

Contact: Jodi Tinson  
Shawn Morgan

## **FCA US and the UAW Open Bargaining**

- Bargaining teams gather for ceremonial handshake
- Marchionne - "Right leadership and right teams in place to negotiate long-term, responsible agreement"
- CEO reiterates position to reward UAW-represented employees for performance while allowing the Company to maintain a competitive cost structure in an economic downturn
- Cooperation has allowed for \$5.7 billion in investments and the addition of nearly 15,000 new hourly jobs

July 14, 2015, Detroit - FCA US and the UAW officially opened negotiations today on a new collective bargaining agreement for its 39,000 represented employees with a ceremonial handshake at the UAW-Chrysler National Training Center in Detroit.

FCA US Chairman and CEO Sergio Marchionne and FCA North America Vice President - Employee Relations Glenn Shagena were joined by UAW President Dennis Williams and UAW Vice President Norwood Jewell, along with more than 30 members of the bargaining team, to mark the occasion.

"FCA US and the UAW have a long standing partnership that has a proven track record of being able to overcome challenges when faced with adversity," said Marchionne. "There is a great deal of mutual respect between us, and I am confident that we have the right leadership and the right teams in place to negotiate a long-term, responsible agreement."

As the two sides met in 2011, FCA US, formerly Chrysler Group, was in the process of recovering from a painful restructuring. With the support of the UAW, the 2011 agreement allowed the Company to further rebuild and grow the business. As a result, FCA US has invested more than \$5.7 billion in its U.S. facilities and hired nearly 15,000 hourly employees by keeping labor costs competitive. As a result, production at U.S. vehicle assembly plants has increased from 1.2 million units in 2011 to 1.7 million units in 2014. In June, the Company extended its U.S. sales streak of year-over-year sales gains to 63-consecutive months.

"Our UAW members are an integral part of the success of FCA US, and they need to participate in the economic well-being of the company," said Marchionne. "It is important that we effectively come up with a compensation plan that allows union members to participate in the profit generation based on performance, while allowing us to maintain a competitive cost structure in a downturn."

Marchionne cited the implementation of World Class Manufacturing (WCM) as having made the Company's plants more competitive, flexible and efficient.

"At the heart of WCM is a fundamental respect for the people who make up this house," said Marchionne. "This manufacturing system is organized around a principle that the experience, the intelligence and the creativity of every person contributes to our ultimate destiny."

Over the term of the current agreement, significant progress has been made on the implementation of World Class Manufacturing (WCM), a rigorous methodology that focuses on eliminating waste, increasing productivity and improving quality and safety in a systematic and organized way. With a joint commitment to WCM, the hourly workforce has been engaged to provide and implement suggestions on how to improve their jobs and their plants.

Facilities are audited twice a year to assess their progress on WCM implementation, scoring points in 10 technical and 10 managerial pillars by demonstrating clear WCM know-how and competence through employee-conducted

pillar presentations and a review of projects that have been expanded across the shop floor. As a result of the scores received during those audits, five U.S. plants have achieved bronze status and one has achieved silver since 2009.

“We go into bargaining with a desire to recognize and reward our employees for their hard work and dedication,” said Shagena. “This agreement affords both parties an opportunity to protect and secure the future competitiveness of FCA US by maintaining a cost structure that allows us to continue to provide good, well-paying jobs.”

As talks begin in earnest, both Shagena and Marchionne stressed the importance of remembering the painful restructuring, learning lessons from that experience and not repeating history.

“We cannot afford to be bound by convention in our quest. If we insist on going back to the antagonistic type of bargaining that was once typical of the industry, it will be disastrous,” said Marchionne. “If we agree on a future that calls for our shared responsibility, I believe we can come to an agreement that allows us to continue on the road we have traveled so far.”

#### **About FCA US LLC**

FCA US LLC is a North American automaker based in Auburn Hills, Michigan. It designs, manufactures, and sells or distributes vehicles under the Chrysler, Dodge, Jeep®, Ram, FIAT and Alfa Romeo brands, as well as the SRT performance designation. The Company also distributes Mopar and Alfa Romeo parts and accessories. FCA US is building upon the historic foundations of Chrysler Corp., established in 1925 by industry visionary Walter P. Chrysler and Fabbrica Italiana Automobili Torino (F.I.A.T.), founded in Italy in 1899 by pioneering entrepreneurs, including Giovanni Agnelli. FCA US is a member of the Fiat Chrysler Automobiles N.V. (FCA) family of companies. (NYSE: FCAU/ MTA: FCA).

FCA is an international automotive group listed on the New York Stock Exchange under the symbol “FCAU” and on the Mercato Telematico Azionario under the symbol “FCA.”

#### **Follow FCA US news and video on:**

Company blog: [blog.fcanorthamerica.com](http://blog.fcanorthamerica.com)

Facebook: <https://www.facebook.com/FiatChrysler.NorthAmerica/>

Instagram: [www.instagram.com/FiatChrysler\\_NA](http://www.instagram.com/FiatChrysler_NA)

Twitter: [www.twitter.com/FiatChrysler\\_NA](http://www.twitter.com/FiatChrysler_NA)

Twitter (Spanish): [www.twitter.com/fcausespanol](http://www.twitter.com/fcausespanol)

YouTube: [www.youtube.com/fcanorthamerica](http://www.youtube.com/fcanorthamerica)

Media website: [media.fcanorthamerica.com](http://media.fcanorthamerica.com)

-###-

Additional information and news from Stellantis are available at: <https://media.stellantisnorthamerica.com>