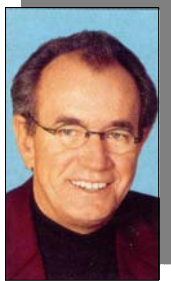


CAW – Canada / Electro-Motive / General Motors B A R G A I N I N G R E P O R T

Highlights of the tentative agreement between CAW-Canada and Electro-Motive Canada and General Motors
Production and Skilled Trades.

Message from President Buzz Hargrove



This tentative agreement will help to end much of the recent uncertainty regarding the locomotive plant. Your bargaining committee has worked extremely hard to negotiate an agreement that provides a number of options for CAW members who work at the plant. It ensures wages and benefits are secured for those who choose to stay at the locomotive plant and for those who want to remain with General Motors there will be an opportunity to do so. In addition this tentative agreement provides early retirement incentives to eligible workers. The agreements with Greenbriar Investments and with General Motors together provide CAW Local 27 members and the community of London with greater security and a stronger future. I join with your master bargaining committee in unanimously recommending you vote in favor of this agreement

LOCAL IMPROVEMENTS

Wage increases

Increases negotiated with GM/CAW in September 2005 will be paid retroactive by EMC beginning June 1, 2005. Subsequent increases which may be agreed to in the 2005 GM/CAW Master Agreement would take effect each succeeding 12 months following the effective date of the memorandum between the parties. Electro-Motive has agreed to a wage increase for the XIAZ Machinist classification by \$1.10 an hour.

Workforce Stabilization

Electro-Motive has resigned the workforce stabilization letter.

GM/GD M.O.U.

Electro-Motive has agreed to honour the Provisions of the Memorandum of understanding negotiated between the CAW and GM/GD.

Health and Safety

Numerous Health and Safety issues were resolved to the satisfaction of the CAW Health and Safety Representative.

Investment in plant

Electro-Motive commits to invest in plant and

equipment to enable the London Plant to be competitive for present and future product, improve product quality and operational effectiveness in order to be viable over the long term.

Training

The Company will identify a suitable area within existing facilities, on the plant site to deliver required training for production and skilled trades workers. Completion is targeted for no later than the second quarter 2006. The parties will meet as necessary to discuss and agree to the nature and type of training.

Electro-Motive has agreed to fund up to \$60,000 for skilled trades related training over the term of the agreement.

Vacation shutdown

The scheduling vacation shutdown to follow the provisions of Document 61 of the Master Agreement.

Apprenticeship Program

Electro-Motive has agreed to take on 4 apprentices during the term of the 2005 agreement.

Computers

Electro-Motive/EDS will make arrangements for workers to purchase used computers as equipment becomes available. No software/operating systems would be included.

HIGHLIGHTES OF THE AGREEMENT BETWEEN CAW-CANADA / ELECTRO-MOTIVE CANADA / G.M.

- As part of the sale of the London Locomotive operations, EMC will assume the terms and conditions of the 2002 & 2005 GM-CAW Master Agreement, including all its attached exhibits (Pension Plan, Sub Plan, Health Care Program, Life Insurance & Disability, Income Maintenance Benefit Plan, Voluntary Termination of Employment Plan, Legal Services Plan.) As well EMC is required to assume the terms and conditions of the Local Agreement.
- GM will be required to offer 667 Document 12 incentives over the period of time ending October 1, 2009, to be offered bi-annually. The employee's retirement dates will be scheduled so as not to disrupt the London Locomotive operations. Document 12's shall be provided in the amount of \$60,000 or an amount equal to the retirement incentive negotiated in 2005 bargaining if greater.
- For those employees who accept a document 12 offer, the Company shall provide an additional \$5,000 to the amounts already provided under Exhibit D-2 Section 2(b). (VETEP).
- Any of these Document 12 incentives which are not utilized will be banked for future use.
- EMC will establish a pension plan which is the same as the GM/CAW Pension Plan.
- EMC has agreed to mirror the terms and conditions of the 2005 CAW/GM Pension Plan for a six (6) year term which will expire at 11:59pm on June 1, 2011.
- GM will maintain the pension benefit for all the years of GM pension service at the same level as if the employee was still a GM employee. In other words, all the years of GM service will be continually improved as the GM-CAW Pension Plan is improved.
- Furthermore, after the end of our current pension agreement (September 2005), GM will be responsible for "topping up" the benefit rate for all years of service from October 1, 2005 through December 31, 2008 to be equal to the benefits for those years which may result from GM-CAW bargaining after September, 2005.
- All employees will have the right to preferential hire at GM locations for a period of time equal to their seniority as of October 1, 2005.
- For the period up to December 31, 2008, GM will guarantee that in the event EMC's business fails or if EMC has insufficient resources to honour liabilities under Document 12 and/or any other liabilities for Pensions, Health Care, Group Insurances, or Income Security, then GM will be secondarily liable for such liabilities.
- Upon retirement up to October 1, 2009 employees will be covered under the GM Health Care and Group Life Insurance Programs, Legal Services Plan and Vehicle Purchase Program.



NEW HIRE AGREEMENT

REACHED BETWEEN CAW CANADA / ELECTRO-MOTIVE

•Effective Date June 1, 2005

•New Hire Wages

70% Start rate grow into
80% Second year to
90% Third year. After third year. Same as Master Agreement.

•New Hire Cola

•Same as Master Agreement. Date of entry.

•New Hire S.U.B.

•S.U.B. credits accrual formula shall be as follows.....
•More than three (3) years less than seven (7) years.....52 credits
•Seven years or more.....Master Agreement provisions.

•New Hire Health Care

Electro-Motive have agreed to follow the Master Agreement provisions.

•New Hire Prescription Drugs

Electro-Motive have agreed to follow the Master Agreement provisions.

•New Hire S&A

Electro-Motive have agreed to follow the Master Agreement provisions.

•New Hire Extended Disability

Electro-Motive have agreed to follow the Master Agreement provisions.

•New Hire Pension Program

Electro-Motive have agreed to follow the Master Agreement provisions.

•New Hire Vacation

Electro-Motive have agreed to follow the Master Agreement provisions.

•New Hire Workforce Stabilization Letter

The provisions shall not apply during the terms Of the 2005 MOU between CAW/EMC

•New Hire SPA Weeks

First Year – N/A
Second Year – One (1) Week
Third Year – One (1) Week
Fourth Year – As per master agreement.

•Doc. 8. Master Agreement

Tuition assistance program, child care & dependant scholarship. **New Hires** eligible to participate following one year of service.

**Your Bargaining Committee Unanimously
Recommend This Tentative Agreement And Urges
You To Vote in Favor Of It.**

Your CAW – Canada Bargaining Committee at Electro-Motive



Peter Kennedy
Assistant to the
Secretary Treasurer



John Scanlan
National Representative



Tim Carrie
President, Local 27



Keith Berry
Plant Chairperson
Electro-Motive



John Kaufmann
Zone One
Committeeperson



Bob Scott
Zone Two
Committeeperson



Terry Mason
Zone Three / Second Shift
Committeeperson



Barry Hardy
Skilled Trades



Gary Stead
Benefits



Russ Meade
Benefits



**Your Bargaining Committee Unanimously
Recommend This Tentative Agreement And Urges
You To Vote in Favor Of It.**