

BETWEEN:

GLENDALE YARNS INC. (hereinafter referred to as "the Company") PARTY OF 'THE FIRST **PART**

- and.

UNION OF NEEDLETRADES, INDUSTRIAL & TEXTILE EMPLOYEES, L O C A L 1070-T (hereinafter referred to as "the Union") PARTY OF THE SECOND PART

Expiry Date: December 31,1998

រុប្ដុំ វ៉ុប ,...

00810(07)

INDEX

Page

Article	Page
I GeneralPurpose	. 1
II Recognition	2
III Union Security	3
IV Discrimination and Union Activity	. 4
V Reservation of Management Functions	4
VI Strikes and Lockouts	. 5
VII Union Representation	. 5
VIII Grievance Procedure	7
IX Arbitration	
X Seniority	. 11
XI Loss of Seniority	. 17
XII Leave of Absence	. 19
XIII Temporary Transfers	21
XIV Bulletin Boards	21
XV Hours of Work	22
XVI Overtime	
XVII Reporting Allowance	. 26
XVIII Vacations and Statutory Holidays	. 26
XIX Wages and Work Assignments	30
XX Productivity XXI Health and Welfare	. 32
XXI Health and Welfare	. 35
XXII Notices	. 37
XXIII General	. 37
XXIV Continuation	. (38)
Schedule "A" Schedule "B" Schedule "C" Schedule "D"	40
Schedule "B"	. 42
Schedule "C"	. 44
Schedule "D"	45
Schedule "E"	46
Letter of Understanding Regarding	
Transportation of Night Shift Employee	
Warning Slip Procedure	
Letter of Intent	
Letter of Agreement	. 50
Plant Rules	51
Plant Regulations	

INDENTURE OF AGREEMENT made as of the 15th day of May, 1996.

BETWEEN: GLENDALE YARNS INC. (hereinafter referred to as "the Company") PARTY OF THE FIRST PART

-and-

UNION OF NEEDLETRADES, INDUSTRIAL & TEXTILE EMPLOYEES LOCAL 1070-T (hereinafter referred to as "the Union") PARTY OF THE SECOND PART

In accordance with the right of the employees to bargain and to be represented collectively, the parties hereto hereby agree as follows:

ARTICLE I – GENERAL, PURPOSE

1.01 The general purpose of this Agreement shall be to govern the relations between the Employer and the employees respecting hours of work, rates of pay and conditions of employment, and to provide an amicable method of settling all differences or grievances, which may arise and also to further in all possible ways the welfare and safety of employees, improvement in quality of product, quantity of output and economy of manufacture, all to the mutual interest and advantage of the employees and the Company.

ARTICLE II --RECOGNITION

- 2.01 The Company recognizes the Union as the sole collective bargaining agent with respect to all matters properly arising under this Agreement for all of its employees at its Hamilton, Ontario Mill, save and except foremen, foreladies and persons above the rank of foreman and forelady and persons acting in a supervisory capacity having authority to hire, discharge, suspend or otherwise effect changes in the status of employees, quality control staff, students temporarily employed during school vacation periods, temporary employees, office employees and persons regularly employed for not more than twenty-four (24) hours per week.
- 2.02 The Company may fill unclassified positions with temporary employees, it being agreed that such employees cannot work for longer than the probationary period of ninety (90) days worked unless an agreement to extend this period is reached by the parties. Both parties agree that the granting of such a request for extending the said period shall not be unreasonably withheld.

It is further agreed that any such employees shall enjoy all the privileges of the Collective Agreement, except the following:

- 1. Seniority rights
- 2. Life Insurance and/or Group Plans
- 3. Union membership
- 2.03 The word "employee" or "employees" wherever used in this Agreement shall mean only the employees in the bargaining unit as defined above.
- 2.04 Where the masculine pronoun is used herein it shall

- 2 ---

mean and include the feminine pronoun where the context so applies.

2.05 The Company shall furnish the Union with a list of all its supervisory personnel and their respective titles, before the Union shall be required to recognize the authority of such supervision. The Company shall notify the Union of all changes and additions to the supervisory personnel as they may occur.

ARTICLE III -UNION SECURITY

- 3.0 The Company agrees that all employees covered by this Agreement shall, as a condition of employment, become and remain members of the Union in good standing.
- 3.02 The Company agrees lo deduct an amount of Union dues to be determined by the Union. The amounts shall be deducted on a weekly basis from the employee's pay and then remit to the Union on a monthly basis all dues deducted in the previous month.

The Company will at the time of making such remittance specify the employees from whose pay such deductions were made, with the proper amounts that the individual paid. The Company will ensure that these lists are legible. All Union dues will be deducted from the first day of employment and are nonrefundable. The Union shall notify the Company when changes occur to the amount to be deducted, and of an initiation fee, if applicable.

The Company shall include the amount of dues deducted each year on each employee's T-4 slip.

ARTICLE IV – DISCRIMINATION AND UNION ACTIVITY

- 4.01 The Company and the Union agree that there will be no discrimination, coercion or intimidation or any restraint or unlawful influence by either of them or their representatives or members as the case may be, against any employee.
- 4.02 The Union agrees that there will be no Union activity on the premises of the Company at any time, without written authorization from the Company, except as otherwise provided for in this Agreement.

ARTICLE V --RESERVATION OF MANAGEMENT FUNCTIONS

- 5.01 The Union acknowledges and agrees that it is the exclusive function of the Company to:
 - (a) maintain order, discipline and efficiency;
 - (b) establish work or job assignments, to hire, discharge, direct, classify, transfer, promote, demote and suspend or otherwise discipline employees, and
 - (c) generally to manage the industrial enterprise in which the Company is engaged and without restricting the generality of the foregoing, determine the products to be manufactured, methods of manufacture, schedules of production, kinds and locations of machines, tools to be used, process of manufacturing, the engineering and designing of its products, the control of materials and parts to be incorporated in the product produced, the extension, limitation, curtailment or cessation of operations.

--- 4 ----

5.02 The Company agrees that these functions will be exercised in a manner consistent with the provisions of this Agreement and the collective bargaining rights of the Union.

ARTICLE VI -STRIKES AND LOCKOUTS

- 6.01 In view of the orderly procedure for settling grievances, the Company agrees that it will not cause or authorize and that no officer, official or agent of the Company will counsel, procure, support or encourage an unlawful lockout, as defined in <u>The Ontario</u> <u>Labour Relations Act</u>.
- 6.02 The Union agrees that it will not call or authorize and that no officer, official or agent of the Union will counsel, procure, support or encourage an unlawful strike as defined in <u>The Ontario Labour Relations</u> &!,

ARTICLE VII -UNION REPRESENTATION

- 7.01 The Company acknowledges the right of the Union to appoint or otherwise select a reasonable number of stewards to assist employees in presenting their grievances to the representative of the Company. The Union shall notify the Company in writing of the names of the stewards and the department or group of departments each represents and of any changes in the personnel of the stewards, before the Company shall be required to recognize them.
- 7.02 It is clearly understood that stewards and other Union officers will not absent themselves from their duties unreasonably, in order to deal with grievances of employees or with other Union business, and that

--- 5 ----

the Company will compensate such employees for time spent in handling grievances of employees, attending meetings of the grievance committee and for time spent on contract negotiations at the hourly rate for the employee's classification and that this does not apply to time spent on such matters outside of regular working hours nor time spent on any matters during arbitration hearings.

- 7.03 The steward and/or officers concerned shall obtain the permission of the foreman concerned before leaving his/their work, which permission shall not be unreasonably withheld.
- 7.04 The Union shall have the right to appoint or elect stewards to represent the bargaining unit members. The total number of stewards shall not exceed four (4). In addition the Union shall have the right to appoint or elect an Executive Committee not exceeding four (4) persons. No person may act as steward or member of the Executive Committee unless he is actively employed with the Company.
- 7.05 Employees shall not be eligible to become stewards before having six (6) months' service, and shall not be on the Grievance Committee until they have served the Company for at least one (1) year: In the event that the Union is unable to fill all available steward positions due to the six (6) month service requirement, the Union may temporarily designate a member of the Union Executive to fill the position.
- 7.06 The Company agrees to recognize a Grievance Committee composed of two (2) employees elected or appointed by the Union to represent the Union under the Grievance Procedure where specified. The Union agrees to notify the Company of the names of the Committee.

-- 6 ---

ARTICLE VIII – GRIEVANCE PROCEDURE

- 8.01 It is the mutual desire of the parties hereto that complaints of the employees shall be adjusted as quickly as possible and it is understood that an employee has no grievance until he has first given his foreman an opportunity of adjusting his complaint. An employee must allow the foreman twenty-four (24) hours to answer the complaint before a formal grievance may be lodged.
- 8.02 A grievance shall be reduced to writing on the form supplied by the Union and may be taken up in the following manner and sequence:
- 8.03 Step 1

Between the aggrieved employee, a 'Union plant representative and shift foreman of the department involved. The decision of the foreman shall be stated in writing and if the grievance is not settled within twenty-four (24) hours, it shall be taken up as follows:

8.04 Step 2

Between the aggrieved employee a Union plant representative, a member of the Grievance Committee and the General Manager of the Company, whose decision shall be stated in writing, and if the grievance is not settled within two (2) working days, it shall be taken up as follows:

8.05 Step 3

Within five (5) working days following the decision under Section 8.04, between the Grievance Committee and the Department Manager and/or an Executive Officer of the Company, an International Representative of the Union and/or a Business Agent may be present if his presence is requested by either the Company or the Union. The grievance shall be presented in writing and the reason why the decision was unsatisfactory, in Section 8.04, shall be stated in writing. If the grievance is not then settled to the satisfaction of both parties within a period of two (2) working days or within any longer period that may be mutually agreed upon at the time, then at the request of either party to this Agreement, the grievance may be referred to arbitration. Before arbitration may be invoked the Company's final decision shall be in writing and the union's reason why this decision is unsatisfactory shall also be stated in writing. Request for arbitration must be made within ten (10) working days of the date of the final decision in Step 3, or such greater number of working days as is mutually agreed to by the Parties.

- 8.06 When a group of employees, composed of employees from two (2) or more of the departments or groups of departments, has a complaint or grievance, it shall first be taken up under Step No. 2 of the Grievance Procedure.
- 8.07 All decisions arrived at between the representatives of the Company and the representatives of the Union with respect to a grievance shall be final and binding upon the Company, the Union and the employee or employees concerned.
- 8.08 Pay shortages resulting from payroll errors will be paid on the pay following the grievance settlement.
- 8.09 PROBATIONARY EMPLOYEES: New employees will be considered as probationary employees for the first ninety (90) days worked (if working on an eight (8) hour shift schedule) or the first sixty (60) days worked (if working on a twelve (12) hour shift schedule) or any combination of shift schedules, a total of seven hundred and twenty (720) hours worked.

In cases of discharge, for employees who have completed their probationary period, the Company will have a Union Committee member present at the discharge meeting, to enable such employee his representation. Should a Union Representative not be available then the Company must inform the Union of all the facts as soon as possible.

- 8.10 A claim by an employce who has completed his probationary period that he has been unjustly discharged shall be treated as a grievance, subject to arbitration, if a written statement of such a grievance is lodged with the General Manager of the Company within five (5) working days after the employee ceases to work for the Company. Such grievance shall commence at Step #3 of the Grievance Procedure and may be settled as provided hereinafter by:
 - (a) confirming the Company's action in dismissing the employee;
 - (b) reinstating the employee with full compensation for time lost with or without loss of seniority; or
 - (c) by any other arrangement which may be deemed just and equitable.
- 8.11 The Union shall provide written forms for the convenience of employees in presenting grievances. These forms shall be available through the stewards.
- 8.12 Any difference arising between the Union and the Company regarding the interpretation, application, administration or alleged violation of the provisions of this Agreement, may be submitted in writing by either party and shall forthwith be dealt with, in accordance with the procedure in Section 8.04.

___9 ___

ARTICLE IX -ARBITRATION

9.01 When either party requests that a matter be submitted to arbitration, it shall make such request in writing to the other party within the mutually agreed number of working days from receipt of the decision at Step #3 of the grievance procedure. Such written request will include a list of proposed nominees of whom one may be chosen to act as a sole arbitrator to hear the grievance. If none of the proposed nominees is acceptable to the other party then that party shall submit an alternate list of nominees for consideration as sole arbitrator.

If the parties cannot agree on an arbitrator within thirty (30) calendar days after the initial request for arbitration was received then either party may submit a request to the Ontario Minister of Labour to appoint a sole arbitrator to hear the grievance.

- 9.02 No matter, which has not been properly carried through all the required steps of the Grievance Procedure, may be submitted to arbitration, except as may be mutually agreed upon at Step #3 of the Grievance Procedure.
- 9.03 The sole arbitrator shall not be authorized to make any decision inconsistent with the provisions of this Agreement, nor to alter, modify or amend any part of this Agreement.
- 9.04 The decision of the sole arbitrator shall be final and binding upon the parties hereto.
- 9.05 The expenses and compensation of the sole arbitrator shall be borne equally by the parties hereto.

--- 10 ---

ARTICLE X – SENIORITY

- 10.01 New Employees will serve a probationary period of seven hundred and twenty (720) hours worked in accordance with 8.09 before acquiring seniority rights. Their seniority shall then date back to their starting date with the Company. The completion period does not necessarily qualify the employee for the job. However, the other provisions of this Agreement pertaining to hours, wages, etc., shall be applicable without discrimination for these employees.
- 10.02 The mill service date shall be the commencement date of employment with the Company since which there has been no quit or discharged to break the continuous service of the employee. Also, for seniority purposes there shall be departmental seniority lists, one (1) for each of the departments listed in 10.03, showing each employee's mill service date. An employee shall have departmental seniority in one of the departments below based on the commencement date of employment with the Company since which there has been no quit or discharge to break the continuous service of the employee.

10.03(a) (i) Layoffs

In the case of a layoff of five (5) working days or less, employees in the department concerned shall be laid off on a departmental basis in the inverse order in which their names appear on the departmental seniority list, provided that the employees who remain in the employ of the Company in the department concerned, because of greater departmental seniority are able and willing to perform satisfactorily, whatever work is then available.

(ii) In the case of a layoff of over five (5) work-

- 1 1 -

ing days, an employee shall first be entitled to exercise his seniority in the department concerned to displace the junior employee in his department in accordance with (a) (i) above. An employee about to be laid off from the department shall then be entitled to exercise his seniority to displace the junior employee in the mill, provided he is able and willing to perform satisfactorily whatever work is then available.

It is understood for the purpose of this Article there shall be the following Departments:

- (a) blow room and carding, drawing and roving
- (b) spinning
- (c) auto winding
- (d) twisting and manual winding
- (e) general
- (f) maintenance
- (g) shipping and receiving
- (b) Recall

Employees who have been laid off under Article 10.03(a)(i) will be recalled in the order in which their names appear on the departmental seniority list concerned, provided they are able and willing to perform satisfactorily whatever work is then available. Employees who have been laid off under the provisions of Article 10.03(a)(i) will be recalled in the order in which their names appear on the mill seniority list concerned, provided they are able and willing to perform satisfactorily, whatever work is then available. No new employee will be hired until all employees.

-12-

on the seniority lists have been given an opportunity to return to work in accordance with the provisions of this paragraph.

- (c) It is agreed that students and/or probationary employees, who are performing a regular full time bargaining unit job, shall be laid off first, provided that a bargaining unit employee who would otherwise be laid off, is able and willing to perform that job satisfactorily, without training being required. The Union agrees that the hours of work of employees may be reduced on a departmental basis down to thirtytwo (32) hours per week, for a maximum of three (3) months before the Company shall be obliged to curtail the working force. It is agreed that the above three (3) month period may be extended by mutual agreement between the parties.
- (d) It is understood that For the purpose of layoff only and not recall, the Local Union Executive Committee shall, during their respective terms of office, but not otherwise, enjoy top seniority from their respective departments.

The Local Union Executive Committee shall consist of the President, Vice-President, Secretary and Treasurer.

It is further understood that during the life of this agreement, the Company will allow the Local Union President to maintain a steady day shift for the purpose of handling and resolving complaints and grievances, provided that the Company can reorganize the assignments without adversely affecting productivity. The Company will make every effort to do SO.

10.04 Except in the case of layoffs caused by emergencies such as machine break-downs fire or flood, the Com-

- 13 --

pany shall give five (5) working days' notice of layoffs, the duration of which shall exceed five (5) working days. The provisions of this paragraph shall not apply where the nature of the emergency is lack of supplies from the Company's suppliers, cancellation or decrease of orders, lack of raw materials.

10.05 JOB POSTING

Notices of initial vacancies in occupational classifications in the bargaining unit shall be posted on the bulletin boards for a period of five (5) working days before the position is permanently filled. Such notice shall state the wage rate, the effective date of transfer, the department and shift and where applicable, shall indicate the vacancy is subject to a requirement of shift rotation. Two (2) copies of the notice shall be given to the Local Union. This shall not apply to vacancies due to sickness or leave of absence, which will be considered temporary for a period of ninety (90) days or the length of time of a leave of absence, before being posted. It is further understood that upon completion of the ninety (90)days, or the length of the leave of absence, the position will either be posted as a permanent position, or become redundant, in which case the employee would return to his/her former classifi-cation and shift. Extensions to this time frame shall only be granted by mutual consent between the Company and the local union President, or designate.

Such initial vacancies shall be filled within three (3) weeks of the specified transfer date except as production requirements demand a time extension beyond three (3) weeks, in which case the higher rate shall be paid or in the case of equal rates an hourly bonus of ten (10) cents shall be paid for the period of extension. The Company shall post a notice indi-

- 14 ---

cating the name of the successful applicant next to the original posting on the notice board.

In filling an opening resulting from the selection of an employee for an initial vacancy, the Company will consider employees requests *on* file with it.

In the event that an employee finds himself unsuited to the job for which he has applied and been transferred, he will have the right to return to his former job within a twenty (20) working day period from the initial trans-fer date providing he is prepared to forego the right to further transfers for a period of twelve (12) months.

10.06 In promotions, opportunities for advancement or transfers including transfers to a lower paying job, when the qualifications of an employee for the job concerned are approximately equal, seniority shall be the governing factor provided the employee is qualified and trained to perform the full requirements of the job concerned. Only an employee who has completed four (4) months of service shall be entitled to consideration hereunder.

The Company shall have a period of three (3) weeks from the date of posting to initiate the promotion. No person may apply for a transfer from one department to another more than once a year. For the purpose of this paragraph, the departments are:

- (a) Opening and Carding
- (b) Draw Frames
- (c) Combing
- (d) Spinning
- (e) Twisting and Winding

--- 15 ----

- (f) Maintenance
- (g) Shipping and Receiving
- (h) General
- 10.07 All promotions shall be for a probationary period of sixty (60) days worked after which time the promotions shall become permanent. Completion of the probationary period is not necessarily recognition by the Company of a satisfactory job performance.
- 10.08 Promotions to positions outside the bargaining unit shall not be subject to the provisions of this Agreement. However, in the event of an employee being promoted to a position outside of the bargaining unit for a period of up to six (6) months or such longer period as may be occasioned by sickness of or accident to a regular foreman, such promotion shall be probationary and during such period, the employee concerned may return to his regular job without loss of seniority.
- 10.09 Seniority lists showing each employee's status shall be established. These lists shall be brought up to date by quarterly revisions. Copies of these lists shall be lodged with the Union and posted on the plant bulletin boards and further copies shall be furnished to the office of the Ontario Joint Council.
- 10.10 Errors in the application of seniority shall not be the responsibility of the Company prior to the date the error is pointed out to the Company by the employee concerned, by written notice.
- 10.11 It is generally understood that certain employees who, because of age or accident, reach a stage where they are no longer able to continue in their present classification. It is further understood that these people properly placed, can continue to be a good asset

-- 16---

to the work force. However, because of contract arrangements with regard to seniority, they may be unable to be placed. Both parties agree that in any such cases, a meeting of Management and the Union shall be called in an endeavour to locate such people without infringing on the rights of other workers, except where an arrangement satisfactory to all concerned can be worked out.

10.12 In circumstances beyond the Company's control or as a result of temporary conditions, the Company may lay off any employee without regard to seniority or to the seniority provisions of this Agreement at any time for one (1) working day or part thereof on the understand-ing that no employee may be so laid off for more than a total maximum of ten (10) working days within a twelve (12) month period. However, in the application of this Section, it is understood that the least senior employee in the job affected should be first to be laid off.

ARTICLE XI -LOSS OF SENIORITY

- 11.01 An employee shall lose all seniority if he:
 - (i) voluntarily leaves the employ of the Company;
 - (ii) is discharged for cause and is not reinstated pursuant to the provisions of this Agreement;
 - (iii) is absent without leave for three (3) consecutive scheduled, working shifts; or fails to advise the Company within three (3) days of receipt of a return to work notice following a lay-off without providing an excuse, which is reasonable to the Company.
 - (iv) accepts employment elsewhere without the consent of the Company while on leave of absence;

-- 17 ---

- (v) fails to remain available for a medical examination by the Insurance Company's doctor at any time with reasonable notice during the period of disability unless granted authorized leave of absence.
- 11.02 An employee who has been laid off shall be struck off the seniority list at the expiration of:
 - (a) three hundred and sixty-five (365) days in the case of an employee with one (1) year or more of service at the date of layoff; or
 - (b) one-half of the number of days of accumulated time at the date of layoff in the case of an employee with less than one (1) year of service; and any employee so struck off and thereafter re-emplayed, shall, for the purpose of seniority, be treated by the Company as a new probationary employee. This period may be extended by mutual consent of the parties hereto.
- 11.03 It shall be the duty of every employee to notify the Company promptly of any change of address or phone number and any notice sent by the Company to an employee at his last address as recorded in the records of the Company shalt be sufficient and effective notice.
- 11.04 Loss of Seniority Due to Sickness

An employee shalt not suffer loss of seniority because of absence due to bona fide sickness, accident, the duration of which does not exceed the following schedule:

- (a) One-half of the number of days accumulated for an employee with less than one (1) year of service.
- (b) Twelve (12) months (in any eighteen (18) con-

-- 18 ---

secutive months) for an employee with more than one (1) year but less than seven (7) years of service.

- (c) Eighteen (18) months (in any twenty-four (24) consecutive months) for an employee with seven (7) years or more service.
- (d) Twenty-four (24) months from the date of the accident for an employee in receipt of Workers' Compensation benefits provided that the employee is willing and able to work including available modified work.

ARTICLE XII – LEAVE OF ABSENCE

- 12.01 (a) Leave of absence may be granted for legitimate reasons and will be granted to delegated member:; to attend Union conventions and conferences. It is agreed that such leave will not be unreasonably withheld. All requests for leave of absence shall be made in writing to the Personnel Department stating the reason for the leave and requested duration thereof. A copy of an employee's request for leave of absence shall be forwarded to the Union. The Company will reply to a written request for a leave of absence within four (4) weeks of the date of the said request. Where leave of absence is denied the Company will notify the employee in writing of the reason for the denial of such leave with a copy to be provided to the Union.
 - (b) Leave of absence will not be granted to accept employment outside of the company except to persons on medical leave. Upon commencing to work elsewhere, an employee on leave of absence

-- 19 ---

other than medical leave shall be considered to have voluntarily left the Company's employ. An exception to this provision may be made to an employee wishing to accept employment with the Amalgamated Clothing and Textile Workers Union. An employee who overstays a leave of absence shall be deemed to have quit unless such overstay is beyond the control of the employee.

12.02 Absence because of death in the family

In the event of the death of a member of an employee's family, the employee will be allowed reasonable time off due to the bereavement provided, however, that the amount to be reimbursed will not exceed the required time off, nor in any event exceed three (3) days' wages at the hourly rate for the employee's classification. The term "member of any employee's family" means spouse, father or mother, father-inlaw or mother-in-law, brother or sister or employee's children. The above three (3) days are the day of the service and the two (2) previous to the service. In the event of the death of an employee's brother-in-law or sister-in-law or grandparents, the employee will be allowed off one (1) day to attend the funeral, it being understood that the amount to be reimbursed will not exceed the required time off. nor, in any event, exceed one (1) days wages at the hourly rate for the employee's classification. When requested by the Company, the employee will furnish satisfactory proof of death, in order to qualify for payment hereunder. It is not compulsory for an employee to attend the funeral, where not practical, in order to receive payment.

An additional two (2) days without pay will be granted, upon request, in the event of the death of the employee's mother, father, spouse or child.

-- 20 ----

In the event that the employee's spouse is not by marriage, but rather through a common-law relationship, then the employee must have been co-habiting with his common-law spouse for a period of one (1) year and such fact is reported and in the company records.

ARTICLE XIII – TEMPORARY TRANSFERS

- 13.01 (a) An employee temporarily transferred to a higher or lower rated job shall continue to be paid his regular hourly rate while on such temporary transfer. For purposes of this Article temporary transfer is a transfer of no more than thirty (30) working days. If the employee demonstrates that he/ she can perform that job satisfactorily or has been on that job For fifteen (15) working days, then he/ she shall be paid at the rate of the new job if it is higher.
 - (b) Where the jobs are amalgamated, the Company will pay the average rate of the jobs involved, regardless of the actual amount of time spent in each component of the combined job. However, any employee whose rate of pay is reduced by such averaging will be red-circled at his/her current rate of pay.

ARTICLE XIV – BULLETIN BOARDS

14.01 The Company will provide bulletin boards in mutually satisfactory locations, throughout the plant, for the convenience of the Union in posting notices of Union activities. All such notices must be signed by the proper officer of the Union and submitted to the General Manager for approval before posting

ARTICLE XV ---HOURS OF WORK

- 15.01 (a) Attached hereto and forming part of this Agreement is Schedule "A", which contains regular shift schedules as scheduled by the Company of employees who are not on the four shift operation.
 - (b) Attached hereto and forming part of the Collective Agreement is Schedule "B", which contains the provisions for the Four Shift Operations and these provisions shall supersede the conditions of the Collective Agreement that may relate to the same subject matter.
- 15.02 No hours of work shall be changed unless by mutual agreement between the Company and the Union. At least three (3) weeks' notice shall be given in the event that either party desires a change in the hours of work because of the observance of one of the holidays set out in Article 16.04. However, nothing contained in this Article or Schedule "A" shall be construed as a guarantee by the Company with respect to minimum work schedule.

ARTICLE XVI ---OVERTIME

- 16.01 The rate of pay for overtime shall be time and one-half the hourly rate in the case of hourly rated employees and piecework earnings and one-half the hourly rate of the classification in the case of pieceworkers.
- 16.02 (a) The standard work day shall consist of eight (8) hours and the standard work week shall consist of forty (40) hours. All authorized work performed in excess of the standard work day and the standard work week will be paid at the rate set out in Section 16.01 provided that there shall be no duplication or pyramiding of overtime payment.

- 22 ---

- (b) In order to determine whether an employee has worked the standard work week of forty (40) hours and is entitled to overtime premium payment for work performed on a sixth or seventh day in the week concerned, employees absent from their regular shifts for the reasons mentioned below shall have such full regularly scheduled shift which they otherwise would have worked, considered as hours worked:
 - 1. Layoff.
 - 2. Hours for which statutory holiday payment is made for employees who do not work the holiday concerned.
 - 3. Authorized leave of absence.
 - 4. Verified illness.
 - 5. Late arrival on a shift except that an employee who has been late arriving on shift in excess of thirty (30) minutes during any one (1) working week will not be considered eligible for overtime premium payment for work performed on a sixth or seventh day until he has made up the lost time.
- (c) Scheduled Overlime: Overtime scheduled by the Company will be administered in the following manner:

Employees shall indicate their desire to work overtime by placing their name on the "Sign up Sheet".

The Company will select the required employees from the "Sign up Sheet" by choosing the senior person within the classification first followed by the second most senior and so on until the required number is reached.

E.G. (If overtime is needed for the Draw Frames,

-- 23 ---

then the most senior employee who normally works on Draw Frames would be asked first. If more than one person is needed then the next senior employee would be asked.)

If the desired number of employees cannot be reached from within the classification, the Company shall then select employees from the most senior qualified one on a plant wide basis.

The next time scheduled overtime is needed the same procedure as above shall apply. However, preference will be given to the next most senior employee on the seniority list, and from the "Sign up Sheet" who did not have the opportunity to work overtime the previous time.

This procedure shall continue to work down through the seniority list until its completion and then revert back to the top to be repeated on an ongoing basis.

The Company shall log all hours worked by each employee which will be made available to Union representatives upon request. The Company shall also maintain up to date seniority lists with a copy to the Local Union President.

Where overtime is required by the Company due to absenteeism or sickness from short notice, such overtime may be filled by choosing the qualified employee who is best available.

This clause is intended to give all employees an equal opportunity for overtime. However, should difficulties occur in applying this procedure, the two parties will meet to discuss an alternative solution.

16.03 An employee in any department except General and

--- 24 ---

Maintenance will be paid at the appropriate rate for overtime for all hours worked immediately prior to or immediately following a regularly scheduled shift, regardless of whether he has worked the full associated shift subject to provision of clause 16.02(b).

16.04 The Company may require employees to work in excess of their regular assigned hours. The Company will notify the employees concerned at least twenty-four (24) hours in advance for work to be performed except in the case of an emergency. It is agreed that work in excess of the regular schedule will be on a voluntary basis.

All work in excess of the regular schedule shall be shared equally among the employees in the same job classification concerned, within the respective departments.

Overtime will be paid for any work performed on any of the following holidays.

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Christmas Day
Dominion Day	Boxing Day
Civic Holiday	Annual Floating Holiday

The pay will be in addition to the holiday pay.

A floating holiday, to be taken on the employee's birthday, or on a date mutually agreed upon, if it falls on a non-working day.

16.06 The Company agrees to payment of a \$5.00 meal allowance subject to a minimum of two hours of overtime and if the employee was not notified before start of his/her shift.

-- 25 ---

ARTICLE XVII – REPORTING ALLOWANCE:

- 17.01 Where an employee reports for work on his regular shift unless previously otherwise notified or is called in to work, he shall be paid for not less than four (4) hours at the hourly rate for his classification provided he reports promptly to his foreman and accepts such work as he may be directed to by his foreman. If he refuses such work he shall not be entitled to pay hereunder. The above does not apply if he is notified by the Company not to report to work either orally, by telephone, by notice on the bulletin board, by radio broadcast at least two (2) hours prior to the starting time of the shift, or by message left at the employee's residence. This section shall not apply in cases of emergency arising out of circumstances beyond the Company's control, such as power failure, major machinery failure or fire.
- 17.02 If an emergency arises and an employee is called to work outside his regular working hours, he shall be paid a minimum guarantee of four (4) hours at his regular straight time hourly rate or at time and a half his regular hourly rate for hours worked, whichever is greater.

ARTICLE XVIII --VACATIONS AND STATUTORY HOLIDAYS

18.01 The following holidays, regardless of when they fall, will be granted with pay to all employees, with the exception of new employees, who must have completed their probationary period prior to the date of holiday concerned, before being eligible for holiday pay:

- 26 -

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Christmas Day
Dominion Day	Boxing Day
Civic Holiday	Annual Floating Holiday

To be eligible for statutory holiday pay it is understood that the eligible employee must work the last and first of their scheduled working day before and after the holiday in question. The only exceptions to this rule are as follows:

- (1) When employees ate absent, either the day before or day after the holiday, or both days due to accident or illness, duration of which does not exceed seven (7) days, provided such illness or accident is confirmed by the plant nurse if occurring at work or a medical doctor's certificate, when occurring off shift, which certificate is to be paid for by the Company. In addition any employee who is off work and who is collecting under the Sick Benefit Plan, shall be paid for any Statutory Holiday that arises;
- (2) It is understood this also applies to death in the immediate family;
- (3) When employees have written permission from the Company to be absent on either or both days, provided the employee has worked in the period of seven (7) days prior to or after the holiday;
- (4) In the case of layoffs, employees will be eligible for statutory holiday pay provided they have worked during the week in which the holiday occurs, with the exception of Christmas and New

-- 27 ----

Year's, in which case, the period will be extended to cover the previous week;

(5) On a three (3) Shift Operation

Statutory Holiday pay as provided above, shall be computed on the basis of eight (8) hours pay at the hourly rate for the employee's classificalion, excluding off-shift differential.

On a four (4) Shift Operation

Statutory Holiday pay shall be computed on the basis of twelve (12) hours pay, provided the employee is scheduled to work on that Statutory Holiday, at the hourly rate for the employee's classification, excluding off-shift differential.

Employees working on the four (4) shift operation and are not scheduled to work on the Statutory Holiday, shall be paid eight (8) hours pay at the hourly rate of the employee's classification, excluding off-shift differential.

An employee receiving Workers' Compensation or Weekly Indemnity Benefits shall only be entitled to the difference between the amount he is receiving from those sources and his regular holiday pay.

A \$50.00 bonus will be paid to each employee on his or her birthday.

- 18.02 The Company will grant the first two (2) weeks of vacation to which an employee may be entitled during the period from Victoria Day to September 15th upon request. Vacation periods will be as scheduled by the Company, preference in the selection of dates being given to employees on a departmental basis, having regard to seniority.
- 18.03 Vacation pay shall be paid to an employee at the time

- 28 ---

of his vacation and shall be the amount of accrued vacation pay standing to his credit at the time of the commencement of vacation which shall be calculated on a weekly basis and accumulated from week to week commencing from the date of the employee's previous vacation by multiplying the employee's earnings for the week concerned by the respective percentage set out below, based on the employee's years of continuous service:

On completion of one (1) year — two (2) weeks' vacation at four (4%) per cent

On completion of seven (7) years -- three (3) weeks' vacation at six (6%) per cent

On completion of fifteen (15) years -- four (4) weeks' vacation at eight (8%) per cent

On completion of twenty-five (25) years — five (5) weeks' vacation at ten (10%) per cent

A vacation bonus of ONE HUNDRED DOLLARS (\$100.00) will be paid to employees with seven (7) years service or more and FIFTY DOLLARS (\$50.00) to employees with less than seven (7) years but more than one (1) year service.

'The Company reserves the right to require an employee who is entitled to more than three (3) weeks' vacation to accept payment in lieu of time off when necessary for production requirements, by mutual agreement. The Company will provide a separate cheque for vacation pay and ensure that the proper amount of income tax is deducted.

Vacation pay will be computed from July 1st to June 30th of the following year.

18.04 All lost time while receiving Workers' Compensation and the first three (3) months of lost time while

- 29 ---

on sick leave in any vacation year shall be counted in calculating vacation entitlement for that year. Vacation entitlement shall be pro-rated for all lost time due to sickness in excess of three (3) months in each vacation year.

18.05 Employees who are scheduled to remain on duty during any plant shutdown will be allowed their vacation at a time suitable to the employees and the Company.

The Company will post the annual plant shutdown by April 30th of each year. The dates of the shutdown will only be changed if business conditions arise to dictate a change.

18.06 Employees qualifying for three (3) weeks vacation will take the third week of vacation at a time designated by the Company. Employees entitled to four (4) or five (5) weeks' vacation may take their fourth or fifth week at a time mutually agreed upon. When two (2) or more employees from the same department request the same vacation period, and due to the Company's manning requirements, only one (1) employee may be permitted off, the senior employee will he given preference.

ARTICLE XIX -WAGES AND WORK ASSIGNMENTS

- 19.01 Attached hereto and forming part of this Agreement is Schedule "C" outlining the job classifications, the class for the job classifications concerned and the hourly rate and piecework rate for the classification concerned.
- 19.02 Hourly rates will be paid under the following:
 - (1) The running of samples

-- 30 ---

- (2) Accumulated lots of undersized supply packages
- (3) Week-end cleaning
- (4) Running production work on which no incentive rate is established.

In these circumstances an employee should be paid during the time such circumstances are in effect on the basis of his or her hourly rate of the job classification. It is understood that in such circumstances an employee must accept alternate work if so directed by his foreman, in order to quality for such hourly earnings. In case of verified machine down time or under-assignment, the employees will be paid the guaranteed rate on that per cent of their assignment which is down or under-assigned for the length of time the machine is down or under-assigned.

- 19.03 For employees on rotating shifts, the Company will pay an off-shift premium of ten (10) cents per hour with respect to the second shift and an off-shift premium of thirty-five (35) cents per hour with respect to the third shift while working such rotating schedule.
- 19.04 Posting sheets showing daily earnings, down-time and make-up for all employees will be posted prior to the distribution of the pay for the respective period.
- 19.05 (a) The Company agrees to continue to pay a premium of ten (10) cents per hour to an employee on an hourly rate who is designated by the Company as an Instructor for each hour that he is authorized to give job instruction to employee(s). However, such premium of ten (10) cents per hour shall not form part of the employee's regular hourly wage rate in the computation of overtime statutory holiday or any other form of premium or incentive payment or compensation.

-- 31 ---

- (b) An employee regularly on piecework who is designated by the Company as an Instructor shall be paid the hourly rate for his classification plus a premium of twelve (12%) per cent of such hourly rate for each hour that he is authorized to give job instruction to employee(s). However, such premium of twelve (12%) per cent shall not form part of the employee's regular hourly wage rate for the purpose of overtime, statutory holiday or any other form of premium or incentive payment or compensation.
- 19.06 When it becomes necessary for the Company to use a bargaining unit employee, to temporarily fill in for a Supervisor, such employee will be paid a premium of one (\$1.00) dollar per hour in addition to his hourly classification rate for all hours that he is so designated.

It is understood that the bargaining unit employee shall be allowed to perform the duties of a Supervisor except for the administration and/or reporting of any form of discipline, which includes verbal, written or otherwise.

It is further agreed that the temporary fill in for a Supervisor will not exceed thirty (30) calendar days.

The premium of one (\$1.00) dollar per hour shall not form part of the employee's regular hourly wage rate in the computation of overtime, statutory holidays or any other form of premium or incentive payment or compensation.

ARTICLE XX – PRODUCTIVITY

20.01 It is recognized and agreed that it is the right of the Company to fix and institute changes in tasks or work

-- 32 ----

assignments or piecework rates, to designate which jobs shall be on hourly rate and which jobs shall be on piecework and to change the method of payment for classifications from hourly rated to piecework or from piecework to hourly rated. All changes in work assignments shall be described as belonging in one of the following two changes:

- Routine Changes: Routine changes are those which result from alterations in constructions on existing jobs and require no changes in method, machinery or equipment;
- 2. Technological Changes: Technological changes are those which result from changes in equipment or machines used on the job, excluding alternations in machine settings, machines and equipment required to effect routine changes and also changes which do not materially affect the employee's duties. Any other changes not covered by the above descriptions shall be processed as a technological change.
- 20.02 Routine Changes. The Company shall have the right to institute routine changes as conditions require. Whenever requested by the Union, there shall be discussion of such changes between the Union and Management representatives.

Technological Changes or other:

(a) Management shall first inform the Union of the fact that a change is to be made, of the approximate date of its installation, the nature thereof, proposed duties and job assignment and the expected earnings in a mutually agree upon form. The parties shall meet and discuss the proposal at least two (2) weeks before the day fixed for the institution of such change. The Company will

- 33 -

endeavour to furnish all information which is necessary to a complete understanding of the proposed change.

(b) If there is any question as to the feasibility of the change in task or the suitability of the new piecework rates, a trial period shall be instituted which shall not exceed four (4) weeks in order to give a fair trial to the piecework rates and/or task or work assignments. During this trial period the employee(s) concerned shall be paid as follows:

Trial Period.

1st and 2nd week — at the hourly rate for the job classification concerned, or the piecework earnings, whichever is greater.

3rd and 4th week — at guaranteed rate or the piecework earnings, whichever is greater.

- (c) If, within ten (10) working days following the trial period, there is no agreement between the parties, the Union, if dissatisfied may present a written statement of its grievance and if same shall not be satisfactorily adjusted by negotiations between the parties within five (5) days thereafter, the matter may be submitted by the Union to arbitration, for final and binding decision. The Company will allow the Union to have its Industrial Engineer do necessary studies provided that these studies are scheduled to take place at a time mutually agreed upon and that no disruption of production will take place.
- (d) Should the piecework rates and tasks in force during the trial period be submitted to arbitration, the Chairman of such Arbitration Board, nominated under the provisions of Article IX

- 34 ---

shall be a competent industrial engineer, unless the arbitrators for the two (2) parties agree otherwise.

ARTICLE XXI ~ HEALTH AND WELFARE

- 21.01 The Company and the Union agree in the principle of organized rest periods and will endeavour to work out a schedule, having regard to overall production in the various departments.
- 21.02 (i) the Company agrees to pay one hundred (100%) per cent of the billed premiums for the Health, Accident and Life Insurance Plans, to be administered by a recognized insurance company, and the plans shall provide:
 - (a) Life Insurance:

Each Employee . . . \$10,000.00

(b) Accidental Death and Dismemberment:

Each Employee \$10,000.00

(c) Sickness and Accident:

Indemnity Benefits of sixty-six and two-thirds (66 2/3%) per cent of weekly earnings to a maximum benefit as set out in U.I.C. regulations for up to fifteen (15) weeks commencing with first day accident and hospitalization and fifth day sickness.

(d) Extended Health Benefits:

As per Schedule "D".

Benefits (d), above to cover eligible dependents who are spouse, common-law spouse, and unmarried children from birth to nineteen (19) years of age.

-- 35 ---

(e) Dental Plan, per attached Schedule "E".

- (f) In the event the province of Ontario should decide to abandon the current payment system for hospital insurance — the Employer Health Tax (E.H.T.) — and revert to the same, or a similar payment structure as that previously in effect under the Ontario Health Insurance Plan (O.H.I.P.) the Company agrees that it will contribute one hundred per cent (100%) of the premium cost of that insurance plan on behalf of all employees, provided that the Company's cost is no greater than it was when OHIP was replaced by the E.H.T.
- (ii) It is agreed that employees shall not be covered under the above plans if they are already covered or may be covered as a dependent and/or spouse under other hospital and medical insurance plans with similar benefits. In order to be eligible for such coverage at any time during the currency of this Agreement, each employee shall sign a form certifying that he/she is not eligible for coverage as a dependent or spouse elsewhere.
- (iii) It is understood that in order to qualify for weekly sickness and accident benefits, the employee must remain available for a medical examination, at any time, with reasonable notice, unless granted authorized leave of absence.
- (iv) A doctor's certificate shall be required for any employee absent for a period of-two or more working days, unless specifically dispensed with by the General Manager.
- (v) Upon return to work from a prolonged absence due to sickness the employee will advise the employer one (1) week in advance.

-- 36 ---

ARTICLE XXII -NOTICES

22.01 Except wherein otherwise provided any notice which either party desires, or is required to give to the other, shall be given as follows:

If given to Company:	Glendale Yarns Inc., 200 Glendale Avenue North,
If given to the Union:	Hamilton, Ontario. L8L7K3 Ontario Joint Council
8	Union of Needletrades, Industrial
	and Textile Employees, 15 Gervais Drive. Suite 700,
	Don Mills, Ontario. M3C1Y8 cc — Local 1070-T,
	Recording Secretary,
	Glendale Mail Box for Local Union.

ARTICLE XXIII -GENERAL

- 23.01 All letters of agreement annexed to this Collective Agreement shall be included in and designated as part of the Collective Agreement.
- 23.02 The Company will include on each employee's T4-Form the amount of Union dues (excluding initiation fees) paid by him during the previous year.
- 23.03 The Collective Agreement shall be printed in booklet form and distributed to all employees at no cost to the Union or the employees.
- 23.04 Any employee required to provide his own tools shall be entitled to a tool allowance of fifty (\$50.00) dollars per year, to be paid twenty-five (\$25.00) on April 1st and twenty-five (\$25.00) on September 1st.

- 37 ---



Effective January 1st, 1997, any employee required to provide his own tools shall be entitled to a tool allowance of one hundred (\$100) dollars per year, to be paid on April 1st of each year. The Company will not require proof of purchase.

23.05 The Company will pay 50% of the cost of safety shoes, to a maximum of fifty dollars (\$50) per employee each calendar year, for all employees required by the Company to wear safety shoes.

Effective January 1st, 1997, the Company will pay for the cost of safety shoes up to a maximum of seventyfive dollars (\$75.00) per employee each calendar year, for all employees required by the Company to wear safety shoes. Proof of purchase will be required.

- **23.06** Upon submitting a receipt, the Company will pay a clothing allowance of \$50.00 per calendar year to shipping department employees who are required by the Company to work outside during the winter months.
- 23.07 Upon request employees will be allowed to view their personnel file for issues pertaining to discipline only.

ARTICLE XXIV --CONTINUATION

- 24.01 This Agreement shall continue in effect from January 1,1996 until the 31st day of December, 1998 and shall be automatically renewed for a further period of one (1) year, unless either party notifies the other in writing within a period of one hundred and twenty (120) days next preceding the date of expiry thereof that a revision is desired.
- 24.02 In the event of such notification being given as to the revision of the Agreement, negotiations between the parties shall begin within two (2) weeks following such notification.

24.03 If the parties enter into negotiations for the purpose of amending this Agreement and agreement on the renewal or amendment of this Agreement is not reached prior to the normal termination date hereof, the term of this Agreement shall be automatically extended until consummation of a new Agreement or completion of the conciliation proceedings prescribed under the <u>Labour Relations Act. 1980</u> of the Province of Ontario and seven (7) days following issuance of the Conciliation Board's report thereunder (if any) whichever should first occur.

IN WITNESS WHEREOF the Company and the Union have caused these presents to be executed by their duly authorized representatives on the 15th day of May, 1996, in Hamilton, Ontario.

GLENDALE YARNS. BES. INDUSTRIAL AND TEXTILE EMPLOYEES UNION AND ONTARIO JOINT COUN

Busines

-- 39 ---

SCHEDULE "A"

 All Departments, except those specifically excluded, will follow the schedule as outlined in the Letter of Agreement attached hereto as Schedule "B". Those excepted will follow the regular shift schedule, as follows:

(a) Three (3) Shift Fixed or rotating Schedule 1 - 7. Shift Sat. Sun. Mon. Tues. Wed. Thurs. Fri. 1 7 am 7 am 7 am 7 am 7 am 3 pm 3 pm 3 pm 3 pm 3 pm 2 3 pm 3 pm 3 pm 3 pm 3 pm 11 pm 11 pm 11 pm 11 pm 3 11 pm 11 pm 11 pm 11 p m 11 pm 7 am 7 am 7 am 7 am 7 am

- (b) It is understood that the third shift shall commence on Monday at 11:00 p.m. and run for five (5) shifts thereafter.
- For employees other than those referred to in paragraph 1 above, the shift schedule will be as posted by the company from time to time.
- **3.** Employees on the four shift seven day operation will be governed by Schedule "B" attached hereto.
- 4. The Company will continue to permit outside Vending Contractors to provide food and beverage dispensers in suitable locations for the convenience of the employees.
- 5. Every worker shall take two (2) fifteen (15) minute rest periods per shift at times designated by the Company.
- 6. Notwithstanding the provision for two (2) fifteen (15) minute rest periods, each worker, at any time his work assignment permits, shall be entitled to take drinks or food from the dispenser during the shift.

-- 40 —

- 7. The Company shall designate a smoking area.
- 8. All employees will be paid weekly.
- 9. For the information and guidance of all employees a list of Plant Regulations, Safety Rules and Warning Slip Procedures are listed below, which do not form part of this Agreement.

-41-

SCHEDULE "B"

The following conditions will govern the four shift operation, and no changes to these conditions shall be made without the mutual agreement of the parties.

1. There shall be two (2) daily shifts of twelve (12) hours each in every twenty-four (24) hour period as follows:

```
7:00 a.m. - 7:00 p.m.
7:00 p.m. - 7:00 a.m.
```

2. There shall be three (3) paid breaks for each 12 hour shift, as follows:

15 minutes during the first half of the shift

15 minutes during the second half of the shift

A 20 minute lunch break to be taken approximately mid-shift

- **3.** There shall be one week consisting of **36** hours, and one week consisting of **48** hours. They will be worked on an alternating basis.
- 4. All overtime shall be on a voluntary basis after 36 hours, or 48 hours (whichever is applicable.) Such overtime shall be paid at the rate of time and one-half for all hours in excess of 40 hours.
- 5. The Company shall pay a weekend premium of 33% for work performed on a Saturday and/or a Sunday; however, such premium shall be replaced by pay at the rate of time and one-half for Saturday and/or Sunday work performed in an overtime situation.
- 6. Overtime on a statutory holiday (defined in Article XVIII) shall be on a voluntary basis, and when worked, such hours will paid at 1 1/2 times the employee's straight time rate, in addition to the statutory holiday pay of 8 hours.

- 42 ---

- 7. A shift premium of 40 cents per hour shall be paid for all hours worked between 7:00 p.m. and 7:00 a.m.
- 8. It is further agreed that the Company must retain the fol-lowing classifications on a steady Day shift operation:
 - (a) Engineering Department
 - (b) Shipping and Receiving(c) P.M. Maintenance

-- 43 ---

GLENDALE YARNS INC. SCHEDULE OF HOURLY RATES SCHEDULE "C"

Job	Effective Jan.1/96	Effective Jan.1/97	
A. Waste Service	8.12	8.42	8.77
B. Janitor	8.19	8.49	8.84
C. Drawing Operator Packer/Booker	8.35 8.35	8.65 8.65	9.00 9.00
D. Twisting Operator	8.50	8.80	9.15
E. Autocoro Operator	8.72	9.02	9.37
F. Card Operator	8.87	9.17	9.52
G. Baler Yarn Service	9.09 9.09	9.39 9.39	9.74 9.74
H. Tow Motor Operator Maintenance	10.35	10.65	11.00
(Shop & Plant) Shipper	10.35 10.35	$\begin{array}{c} 10.65\\ 10.65 \end{array}$	11.00 11.00
I. Technician Trainee Card Room Fixer	10.89 10.89	11.19 11.19	11.54 11.54
J. Autocoro Technicians Drawing/Twisting	12.85	13.15	13.50
Technician Carding Technician	12.85 12.85	$13.15 \\ 13.15$	13.50 13.50

--- 44 ----

SCHEDULE "D" EXTENDED HEALTH BENEFITS

For employees and dependents. Dependent children are covered from birth to age 22, or to age 25, if in school.

Individual Lifetime Maximum: Unlimited, but not more than \$10,000 after age 65.

Calendar Year Deductible:

\$25.00 per person \$50.00 per family

Constellation Assurance will pay 100% of all eligible expenses after the deductible has been satisfied, with the exception of semi-private hospital room charges, where 100% of all eligible charges will be paid.

Coverages for Extended Health Benefits are:

Preventive Care and Contraceptives					
Convalescent Hospital					
Drugs included in the Ontari	o Drug Benefit formula				
Ambulance					
Outpatient					
Nursing					
Equipment and Services					
Semi Private Hospital					
Vision Care:					
Option 1	\$30				
Prof. Services					
Per Visit Max.	\$10				
Comb. Annual Max.	\$300				
Fertility Drugs and Treatment are not covered by these					
Extended Health Benefit	c S				

Extended Health Benefits

SCHEDULE "E" DENTALPLAN

A Dental Plan will be made available to all Bargaining Unit employees. The cost of the premiums shall be borne equally by the Employer and the Employee.

Plan Features:

(a) No deductible

- (b) Unlimited maximum for covered expenses
- (c) 80% Co-insurance

(d) Effective January 1st, 1998, the ODA fee schedule shall never be more than one (1) year back of the current year.

The following is a brief description of the benefits contained in the Dental Plan. The Booklets containing a more detailed summary will be distributed when available.

- (a) Routine examinations
- (b) Consultations where required
- (c) Dental X,-Rays
- (d) Diagnostic Services
- (e) Scaling and cleaning of teeth (prophylaxis)
- (f) Topical fluoride treatment
- (g) Oral hygiene instruction
- (h) Fillings of amalgam, silicate, acrylic or composite restorations and performed stainless steel crowns
- (i) Extractions and oral surgical procedures
- (j) The administration of general anaesthesia
- (k) Initial provision and installation of space maintainers

--- 46 ----

LETTER OF UNDERSTANDING REGARDING TRANSPORTATION OF NIGHT SHIFT EMPLOYEES

Where a night shift employee is sent home before the end of his shift due to lack of work, and public transportation is not then available, the Company will arrange transportation home for those employees in need of such transportation.

- 47 -

WARNING SLIP PROCEDURE

For offences which, as first offences, would not justify suspension or discharge, and for which the Company believes the employee should be disciplined, the following scale of penalties shall apply:

First Offence	a verbal warning			
Second Offence a written warning				
Third Offence	maximum of three (3) working days suspension, without pay			
Fourth Offence	maximum penalty may be dismissal			

"Warnings shall be removed from the employee's record one (1) year from the day of such warning."

--- 48 ----

LETTER OF INTENT

The Union and the Company to consider possible rescheduling of Statutory Holidays to provide for a longer Christmas break.

The Union and the Company will review Schedule "B" with the intent of bringing this Schedule up-to-date.

LETTER OF AGREEMENT INCENTIVE PAYMENT RANGE

			%		
	From	To	Payment/Per Hour Worked		
Actual Production					
vs. Standard	0.0%	100.0%	\$0.00		
	100.0%	100.9%	\$0.01		
	101.0%	101.9%	\$0.02		
	102.0%	102.9%	\$0.03		
	103.0%	103.9%	\$0.04		
	104.0%	104.9%	\$0.05		
	105.0%	105.9%	\$0.06		
	Etc	2.			

The basis for payment will be the monthly report produced by accounting, using 4 weeks/4 weeks/5 weeks for the months in each quarter.

Payment will be made each month in the second week after month-end.

The standards are reviewed at beginning of each year by management.

<u>-50</u>

PLANT RULES

- 1. Machinery must not be operated without authority or without a thorough knowledge of the method of operation
- Machinery must never be set in motion without first making sure that no one is in a position to be injured.
- 3. Guards and other safety devices are provided for your protection. They must not be removed except by authorization of foreman, and then replaced immediately after the operation for which authority was given to remove guard or fixture.
- 4. Fire-fighting apparatus and supplies must not be disturbed or removed, except by those authorized to use them in fighting fires.
- Defective guards, equipment, or machinery not operating correctly must be reported to your supervisor immediately.
- Electrical equipment must not be interfered with by unauthorized persons. Report defects to your supervisor who will send for an electrician to effect any repairs, or adjustments.
- 7. Where danger exists from dust, flying chips, splinters, grinding, etc. shatter-proof goggles must be worn.
- Space around your machines, and passageways must be kept clear of surplus materials to prevent tripping. Employees will be responsible for keeping their immediate working area clean and tidy.
- 9. If the floor around your machine is oily, slippery, broken or in bad condition, notify your supervisor at once so that this may be rectified.
- 10. Compressed air must not be used for cleaning your clothing.

--- 51 ---

- 11. Larking or horseplay are common cause of injuries. Discourage anyone attempting it.
- 12. The attention of other operators must not be distracted from their work.
- Rings, jewellery, loose fitting clothing, ties, etc. must not be worn near any possible source of entanglement.
- 14. All persons working near any rotating shaft, spindle, gear, belt, or any other possible source of entanglement, shall have their hair suitably confined closely to the head.
- 15. Rubber sole shoes, running shoes, sandals or slippers must not be worn. Wear stout shoes to prevent injury to the feet.
- 16. To avoid strains and ruptures, stand firmly on both feet, as close to the work as possible, slightly bending the knees. This posture permits the even distribution of the necessary effort.
- 17. Anticipate rough and jagged edges on all materials when lifting.
- 18. Carefully wash hands free from grease or oil at the end of a shift, and before eating food, to avoid certain types of poisoning.
- **19.** All vehicles waiting to pick up employees at the end of their shift must not park on Company property.
- 20. In case of accident you must first report to your supervisor before leaving the room. Your supervisor will then inform the First Aider who will take you to the First Aid Station.
- All persons who leave work on account of accident or illness must report to the Personnel Office when leaving, or as soon as possible thereafter.

- 52 -

22. All elevators are for industrial use only and are not safeguarded for passenger service. Consequently, employees must not use elevators unless part of their regularly assigned duties.

- 53 -

PLANT REGULATIONS

- 1. Must not knowingly punch the time card of another.
- 2. Repeated failure to punch own time card.
- 3. Repeated absence without reasonable cause.
- 4. Absence without proper notification (whatever the cause of absence).
- 5. Your supervisor or the Personnel Department must be notified before the start of your shift.
- 6. Repeated reporting late for work.
- 7. Failure to be ready to commence work promptly at the starting hour, or immediately after authorized rest period or lunch period.
- 8. Reporting for work under the influence or suffering from effect of alcoholic excess or carrying or consuming any alcoholic liquor on the plant premises at any time.
- 9. Leaving own department or the Plant during working hours without permission of your supervisor.
- 10. Entering or leaving the Plant by other than the main gates.
- 11. Refusal to obey orders of Foreman or other supervisors, or neglect of duty.
- 12. Failure to do the work assigned or to follow the job instructions.
- 13. Deliberately restricting output.
- 14. Unauthorized or early stopping of machinery. Machines are not to be stopped except in course of regular duties or as authorized by your supervisor.
- **15**. Wasting time or loitering in toilets or on any Company property.

- 54 -

- 16. Horseplay, scuffling or throwing things.
- Distracting the attention of others, or causing confusion by unnecessary shouting, catcalls or demonstration in the plant.
- 18. Abusive language to fellow employees or supervisors.
- Threatening, intimidating, coercing, fighting or interfering with fellow employees on the premises at any time.
- 20. Dishonesty, gambling, lottery or any other games of chance on company premises at any time.
- Soliciting or collecting contributions for any purpose whatsoever on Company premises, without specific written approval of Management.
- Distributing literature, written or printed matter of any description on Company premises without the specific written approval of Management.
- 23. Theft of property of the Company or its employees, or any property left on Company premises.
- 24. Misuse or removal from premises without proper authorization, of employee lists, Company records, or confidential information.
- 25. Posting, defacing or removal of notices or signs or writing in any form on bulletin boards of Company property without written approval of Management.
- Abuse, destruction, defacing or removal of Company property, tools, or equipment or the property of employees or others.
- 27. Operation of machines, tools or equipment to which an employee has not been specifically assigned by an accredited supervisor.
- 28. Making waste carelessly or unnecessarily.



- 29. Wilful, deliberate, or continued violation of, or disregard safety rules or common safety practices.
- Smoking on Company premises except when permitted and where facilities are provided.
- 31. Creating or contributing to unsanitary conditions.
- 32. Throwing refuse on the floors or out the windows or doors.
- 33. Immoral conduct or indecency.
- 34. Making false or malicious statements concerning the operation of the plant, its products, or other employees.
- **35.** Entering the plant at unauthorized time or bringing unauthorized persons into the mill at any time.
- **36.** Use of trucks, tools or equipment other than for Company business.
- 37. Any other breach of discipline or misconduct serious enough to warrant disciplinary action or discharge.
- 38. Recording incorrect time or production.

--- 56 ----