



Brussels & Geneva, 14 July 2017

Mr. Sergio Marchionne
Chief Executive Officer
Fiat Chrysler Automobiles Group

Mr. Alfredo Altavilla
Chief Operating Officer Europe, Africa and Middle East

Mr Pietro De Biasi
Head of Industrial Relations

Sent by e-mail to: sergio.marchionne@fcagroup.com; alfredo.altavilla@fcagroup.com;
pietro.debiasi@fcagroup.com; Rossana.bonadio@fcagroup.com; Rosanna.cosentino@fcagroup.com

In cc. to: Maurizio Landini, General Secretary, FIOM-CGIL
Marco Bentivogli, General Secretary, FIM-CISL
Rocco Palombella, General Secretary, UILM
Zoran Vujović, President, SSMS
Panović Milorad, President, GS IER Nezavisnost

Re: industrial dispute over working and employment condition at FCA Srbija, Kragujevac

Dear Mr. Marchionne, Dear Mr. Altavilla, Dear Mr. De Biasi,

We acknowledge receipt of Mr De Biasi's reply dated July 6th.

We understand from it that FCA Group management denies how critical FCA Srbija workers' employment conditions are, and considers that the current action by workers and trade unions at Kragujevac factory is '*without merit*' (sic). We believe it of the utmost importance that you get acquainted with the actual situation in your Serbian subsidiary.

Work intensification and deteriorated working conditions are a reality.

The reduction of the number of shifts from three to two leads to the current situation in which 9 workers work on 14 stable machines (while each machine is saturated to 220 units). With the reduction to two shifts, several workers are called to work outside of standard working hours, when no public transport is available and have to find costly alternative solutions. The biggest problem occurs when a worker in the 2nd shift receives the order to stay until the initiated saturation is over although he performs duties at multiple workplaces.

Due to an insufficient number of workers (absent workers on maternity or sick leave are not replaced), forklift drivers are left with no choice but to increase their speed up to 14 km/h while the speed limit is set at 5 km/h, hence undermining workplace safety. For the same reason, only 3 inlayers remain to cover the 7 inlaying places. Last but not least, 11 units are currently operating to ensure the production while there were 15 units in the past to cover the same production level.

Workers are thus genuinely confronted with an excessive work overload whereby the direct consequences of which are unacceptable and unsustainable working conditions. IndustriAll European Trade Union and IndustriALL Global Union support FCA Srbija workers' and trade unions' demand to

open negotiations so as to find an agreed solution on a new organisation of production aimed at reducing the workload thanks to a reduction of the saturation and recruitment of new workers to replace absent colleagues. In addition, compensation for extra costs incurred for commuting outside of normal working hours must be discussed during the negotiations.

We also understand from Mr. De Biasi's reply that FCA Group management considers that the current strike action at FCA Srbija plant in Kragujevac *'represent(s) a clear violation of the existing collective agreement as well as every basic rule of correctness and reciprocal trust between the parties'*. Here again, we believe it of the utmost importance to inform you about the violation of both the collective agreement and the Serbian law on strike by your local management.

In accordance with the collective agreement, FCA Srbija trade unions and management agreed in December 2016 on a wage increase of 3,000 RSD provided that payment of the efficiency bonus is made in 2017 (according to the amount agreed in early 2017). Despite this joint agreement, your local representative changed its mind and suggested to settle both the wage increase and the bonus payment in a single package while paying the 2017 bonus in 2018. As trade unions asked for the joint agreement to be respected, discussions with your local representative ensued and lasted several months. In order to find a compromise, FCA Srbija trade unions offered to hold the negotiations and resolve all other issues at the 2017 bargaining round to be started in October according to the collective agreement. As your local representative refused to compromise and stick to his single package proposal, the social dialogue broke down as no answer was provided to the two warning strikes organised in June 23 and June 26. FCA Srbija workers and trade unions thus went on strike on June 27. Serbian law on striking obliges the employer to launch negotiations with the strike committee so as to resolve the dispute within 5 days, something your local management failed to do, despite having received instruction from the National Labour Inspectorate.

IndustriAll European Trade Union and IndustriALL Global Union fully back the workers' strong decision to go on strike and urge FCA Group management to fully respect workers' right to strike and collective action. We also stand in full solidarity with our members SSMS and GS IER "Nezavisnost" as well as FCA Srbija workers in their demand for decent wages and the payment of the agreed 2017 and 2018 bonuses.

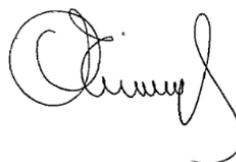
We are confident FCA group will live up to its Corporate Social Responsibility commitments compiled in its Code of Conduct whose key pillar is to "conduct the FCA Group's business in full compliance with applicable laws and regulations". We therefore insist on calling FCA group management to intervene immediately so as to ensure that the dispute is solved and common beneficial solutions found through constructive social dialogue.

Looking forward for your prompt reply.

Sincerely,



Valter Sanches, General Secretary
IndustriALL Global Union



Luc Triangle, General Secretary
industriAll European Trade Union