



A Price Agreement effective the 5th day of June, 2023.

BETWEEN:

MANITOBA COMMERCIAL VEHICLE REPAIR ASSOCIATION

(called the "MCVRA")

- and -

THE MANITOBA PUBLIC INSURANCE CORPORATION

(called "Manitoba Public Insurance")

WHEREAS:

(a) MCVRA is an organization that advocates on behalf of the commercial vehicle industry in Manitoba;

(b) Manitoba Public Insurance is a corporation created pursuant to the provisions of The Manitoba Public Insurance Corporation Act, C.C.S.M. c. P215 (the "Act"); and

(c) The previous agreement expired the 31 December 2021 and consistent with the consultative and collaborative approach the parties have utilized since 2015 the MCVRA and Manitoba Public Insurance wish to enter into an understanding with respect to commercial vehicle repair services for Manitoba Public Insurance's customers (the "Agreement") and

(d) The Manitoba Public Insurance Corporation Act states:

Additional Powers

6.2

(k) negotiate and bargain with persons engaged in the business of motor vehicle and trailer repairs with a view to establishing fair and reasonable prices for motor vehicle and trailer repairs in relation to which payments may be made under this Act;

NOW THEREFORE, in consideration of the foregoing recitals, terms, conditions and covenants contained herein, it is hereby agreed as follows:

1.00 TERM OF AGREEMENT

1.01 The parties agree that while this agreement contains Prices, i.e., labour rates, paint pricing, material pricing, this agreement is meant to contribute to industry sustainability and does not have a specified firm expiry date. Essentially this agreement would meet the definition of an 'evergreen' agreement notwithstanding the provisions of Article 6.00 Termination.

2.00 SCOPE

2.01 This Agreement outlines the consultations between the parties regarding the Services provided by commercial vehicle repair facilities to customers who are insured by Manitoba Public Insurance. Commercial vehicle repair services provided under this Agreement shall be referred to as the "Services".

2.02 Throughout the Term of this Agreement, Manitoba Public Insurance and MCVRA shall maintain a joint advisory committee (the "Committee") in accordance with the terms and conditions established by the Committee. The purpose of the Committee is to facilitate consultation by Manitoba Public Insurance with the MCVRA regarding concerns that may arise from time to time, for either party, and to provide an avenue of communications between the organizations including, but not necessarily limited to:

- (a) enhancing communication and the level of mutual understanding between Manitoba Public Insurance and MCVRA;
- (b) resolving routine disputes and concerns;
- (c) sharing information about their respective interests that may assist in forecasting of changes or trends, both positive and adverse;
- (d) identifying educational opportunities, both for the repair industry and Manitoba Public Insurance staff
- (e) discussing potential regulatory and policy changes that may impact any terms of this Agreement;
- (f) addressing items identified by Manitoba Public Insurance or MCVRA which may arise during the Term of this Agreement
- (g) ensuring that both parties operate in accordance with the overall intent and spirit of the Agreement.

2.03 The members of the Committee will mutually determine whether minutes to meetings are required. Any applicable minute's emanating from the Committee will be distributed in a timely fashion between the parties.

2.04 Manitoba Public Insurance may consult the MCVRA on various issues, however Manitoba Public Insurance reserves the right to establish its own policies, strategic direction, and legal terms applying to the Services generally. While Manitoba Public Insurance may consult with the MCVRA on these matters, nothing in this Agreement is intended to restrict or prevent Manitoba Public Insurance from exercising its legislated rights and obligations

3.00 RELATIONSHIP

3.01 For the purposes of this Agreement, "Representatives" shall mean the directors, officers, shareholders, employees, subcontractors, partners, volunteers, affiliates, agents, delegates, and other representatives of a party. MCVRA represents independent contractors, i.e. repair shops, and this Agreement does not create the relationship of employer and employee, of principal and agent, of joint venture, or of partnership between Manitoba Public Insurance and MCVRA or between Manitoba Public Insurance and any Representatives of MCVRA. The Representatives of one party shall not be deemed or construed to be the Representatives of the other party for any purpose whatsoever.

4.00 REPAIR SHOP COMPENSATION

4.01 The increase in shop labour rates for 2022/23 shall be retroactive to January 1, 2022 as the previous agreement was allowed to expire December 31, 2021.

4.02 The Parties agree that the compensation for Accredited Repair Shops, as set out in this Agreement, was negotiated, and settled upon between the Parties. MPI Accredited Commercial Repair Shops agree to complete repairs required to MPI insured vehicles in accordance with the mutually agreed upon estimates, at the following rates:

| Period | Commercial Rate (1) | Shop material per hour | Paint Material (standard) per hour | Paint material (IMRON) per hour |
|--|---------------------|------------------------|------------------------------------|---------------------------------|
| Retro Adjustment July 1/22 – June 30/23 | \$150.52 | \$14.50 | \$85.00 | \$97.00 |
| July 1/23 – June 30/24 | \$155.20 | Note 9 | Notes 3,4,8 | Notes 3,4,8 |
| July 1/24 – June 30/25 | \$159.55 | Note 9 | Notes 3,4,8 | Notes 3,4,8 |
| July 1/25 – June 30/26 | \$163.85 | Note 9 | Notes 3,4,8 | Notes 3,4,8 |

*Option for subsequent two years would be labour rate adjustment at 2.5% annually, provided both parties are acceptable to those increases at the point of adjustment.

The parties agree to review the rate calculation in advance of exercising the Options described above to determine whether the rate calculation for subsequent years remains appropriate in light of industry dynamics at the time of review (e.g., actual CPI, changes in repair techniques and cost drivers, etc.).

- (1) This Commercial Labour Rate is the rate to be paid per hour for Paint, Body, Mechanical, Frame for Accredited repair facilities whether members of the MCVRA or non members.
- (2) Notes 3,4 and 8 below apply to Paint Material.

4.02 The parties agree upon the following additional rates to be paid to MPI Accredited Commercial Repair Shops.

| Period | Trailer Repair Rate Notes: 10 | Toxic Waste/Paint Est. notes: 6 | Bagging Material/Operation Notes: 1 | Towing Disabled Vehicles Notes: 2 | Parts Processing Administration Note: 5 |
|--|----------------------------------|------------------------------------|--|--------------------------------------|--|
| Retro Adjustment Jul 1/22 – Jun 30/23 | \$110.00 | \$15.00 | Note 1 | Note 2 | 0.3% |
| Jul 1/23 – Jun 30/24 | \$113.30 | \$15.00 | Note 1 | Note 2 | 0.3% |
| Jul 1/24 – Jun 30/25 | \$116.00 | \$15.00 | Note 1 | Note 2 | 0.3% |
| Jul 1/25 – Jun 30/26 | \$118.50 | \$15.00 | Note 1 | Note 2 | 0.3% |

*Option for subsequent two years would be labour rate adjustment at 2.5% annually, provided both parties are acceptable to those increases at the point of adjustment.

The parties agree to review the rate calculation in advance of exercising the Options described above to determine whether the rate calculation for subsequent years remains appropriate in light of industry dynamics at the time of review (e.g., actual CPI, changes in repair techniques and cost drivers, etc.).

Notes:

1- Bagging Operation compensated at 1.0 body hours per operation, maximum 2 to account for multiple colours. This allowance covers materials required for bagging. Manitoba Public Insurance recognizes there will be claims for larger bagging operations and will consider compensating for higher bagging material costs on a case-by-case basis.

2 - Towing Disabled Vehicles in/out - Disabled vehicles include, but are not limited to, commercial vehicles with: broken axles, frozen engines, steering and suspension issues, missing or damaged fuel tanks, engine fire damage, etc. In these circumstances, where tractors are not drivable and require the service of a tow truck to be moved into the shop, commercial vehicle repairers are entitled to compensation for the cost of the tow. An allowance will be permitted for up to Two (2) moves of a disabled vehicle in or out of a repair shop.

- If a shop uses their own equipment to perform the tow, MPI will pay \$125.00 for each towing operation up to the maximum.
- If a shop uses MPI's contract tower (Champion as of the effective date of this agreement), MPI will pay directly for the tow at the contractual price.
- If a shop uses a third-party tower other than MPI's contract tower, MPI will pay the invoice cost with the submission of the towing invoice as part of the final repair account submission.

3 - Clear coat to be charged at 0.4 hours per paint hour for the first 16 hours of paint time. Clear coat to be charged at 0.2 hours per paint hour for every hour in excess of 16 paint hours.

4 - Prep and Prime compensated at 0.2 hours/body repair hour to a maximum of 6.0 hours - paid at paint rate. This covers prepping and priming of parts that require painting. Materials used in prepping and priming parts will be paid for in accordance with the paint material rates.

- Where new parts require prep and prime, as may be the case with new hoods protected by a shipping primer, MPI agrees to provide a reasonable allowance.

5 - Parts Processing Administration - Parts Processing Administration will be compensated at .3% per total value of claim, to cover costs associated with parts processing, picture requests, etc.

6 - Toxic Waste allowance includes the removal and disposal of hazardous or toxic waste in accordance with provincial and federal environmental standards.

7 - Shop materials allowance is based on repair hours (excluding refinishing hours), and covers shop materials and consumables.

8 - Standard and IMRON Paint Materials will increase based on actual increases borne by the shop, and will take effect on July 1 of each year. To verify the paint material increases, in March of each year, MCVRA will provide MPI Operation Committee members with written confirmation (e.g., a letter) from the manufacturer (**not** the supplier) on the actual increases to product costs. Manitoba Public Insurance reserves the right to conduct further independent verifications of such increases.

9 – The following is the methodology to be used to calculate shop material rate adjustments:

- For the period July 1, 2023 to June 30, 2024 and all such subsequent years the shop material rate will be adjusted in accordance with the CPI calculation for Manitoba during the previous year.

Note: If Statistics Canada no longer supplies the CPI data at the time of the adjustment, the CPI data of such other agency as Manitoba Public Insurance may reasonably select shall be used.

10- The Repair rate is for trailer body repair only, and excludes frame, paint, welding and mechanical repairs on trailers. Frame, paint, welding and mechanical repairs on trailers will be paid at the Frame Shop rate or the Paint/Body/Mechanical rate, as applicable.

4.03 ADDITIONAL COMPENSATION DUE TO UNFORESEEN CIRCUMSTANCES

The Parties acknowledge that the Covid 19 Pandemic resulted in never-before-seen business operating conditions, and that these conditions resulted in additional administrative burden being temporarily established and/or transferred from MPI to the Repair Shops. These included but are not limited to, 1) additional protocols in handling the vehicle(s) to be repaired, 2) additional material expenditures, 3) activities such as providing multiple photographs and narrative descriptions to assist MPI Estimators who could not be in attendance due to the risk associated with the truck transport industry. The parties agree that any such future disruptive events, not within the control of either party, that the parties will meet to negotiate in good faith regarding the appropriate change to effected rates, whether labour or material related.

5.00 CONFIDENTIAL INFORMATION

5.01 The Parties acknowledge that, during the term of this Agreement, each Party may provide the other with information, including: MPI Customer Information, data, ideas, materials, procedures, schedules, software, technical processes, costs and other unpublished financial information, or other relevant information that is marked "*confidential*" (or similarly) or, if not so marked, is clearly intended to be confidential (collectively, the "**Confidential Information**")

5.02 Each Party will protect all Confidential Information of the other with at least the same degree of care it uses to protect its own confidential information, but not less than a reasonable degree of care, to ensure that the highest standards will be followed in protecting Confidential Information.

5.03 Neither Party may use, disclose, provide, or permit any person to obtain any Confidential Information in any form, except for employees, agents, or independent 3rd party subcontractors whose access is required to carry out the purposes of this Agreement and who have agreed to be subject to the same restrictions as set forth in this Agreement.

5.04 The confidentiality obligations of this Article 5 do not apply to any information received by a Party that:

5.04.1 is generally available to or previously known to the public;

5.04.2 can be reasonably demonstrated was known to a Party prior to the negotiations leading to this agreement;

5.04.3 is independently developed by a Party outside the scope of this Agreement without use of or reference to the other Party's Confidential Information; or

5.04.4 is lawfully disclosed pursuant to an Order from a Court or tribunal of competent jurisdiction, provided that the Party subject to the Order will promptly notify the Party whose Confidential Information is to be disclosed, so that the Party may seek a protective or similar Order to maintain the confidential nature of the Confidential Information.

5.05 For greater clarity, the Parties agree that:

5.05.1 Nothing in this Agreement limits or restricts the Parties' legal obligations to comply with all applicable legislation including, but not limited to, Freedom of Information and Protection of Privacy Act ("FIPPA") and The Personal Health Information Act ("PHIA") and

5.05.2 Although their intent is for the Confidential Information to remain confidential, the Parties must comply with the disclosure obligations under FIPPA and/or allow for the Parties to object to such disclosure under FIPPA or PHIA.

5.06 The Parties agree that any obligations arising from this Article 5 are to survive the termination of this Agreement.

6.00 TERMINATION

6.01 Either party may terminate this Agreement by providing sixty (60) days prior written notice to the other party.

7.00 GENERAL TERMS

7.01 The terms and conditions contained in the Agreement that by their sense and context are intended to survive the performance of the Agreement by the parties shall so survive the completion and performance or termination of the Agreement.

7.02 Neither party shall assign or transfer this Agreement or any of the rights or obligations under this Agreement without first obtaining written permission from the other. No assignment or transfer of this Agreement shall relieve either party of any obligations under this Agreement, except to the extent they are properly performed by such party's permitted assigns. This Agreement shall be binding upon the successors and any permitted assigns of the parties.

7.03 This Agreement contains the entire agreement between the parties with respect to the subject matter hereof. There are no undertakings, representations, or promises, express or implied, other than those contained in this Agreement and none have been relied on.

7.04 No amendment or change to, or modification of, this Agreement shall be valid unless it is in writing and signed by all parties.

7.05 This Agreement shall be interpreted, performed, and enforced in accordance with the laws of Manitoba and the laws of Canada applicable therein. The parties hereby irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of the Province of Manitoba and all courts competent to hear appeals therefrom.

7.06 Any failure or delay by either party to exercise or partially exercise any right hereunder shall not be deemed a waiver of any of the rights under this Agreement. The waiver by either party of a breach of any provision of this Agreement shall not operate as, or be construed as, a waiver of any subsequent breach thereof. The election of any one or more remedies by either party shall not constitute a waiver of that party's right to pursue other available remedies.

7.07 The parties each agree to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of the Agreement.

7.08 Any notice or other communication under this Agreement shall be delivered:

To the MCVRA:
Attention: President

To Manitoba Public Insurance:
Attention: Senior Director, Physical Damage Claims

7.09 Any notice or communication:

- (a) sent by registered mail shall be deemed to have been received on the third business day following the date of mailing;
- (b) sent by facsimile or other electronic transmission (including email) shall be deemed to have been received on the day of transmission; and,
- (c) sent by courier or personal delivery shall be deemed to have been received on the day that it was delivered.

This Agreement has been executed on behalf of each party by their duly authorized representatives on the dates noted below.

for THE MANITOBA PUBLIC
INSURANCE CORPORATION

Per: M Kacher

Marnie Kacher

Interim President and CEO

Date: June 5, 2023

Per: Jeff Sass

Jeff Sass

Interim Vice President and COO

Date: June 5 / 2023

for the MANITOBA COMMERCIAL
VEHICLE REPAIR ASSOCIATION

Per: Ian Hailstone

Ian Hailstone

President

Date: JUNE 5 / 2023