



Inter-Company Correspondence

<i>To--Name & Department</i>	<i>Telephone</i>	<i>Date</i>
	722-2314	November 2, 2011
<i>From--Name & Department</i>	<i>Location</i>	<i>CIMS Number</i>
See Below		
V. A. Michel	Senior Manager – Compensation, Wage and Salary Administration	CWHQ
		485-07-54

Subject:

To: Human Resources Business Partners/Plant Human Resources Managers
and PDC Managers
Plant Talent Management Supervisors
Plant Labor Relations Supervisors

COMPENSATION CHANGES AND GENERAL INSTRUCTIONS
SALARIED EMPLOYEES - 2011 UAW OFFICE, CLERICAL
AND ENGINEERING AGREEMENT

The contents of this memorandum apply to employees at the following locations:

- UAW represented salaried employees covered by the National Office, Clerical and Engineering Agreement including:
 - UAW represented salaried employees at Trenton South Engine Plant (Location 5210)
 - UAW represented salaried employees at Marysville Axle (Location 5315)
- IUOE represented salaried employees (Classification 210000)

Lump Sum Payments and Wage Changes

\$1,750 Up-Front Lump Sum Payment – Each employee will receive a lump sum payment of \$1,750 if one of the following eligibility requirements is met as of October 31, 2011, the effective date of the Agreement:

- Active on-roll status with seniority
- Temporary layoff status
- Temporary leave of absence within the prior 90 days
- Pre-retirement leave of absence in Dept 1482
- Temporary separation due to Military Leave of Absence

Payments and Deductions - The Up-Front Lump Sum Payment will be included with the regular payroll payments of Thursday, November 10, 2011, to eligible represented salaried employees. Payment will be made by direct deposit or check, based on the employee's current payment method.

Note: Employees with child support arrearages will receive a separate payment on November 10th, 2011. This separate payment is required to facilitate proper arrearage deductions and will be taxed using supplemental rates.

\$1,750 Additional One-Time Lump Sum Payment – Each eligible employee will receive a lump sum payment of \$1,750 upon achievement of the following financial result:

The ratio of Modified Earnings Before Interest, Taxes, Depreciation and Amortization (Modified EBITDA) to Net Interest Expense as defined and reported in the Company's SEC filings is equal to or greater than 5 to 1 for four (4) consecutive quarters within the term of this Agreement beginning with the first full quarter after ratification of this Agreement.

Eligible employees who are represented by the Union and whose status with the Company on the last day of the fourth quarter in which this financial result is met are defined as:

- Active on-roll status with seniority
- Temporary layoff status
- Temporary leave of absence within the prior 90 days
- Pre-retirement leave of absence in Dept 1482
- Temporary separation due to Military Leave of Absence

Temporary full-time and temporary part-time employees and other inactive and separated employees are not eligible.

Performance Bonus Payments – Full-time employees, including retirements and deaths during the eligibility year, will receive lump sum payments as indicated below if one of the following eligibility requirements is met:

- Active on-roll status with seniority
- Temporary layoff status
- Temporary leave of absence within the prior 90 days
- Pre-retirement leave of absence in Dept 1482
- Temporary separation due to Military Leave of Absence

Temporary full-time and temporary part-time employees are excluded.

- 2012 – Eligible employees with seniority as of May 14, 2012 will receive a payment of \$500*. Payments will be made during the pay period ending June 10, 2012.
- 2013 – Eligible employees with seniority as of May 13, 2013 will receive a payment of \$500*. Payments will be made during the pay period ending June 9, 2013.

- 2014 – Eligible employees with seniority as of May, 12, 2014 will receive a payment of \$500*. Payments will be made during the pay period ending June 8, 2014.
- 2015 – Eligible employees with seniority as of May 11, 2015 will receive a payment of \$500*. Payments will be made during the pay period ending June 7, 2015.

*Additionally, for employees at locations that have achieved or maintained the Bronze, Silver, Gold, or World Class status as of their most recent audit (30 or more days prior to payment date), an Audit Score Adjustment Factor shall be applied to their Performance Bonus payment. For example:

Location Status	Audit Score Adjustment Factor		Potential Performance Bonus	Adjusted Performance Bonus
Bronze	125%	x	\$500	\$625
Silver	150%	x	\$500	\$750
Gold	175%	x	\$500	\$875
World Class	200%	x	\$500	\$1,000

The Company will finalize the Audit Score Adjustment Factor definition for non-manufacturing locations within 90 days of the effective date of the Agreement.

Quality Achievement Award -- An annual \$500* target payout shall be established for the achievement of corporate U.S. operations target metrics. When the established target metrics are achieved, eligible employees will receive the Quality Achievement Award.

The Company will finalize the payment schedule and eligibility dates no later than December 31, 2011. Eligible employees who are represented by the Union and whose status with the Company as of the eligibility date are defined as:

- Active on-roll status with seniority
- Temporary layoff status
- Temporary leave of absence within the prior 90 days
- Pre-retirement leave of absence in Dept 1482
- Temporary separation due to Military Leave of Absence.

Temporary full-time and temporary part-time employees and other inactive and separated employees are not eligible.

*Additionally, for employees at locations that have achieved or maintained the Bronze, Silver, Gold, or World Class status as of their most recent audit (30 or more days prior to payment date), an Audit Score Adjustment Factor shall be applied to their Performance Bonus payment. For example:

Location Status	Audit Score Adjustment Factor		Potential Quality Achievement Award	Adjusted Quality Achievement Award
Bronze	125%	x	\$500	\$625
Silver	150%	x	\$500	\$750
Gold	175%	x	\$500	\$875
World Class	200%	x	\$500	\$1,000

The Company will finalize the Audit Score Adjustment Factor definition for non-manufacturing locations within 90 days of the effective date of the Agreement.

Wage Structure – The salaried wage structure remains unchanged with the exception of Grade 5. The new wage rates are as follows:

Grade	Traditional			New Entry		
	Min Rate	Top	Max Rate	New Min	New Top	New Max
1	837.79		1165.94			
2	840.01		1182.57			
3	843.29		1197.41			
4	898.28		1229.98			
5	914.94		1280.31	631.20	771.20	839.94
6	924.05		1315.43	641.33	814.85	930.53
7	930.03		1340.25	722.66	913.75	1041.15
8	937.70		1369.25	803.99	1011.66	1150.11
9	958.47		1393.78	850.00	1078.16	1230.27
10	966.65	1268.58	1432.97	900.00	1160.73	1295.05
11	986.72	1288.01	1457.92	940.00	1221.16	1366.00
12	994.96	1303.58	1487.36	985.00	1282.00	1435.00
13	1013.21	1337.37	1515.53	1013.21	1337.37	1500.27
14	1030.34	1360.58	1559.54	1030.34	1360.58	1544.77
15	1036.99	1374.16	1584.45	1036.99	1374.16	1584.45
16	1065.74	1406.15	1624.63	1065.74	1406.15	1624.63
17	1083.37	1422.94	1663.14	1083.37	1422.94	1663.14
18	1131.96	1496.95	1702.35	1131.96	1496.95	1702.35

Wage Structure Exceptions – The following groups of employees are subject to an exception to the structure listed above:

- Arizona Proving Grounds Grade 5 employees previously assigned to a rate below the new minimum will receive a rate increase to \$631.20 effective October 31, 2011,

- with a second rate increase to \$701.20 on September 15, 2012, and a final rate increase to \$771.20 on September 15, 2013.
- Chelsea Proving Grounds Grade 5 employees assigned a rate of \$651.20 will receive a rate increase to \$701.20 effective October 31, 2011 and will receive a rate increase to \$771.20 on September 15, 2013.
- Retroactive pay adjustments for the period of October 12, 2011 through October 30, 2011 will be paid on November 25, 2011.

Holidays

A total of sixty-three (63) holidays are provided; fourteen (14) in the first year; sixteen (16) in the second year; sixteen (16) in the third year and seventeen (17) in the fourth year of the Agreement.

Martin Luther King Jr. Day	Veterans Day
Jan 16, 2012	Nov 14, 2011
Jan 21, 2013	Nov 16, 2012
Jan 20, 2014	Nov 15, 2013
Jan 19, 2015	Nov 14, 2014
Good Friday	Federal Election Day
Apr 6, 2012	Nov 6, 2012
Mar 29, 2013	Nov 4, 2014
Apr 18, 2014	Thanksgiving Day & Day After Thanksgiving
Apr 3, 2015	Nov 24, Nov 25, 2011
Memorial Day	Nov 22, Nov 23, 2012
May 28, 2012	Nov 28, Nov 29, 2013
May 27, 2013	Nov 27, Nov 28, 2014
May 26, 2014	Christmas Holiday Period
May 25, 2015	Dec 26, 27, 28, 29, 30, 2011, Jan 2, 2012
Independence Day	Dec 24, 25, 26, 27, 28, 31, 2012 Jan 1, 2013
Jul 4, 2012	Dec 23, 24, 25, 26, 27, 30, 31, 2013, Jan 1, 2014
Jul 4, 2013	Dec 24, 25, 26, 29, 30, 31, 2014 Jan 1, 2, 2015
Jul 4, 2014	
Jul 3, 2015	
Labor Day	
Sept 3, 2012	
Sept 2, 2013	
Sept 1, 2014	
Sept 7, 2015	

Vacation Shutdown

Employees will not be eligible for Supplemental Unemployment Benefits (SUB) or state unemployment benefits during the weeks so designated as vacation shutdown.

Profit Sharing Plan

The new Profit Sharing Plan is based on Chrysler's NAFTA Modified Operating Profit (MOP) and incorporates a formula directly linking employee payment amounts to NAFTA Modified Operating Profit levels per the table below:

NAFTA MOP \$billions		Maximum Payout	NAFTA MOP \$billions		Maximum Payout
\$0.00	< \$1.25	\$0	\$6.50	< \$6.75	\$6,500
1.25	< 1.50	1,250	6.75	< 7.00	6,750
1.50	< 1.75	1,500	7.00	< 7.25	7,000
1.75	< 2.00	1,750	7.25	< 7.50	7,250
2.00	< 2.25	2,000	7.50	< 7.75	7,500
2.25	< 2.50	2,250	7.75	< 8.00	7,750
2.50	< 2.75	2,500	8.00	< 8.25	8,000
2.75	< 3.00	2,750	8.25	< 8.50	8,250
3.00	< 3.25	3,000	8.50	< 8.75	8,500
3.25	< 3.50	3,250	8.75	< 9.00	8,750
3.50	< 3.75	3,500	9.00	< 9.25	9,000
3.75	< 4.00	3,750	9.25	< 9.50	9,250
4.00	< 4.25	4,000	9.50	< 9.75	9,500
4.25	< 4.50	4,250	9.75	< 10.00	9,750
4.50	< 4.75	4,500	10.00	< 10.25	10,000
4.75	< 5.00	4,750	10.25	< 10.50	10,250
5.00	< 5.25	5,000	10.50	< 10.75	10,500
5.25	< 5.50	5,250	10.75	< 11.00	10,750
5.50	< 5.75	5,500	11.00	< 11.25	11,000
5.75	< 6.00	5,750	11.25	< 11.50	11,250
6.00	< 6.25	6,000	11.50	< 11.75	11,500
6.25	< 6.50	6,250	11.75	< 12.00	11,750
				>= 12.00	12,000

Payout Proration – Employees who have more than 1,850 compensated hours will receive the maximum payout. Employees who have less than 1,850 hours will receive a prorated payout based on the proportion of their compensated hours up to 1,850. See the table below:

Compensated Hours		Maximum Compensated Hours For Profit Sharing		Prorated Portion Of Eligible Profit Sharing Amount		Maximum Profit Sharing Amount Per Employee		Profit Sharing Amount Payable To Employee
1,850	/	1,850	=	100%	x	\$4,000	=	\$4,000
1,500	/	1,850	=	81%	x	\$4,000	=	\$3,243
1,000	/	1,850	=	54%	x	\$4,000	=	\$2,162
500	/	1,850	=	27%	x	\$4,000	=	\$1,081

If you have any questions, please contact Debbie Felek (722-2240), Wendy Woo (722-2251), or Jessica Dabkowski (722-1081).

V. Michel

Senior Manager
Compensation, Wage & Salary Administration

cc: N. Rae
A. Iacobelli
D. Antovski
J. Bante
M. Brown
F. Castelvetera
B. Crane
M. DeArment
J. Dyckman
T. Groechel
M. Jessamy
D. Klimek
J. Kozlowski
C. Lightbody
K. Neal
C. Pronger
L. Reinhardt-Kosal
R. Richie
P. Rumon
G. Russette
G. Shagena
K. Topping



E / O & C

Salaried Bargaining Unit Insourcing Review

September xx, 2011

E / O & C
UNPUBLISHED LETTER
Salaried Bargaining Unit Insourcing Review
New UP-xx

International Union, UAW

Attention: Mr. General Holiefield

Dear Sirs:

During the course of these negotiations, the Union requested that the Company provide opportunities for the Salaried Bargaining Unit to review proposals produced by the Union with the appropriate Management personnel to insource certain work. The Company held discussions with the Union concerning bargaining unit work practices that create a competitive disadvantage to the Company. The Company expressed to the Union that addressing these non-competitive work practices, could potentially create opportunities to insource work to the Union provided it meets the flexibility, efficiency and cost requirements necessary to support a positive business case. As such, the Company re-affirms the commitments made on July 1, 2010 in the letter entitled "Company's Response to the UAW SBU Proposal." To that end the Company agrees to hold bi-weekly meetings with the Vice President and Director of the UAW-Chrysler Department or his designee, the Director of Union Relations or his designee, and the appropriate Management personnel to discuss the nature of the work and review the Union's business case in support of their request to insource work.

Very truly yours
Chrysler Group LLC

By: A.A. Iacobelli

Accepted and Approved:
INTERNATIONAL UNION, UAW

PHG
10/8/11

LDR
10/8/11



CHRYSLER

E/O & C

Temporary Hires

~~October 28, 1985~~ September xx, 2011

O & C & E
(13) Temporary Hires

International Union, UAW

Attention: Mr. ~~Edward A. Rickey~~ General Holiefield

Dear Sirs:

On occasions the Company Corporation finds it necessary to hire additional employees in temporary positions included in salaried bargaining units. Normally, temporary employees are hired for a period not to exceed one hundred twenty (120) consecutive calendar days. They are used for such purposes as replacing permanent employees on vacation or leave of absence. Temporary employees are not hired to fill positions which are permanent openings or where qualified laid-off salaried, seniority employees are available. ~~The utilization of temporary hires shall not diminish the rights of seniority employees under other Sections of this Agreement. Claimed violations of the above may be referred to the International Union for review with Corporate Union Relations.~~

Pursuant to S-2 the parties have identified the need for Temporary Hires to work beyond the 120 day period to protect the efficiency of operations, for example, during periods of high vacation utilization, absenteeism, peak workloads, etc. Accordingly, the International Union and Corporate Employee Relations agree that the parties will, by mutual agreement, extend the use of Temporary employees to address efficiency circumstances as they arise.

Because of the ~~limited term of their~~ extended period of temporary employment, we believe it desirable to clarify the entitlement of these temporary employees to certain benefits available to permanent employees under our agreements covering salaried employees.

It is the Company's Corporation's position that temporary employees are entitled to receive only ~~the cost of living allowance, shift premium, overtime premium, improvement factor increases, payment for holidays and~~ and Health Care Benefits, excluding Dental and Vision coverage, as provided for under M-13 Memorandum of Understanding - UAW Chrysler Entry Level Wage & Benefit Agreement, Attachment A, Section I of the 2011 National Production Maintenance and Parts Agreement, provided they are not covered under hospitalization insurance Health Care Benefits carried by their parents, or spouse, or domestic partner. temporary employees will be permitted to enroll for hospital-surgical-medical coverage as provided in the applicable agreement, the National Office and Clerical Agreement and the National Engineering Agreement, and no other benefit. Further, Subsections 7 of the above referenced Memorandum of Understanding, Attachment A, Section I of the 2011 National Production Maintenance and Parts Agreement are not applicable to temporary employees.

K.W
09/11

LOR
9/11

Temporary employees hired to positions included in a bargaining unit would be subject to the Union security provisions of the applicable National Agreement and would be classified and paid in accordance with the applicable Salary Grades and Progression Application Supplement.

It is not intended that an employee be repeatedly hired as a temporary employee for the purpose of depriving the employee of benefits he would be entitled to receive as a permanent employee.

~~Would you please indicate your acceptance of the foregoing by signing the original and one copy of this letter and returning them to me.~~

The Company has no intent to circumvent the intended use of temporary employees or to displace regular full-time employees. Temporary employees are not hired to fill positions which are permanent openings or where qualified laid-off salaried, seniority employees are available. Any allegations of improper application of the Temporary Hire language will be directed to Corporate Union Relations and the International Union for resolution.

Very Truly Yours,
CHRYSLER CORPORATION GROUP LLC

By ~~Thomas B. Johnston~~ A.A. Iacobelli

K.W.
09/13/11

Accepted and Approved:
INTERNATIONAL UNION, UAW

By ~~Edward A. Rickey~~ General Holiefield

LOK
9/12/11



CHRYSLER

E/O & C

(N-24) S-2 Temporary Part Time Employees

(S-2)

Salaried Bargaining Unit Temporary part time Part-Time Employees

During the 2011 negotiations, the parties discussed circumstances where business needs may exist that require the utilization of temporary part time salaried bargaining unit hires beyond the scope provided for in Letter (13) Temporary part time Hires, as contained in the 2011 O C & E Agreement and the applicable provisions of the 2009 Addendum, and the Loan and Security Agreement. The parties agreed to apply applicable sections of the S-1 provision of the Production, Maintenance and Parts Agreement to the Temporary Hires Letter (13) of the E O & C Agreement. Pursuant to and consistent with the above referenced agreement, and by mutual agreement, on a case by case basis, the parties may utilize temporary part time employees (TPT's) to support business requirements and ensure efficiency of business operations during periods when multiple programs are being developed and launched simultaneously, during times of peak workloads, and in other unforeseen circumstances.

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

Due to the nature of the work performed by the salaried bargaining unit, temporary part time employees hired by the Company shall normally be scheduled to work Mondays through Fridays, in addition to premium days, subject to the following:

A. Temporary part time employees may be scheduled to work daily overtime and on days for which regular full-time employees receive premium pay as such for time worked provided they do not displace regular full-time employees.

B. The employment by the Company of Temporary part time shall not be considered as an infringement of the rights of regular employees under the 2011 Engineering Office and Clerical Agreement provided, however, at the time of a reduction in force, a seniority employee who is to be indefinitely laid off from the plant pursuant to such a reduction may elect to displace a temporary part time employee.

C. The Company may discharge or terminate the employment of a temporary part time employee at any time provided, however, the Union may protest in the grievance procedure the discharge or termination of a temporary part time employee in cases of claimed discrimination on account of race, color, national origin, age, handicap, sex or religion.

D. A temporary part time employee shall be entitled to Union representation including the grievance procedure in cases of alleged violation of this Supplemental Agreement.

E. A temporary part time employee shall be subject to the provisions of Sections (9) through (14) of the 2011 Engineering Office & clerical Agreement. The initiation fee and monthly dues regularly required of temporary part time employees shall be as determined by the International Union, UAW. Notice of the amounts of such fee and dues shall be given to the Company in writing by the International Union, UAW.

Handwritten notes:
DAJ 9-13-11
TFB 9-13-11
RK 9-13-11
PS 9/14/11
RB 9/14/11
MDF 9-14-11
K.M. 9-14-11
SOF 9-14-11
107
F.H. 9-14-11

Handwritten notes:
LDR
9/12/11
PJC 9/14/11
JAH
9/12/11

F. This Agreement shall become effective concurrently with, and continue in full force and effect during the term of the Engineering Office & Clerical Agreement.

In situations where disputes arise between the parties, the issue may be referred to the Corporate Union Relations and the International Union, UAW for disposition.

PK 9/14/11
CFB 9-13-11
QAW 9-13-11
AK 9-13-11
RBS 9-14-11
SOF 9-14-11
MJF 9-14-11
K.M. 9-14-11
F.H 9-14-11

LOR
9/12/11
BSC 9/12/11
AH
9/12/11



Solidarity House

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INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA – UAW

BOB KING, *PRESIDENT*

DENNIS D. WILLIAMS, *SECRETARY-TREASURER*

VICE-PRESIDENTS: JOE ASHTON • CINDY ESTRADA • GENERAL HOLIEFIELD • JIMMY SETTLES

November 2, 2011

(Via Email)

To: UAW Chrysler Local Union Presidents, Recording Secretaries and Shop Chairpersons

Re: **Retroactive Pay for New Hire's – Wage Progression**

Greetings:

The UAW Chrysler Department has been getting numerous calls regarding the retroactive pay for new hire's. In order that we may take care of this issue in a timely and efficient manner, please inform your constituents that the UAW Chrysler Department is diligently working on getting a pay schedule together (based on the seniority date of the new hire's) to rectify these pay issues. Please communicate this to the effected members since the National Department has been inundated with phone calls regarding the above issue. As soon as this schedule is ready we will forward this information to the local unions.

As a point of information, the retroactive pay is projected to be paid out by the first or second week of December, 2011.

Fraternally,

Tim Bressler
Top Administrative Assistant
UAW Chrysler Department

TB/syw

opeiu494afl-cio

cc: Troy Davis
James Hardy
General Holiefield
Chrysler Servicing Staff