the Company's Pension Plan. These benefits will be paid from each respective plan, on a prorated basis (e.g. an employee retires with 35 years of credited service, where the first 25 years were earned from the GM Pension Plan and the next 10 years from the Company's Pension Plan - a benefit based on 30 years would be prorated and paid from the GM Pension Plan based on 25/35ths and from the GDLS - C's Pension Plan based on 10/35ths).

- If the Seller grants the employee a benefit under Article I, Section 2(b) of the Seller's Pension Plan, such retirement eligibility will not be recognized by the Company, unless the Company concurs that the employee met the eligibility requirements of such a mutually satisfactory offer as specified in the GDLS-C Pension Plan. If the Company does not concur, but the employee is eligible for a voluntary retirement from the GM Pension Plan at the time, the Company will entitle the employee to benefits under the appropriate voluntary retirement provisions on a pro-rata share basis.
- If the Seller grants the employee a benefit under Article I, Section 3 of the Plan, retirement eligibility shall only be recognized by the Company if satisfactory medical evidence is submitted to the Company that substantiates such eligibility. If the Company does not concur, but the employee is eligible for a voluntary retirement from the Pension Plan at the time, the Company will entitle the employee to benefits under the appropriate voluntary retirement provisions on a pro-rata share basis.
- In any event, there shall be no duplication in the granting of credited service under the Plans.
- At date of retirement, death or termination, benefits payable from the Company shall be based upon the provisions of the GDLS-C Pension Plan in effect on that date.
- If any employee retires under the Plans and is subsequently re-employed by either the Company or the Seller on a regular, contract or other basis, then payments being made to such employee by the Plans shall be suspended until such employment ceases and the employee again retires.
- In addition, the Seller agrees to assume the responsibility of Group Life Insurance and Health Care coverages upon retirement for any employee who was eligible to retire voluntarily under the provisions of Article I, section 2(a) (excluding Section 2(a)(4)) of the GM Pension Plan as of February 28, 2003 and who at retirement is in receipt of a pension benefit from the Seller. Such responsibility will be limited to the extent other GM pensioners receive coverage. The parties understand that in determining the amount of Basic Life Insurance and Continuing Life Insurance in retirement for such employees, the employee's base hourly rate in effect on retirement and the credited service accumulated while employed at Seller and GDLS-C will be recognized under the GM group Life and Disability Insurance Program.

Special Enhanced Doc. 13 Opportunities

~~**The Company will offer Special Enhanced Document 13 opportunities during 2004 and 2005. The timing will be at management's discretion to meet business needs.**~~

- ~~• **To be eligible to retire during 2004, employees must become retirement eligible in accordance with the provisions of Document 13 between October 1, 2003 and the retirement date(s) declared by management during 2004.**~~
- ~~• **Employees who are eligible in 2004 but who do not apply for the retirement opportunity will be ineligible for subsequent Special Enhanced Doc. 13 opportunities.**~~

- ~~A further opportunity will be offered during calendar year 2005 for retirements to be effective no later than September 1, 2005. To be eligible during this period, an employee must become retirement eligible in accordance with the provisions of Document 13 during the period from the last declared retirement date in 2004 through September 1, 2005.~~

<u>Program</u>	<u>Structure</u>
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- ~~Retirements will be offered to all eligible GDLS-C active employees. The retirements will be provided in accordance with Article I, Section 2(a)(3) and 2(b) of Exhibit A-1 to the 1999 General Dynamics Land Systems – Canada Canadian Hourly Rate Employee Pension Plan (the GM Pension Plan).~~
- ~~Employees electing this retirement option will receive either:
(1) a \$78,000 lump sum payment, or
(2) an \$85,000 retirement incentive, comprised of a \$65,000 lump sum payment, a \$13,000 car voucher net of tax, and \$7,000 taxes paid by the company.~~
- ~~The car voucher will be governed by the rules of the Employee Vehicle Purchase Program, and can be transferred to any family member who qualifies under that program.~~
- ~~Financial counselling will be made available to eligible employees on an established weekend day(s). The sessions(s) will be set up by the local union, with the assistance of Management as needed. Employees attending the session will receive 4 hours straight time pay, to be paid from the Training Fund.~~
- ~~Employees will have a three-week window to elect to sign up for this program.~~

~~With respect to the replacement of employees who retire under the Special Enhanced Doc. 13 opportunities, the following will apply:~~

- ~~Opportunities to fill the resulting openings will be available to Local 27 employees of the Company and the Seller by utilizing the transfer provisions contained in the Local Agreement~~
- ~~The use of the transfer provisions will not be limited to primary openings~~
- ~~It is understood that to prevent the loss of specific skills from either operation, Management may have to limit transfers in specific job classifications such as but not limited to welders or machinists~~
- ~~Welders applying to openings at GDLS Canada must pass the current testing procedure~~

- ~~All employees must be capable of performing the work in the opening to which they apply~~
- ~~All employees must be qualified to perform the job in the opening to which they apply in accordance with all applicable laws~~

Layoffs

~~In the event that an employee who is laid off by the Company prior to the expiration of the 2002 GM-CAW Agreement becomes eligible to retire under the provisions of Article I, Section 2(a)(3) of the GDLS-C Pension Plan, during the period of layoff, such employee may elect to retire and to receive a retiring allowance in accordance with Doc. 13 provided, however, that the amount of such retirement allowance shall be reduced by the amount of the SUB benefits received by such laid off employee between the time of layoff and the date of retirement. In order to be eligible for such retirement allowance during a period of layoff, the employee must elect to retire effective the first day of the month following the date the employee became eligible.~~

Permanent Reduction in Force

~~The parties discussed the possibility that a permanent reduction in force could take place at the operations of either the Company or the Seller, which would result in employees being permanently laid off without expectation of recall. In the event that laid off employees wanted to exercise their seniority to displace an employee in the other Company, the Parties agreed that the following procedure would apply:~~

- ~~1. A thirty (30) day period would be declared during which a laid off employee could apply to exercise their seniority rights in the other Company. The thirty (30) day period would commence no later than the first of the month following the month in which the last layoff of the reduction in force occurred or after thirteen (13) weeks from the effective date of the first layoff of the reduction in force. The employee may only withdraw or modify their application within this thirty (30) day period.~~
- ~~2. An employee who makes application must first apply to exercise their seniority within their current job classification. If an employee cannot transfer within their current job classification, they may elect to exercise their seniority in one job classification in which they previously held seniority. If an employee still lacks sufficient seniority to transfer they may exercise their seniority within the Clearance Group job classification. Employees whose current job classification does not exist at the other operation and who also do not possess a previously held job classification, can elect to exercise their seniority in the General Assembly-All Products (WTAZ) job classification.~~
- ~~3. The transfer flows of laid off applicants would be offered at the following minimum monthly rates:

 - ~~— 5 Welders (XOAZ or XPAZ) per month~~
 - ~~— 10 Assemblers (WTAZ) per month~~
 - ~~— 5 All other job classifications per month~~~~

~~Transfer applicants must be capable of meeting established job skill requirements and those required by applicable laws.~~

- ~~4. Within a two-week period following the thirty (30) day transfer application period, Management will determine which employees would be displaced and issue them layoff notices based on applicable legislation. The duration of the layoff notices will determine the date of commencement of transfers under the provisions of this agreement.~~
- ~~5. Paragraphs 1 through 4 will not apply to employees who are working in a Skilled Trades classification. At the point in time that a Skilled Trades employee is to be given a layoff notice based on applicable legislation, they will be given the opportunity to make an irrevocable application to displace an employee with less seniority working for the other Company in the same Skilled Trade. The date of transfer would be dependent upon the length of layoff notice required under applicable legislation to be given to the affected employee of the other operation. Management will make every effort where practicable, to insure that the transferring employee does not experience a layoff.~~
- ~~6. Upon commencement of their employment at the other operation, the employee will establish their full seniority. The employee will retain recall rights to their original employer. When recalled by their original employer, the employee must fulfill the terms of the recall and will be regarded as a quit from the employer from which they are being recalled~~
- ~~7. Layoffs at a Company that are caused by employees exercising their rights under this procedure do not trigger an obligation on the part of either company to return work which has been temporarily outsourced pursuant to the Memorandum on Workforce Stabilization.~~
- ~~8. The scheduled transfer of employees under this procedure will be terminated at any time if business conditions cause a cancellation of a qualifying layoff.~~
- ~~9. This procedure will remain in effect and be completed for layoffs that commence prior to January 1, 2006~~
- ~~10. An employee who exercises their rights under this procedure will neither be advantaged nor disadvantaged under the provisions of the Agreement or its Supplemental Agreements (eg. duplication of vacation pay eligibility, health care coverages, etc.)~~

GDLS-C/CAW Contract

~~The Company and the Union agree that the terms and conditions of the current (2002-2005) Collective Agreement will apply for an additional 18 months from the current expiration date of September 20, 2005 to 11:59 P. M. March 18, 2007. The Company agrees to implement any wages and benefits increases as negotiated between General Dynamics Land Systems - Canada and the CAW, which would become effective between September 20, 2005 and 11:59 P. M. March 18, 2007.~~

General Provisions

The Company's obligations to the Transferred Employees following the transfer of employment shall be limited to those agreed upon in this Memorandum of Understanding. The Union agrees that the Company and the seller are not related employers. The Union and its Locals, on their

own behalf and on behalf of their members agree not to commence or support any application for a determination pursuant to S.1(4) of the Ontario Labour Relations Act or any provision under Section 12 of the Employment Standards Act or any similar provision. The Union and its Locals on their own behalf and on behalf of their members agree not to take any steps in furtherance of such an application or determination.

All provisions stated in this Memorandum are applicable only to those employees of the Company who were affected by the acquisition. Any new individuals employed by the Company or the Seller on or after February 28, 2003 shall have no such rights under this Memorandum of Understanding.

~~Employees may exercise their transfer rights between employers under the provisions of this agreement on a one-time basis only (except as provided for under the provisions of the Permanent Reductions in Force section of this Memorandum.~~

The parties agree that if unusual circumstances occur that were not contemplated at the time this Memorandum was agreed upon, the parties remain willing to discuss these circumstances in an effort to resolve any concerns.

The parties agree that this understanding is restricted in its application to the acquisition of the London Defense operation. It is entered into as a result of the attendant circumstances and does not establish a precedent for future bargaining.