

Collective Agreement

Between

Simmons Canada Inc.

and

The National Automobile, Aerospace,
Transportation and General Workers Union of
Canada
CAW, Local 513

Begins:

04/01/2005

Terminates:

03/31/2008

01059 (10)

Source:

Employees:

Received by:

Date: 10/26/2006

THIS COLLECTIVE AGREEMENT

made **and** entered into this 20th day of June 2005.

BETWEEN:

**NATIONAL AUTOMOBILE, AEROSPACE,
TRANSPORTATION AND GENERAL WORKERS UNION
OF CANADA (C.A.W./T.C.A) AND ITS LOCAL 513**

(Hereinafter called the "Union")

AND

SIMMONS CANADA INC.

(Hereinafter called the "Company")

ARTICLE I - RECOGNITION

1.01 1.01 The Company and the Union agree that in the exercise of each **of** their **rights** and in the administration of this agreement, they shall endeavour to do so in a fair, reasonable and timely manner.

1.02 The Company recognizes the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW- Canada) and its Local 513, as certified by the Ontario Labour Relations **Board**, as the exclusive bargaining agent for all its employees in Peel Region, Ontario, save and except Foremen, persons above the **rank of** Foremen, office **and** sales **staff**.

In the event the Company **should** relocate the present Bramalea Plant within the Province of Ontario, it **will** recognize the Collective Agreement and the Union at such **new** location.

ARTICLE II - RELATIONSHIP

2.01 The parties agree that there will be **no** discrimination, interference, restraint or coercion exercised or practised by either of them or their representatives or members with respect to any employee because of his race, colour, nationality, sex, sexual orientation or **on** account of religious or political affiliations, or because of his membership or non-membership in the **Union**.

2.02 All reference to female or male gender in this Agreement will be read as applying to the opposite gender where the context would apply.

2.03 The Union agrees that there will not be any Union activities or business conducted **on** the premises of the Company except **as** permitted **by** this Agreement or with the permission of the Manager. Such permission **will** be provided in a timely manner and will not be unreasonably withheld. The Union agrees that such requests to attend such union activities or business will be requested, when possible, in a timely manner.

2.04 The Company will make every reasonable effort to discuss **new** policies with the Union when they are implemented. When modifying present policies, **the** Company will discuss the change with the Union.

ARTICLE III - MANAGEMENT FUNCTIONS

3.01 The Union acknowledges and agrees the Company shall continue to reserve all the **rights**, power and authority to manage its plant and business and to direct the working forces except **as** otherwise abridged or surrendered **by** the express provisions of **this** Agreement. Without restricting the generality of the foregoing, the exercise of such rights by the Company shall include but not be limited to:

- (a) to maintain order, discipline and efficiency:
- (b) to hire, direct, discharge, classify, transfer, layoff, recall and suspend or otherwise discipline employees except that a claim

by an employee that he has been discharged or disciplined without reasonable cause or improperly classified transferred, laid off or recalled may be the subject of a grievance and dealt with in accordance with the grievance procedure

- (c) to make, enforce and revise from time to time rules and regulations relating to discipline, safety and the general conduct of employees.
- (d) to determine the number of personnel required from time to time, the standard of performance of employees, the schedules of work, including the schedules of overtime work to be performed, schedules of vacations, the services to be performed and methods, procedures, machinery and equipment in connection therewith, the engineering and designing of products, the control of materials and parts to be incorporated in the products to be produced, and the extension, limitation, curtailment or cessation of operations.

3.02 Company agrees that these functions will not be exercised in a manner inconsistent with the express provisions of this Agreement.

ARTICLE IV - STRIKES AND LOCKOUTS

4.01 The Union and the Company agree that during the term of this Agreement there will be no strike or lockout. The words "strike" and "lockout" shall have the meanings ascribed to them in the Labour Relations Act (Ontario).

ARTICLE V - REPRESENTATION

5.01 (a) The Company acknowledges the right of the Union to appoint or otherwise select a group of four (4) Stewards from which a Plant Committee, comprising three (3) members only, otherwise known as the Union Grievance Committee will be formed. The Grievance Committee will be composed of the Plant Chairperson, Assistant Plant

Chairperson, a Steward from the affected area and an Interpreter when required. In the absence of one of the above, the Union *may* appoint a substitute. Each member of this committee **shall have** at least 45 working days seniority with the Company and shall be regular employees of the Company during their **time** of office. The said Committee will co-operate with the Company in the administration of this Agreement.

5.01 (b) In the event of the *day* work force increases beyond 120 employees (excluding employees on indefinitely layoff); the Union may appoint an additional Steward for each additional forty (40) employees **or** more:
e.g. 120 - 160 employees - 5 Stewards
160 - 200 employees - 6 *Stewards*

5.01 (c) In the event the Company establishes an afternoon or night shift, the Union *may* appoint additional Stewards **on** that (those) shift(s) **on** the basis of one (1) Steward for every forty (40) employees **on** the shift:
e.g. 0 - 40 employees - 1 Steward
40 - 80 employees - 2 Stewards

5.02 The names of the Chairman and members of the Plant Committee **from** time to time selected shall be **given** to the Company in writing and the Company shall not be required to recognize any such Steward or Committeeman until it has been notified in writing by the Union of the name **of** same.

5.03 The Company agrees to post notices of changes in Supervisory staff and to provide the Union with a copy of the notices.

5.04 The Union agrees that the Stewards have their regular duties to perform **on behalf** of the Company and they will not leave their regular duties without first receiving permission from their Foreperson. Such permission will not be unreasonably withheld.

The Company will provide the Plant **Chairperson** with one **hour** paid **per** week to be used **as** a study **time**.

The Company will provide an **office** and a personal computer and printer for Union business.

5.05 The Company will pay for the time lost by Stewards at their base rate plus indirect bonus while performing their duties in accordance with **this** Agreement.

5.06 The Company acknowledges the right of the Union to appoint or otherwise select a Negotiating Committee comprised of the Plant Chairperson and not more **than** three(3) employees and will recognize and deal with the Committee with respect to any matter which properly **arises** from time to time during the **term** of this Agreement, and will pay the members of this Negotiating Committee at their base rate plus indirect **bonus** for time spent during normal working hours in negotiations or in the interpretation of this Agreement.

5.07 The Company will allow the Negotiating Committee **twenty-four (24)** hours with pay to prepare for negotiations.

ARTICLE VI - GRIEVANCE PROCEDURE

6.01 (a) FIRST STAGE – It is the mutual desire of the parties hereto that complaints of employees shall be adjusted as quickly as possible, and it is understood that an employee has no grievance **until** he **has** first given **his** Foreperson **an** opportunity to adjust the complaint. If an employee has a grievance, he will present his grievance, verbally, to his Foreperson with the assistance of the Department Steward, within seven (7) working days of the circumstances giving rise to the grievance. The Foreperson will give their answer, verbally, within five (5) working days. Where two or more persons have the same grievance, it will be treated as a Group Grievance. If the grievance is not settled at **this** stage, it shall be reduced to writing and processed to the second stage **by** the Grievance Committee.

6.01 (b) SECOND STAGE - Failing satisfactory settlement under Stage **One**, the Grievance Committee shall within five **(5)** working days of receipt of the answer of the Foreperson, refer **the** grievance to the Manager **of** the Company or their nominee. The meeting with **the** Manager or their nominee shall **take** place within five (5) working days following referral of the grievance to the Manager with a view of **settling the** grievance. At **this** meeting a National Representative, and/or the President of the Local *may* attend. It is understood that the President of the Local shall not be recognized **as** an additional Shop Steward **or** Committee **person**. It is **further** understood that the President of the Local's lost time to attend **such** meetings, will be the responsibility of the Local Union. It is also understood that the **grievor** may be present at **this** meeting. The Manager of the Company, or their nominee, shall give their answer in writing to the Union within five (5) working days following the *day* of such meeting.

6.02 The Company shall **have** the right to lodge a grievance with the Union relating to the conduct of the Union or any Union representative, or the conduct of the employees, or concerning **the** application or interpretation of any provision of this Agreement. The grievance shall first be presented in writing to the Union within five **(5)** working days of the circumstances giving rise to the grievance and a meeting will be held within one (1) week between representatives of the Company and the Union and **the** grievance shall be answered in writing **by** the Union within one (1) week of such meeting.

6.03 The Union shall have the right to lodge a grievance with the Company relating to any Company policy or concerning the application **or** interpretation of any provision of this Agreement. **The** grievance shall first be presented in writing to the Company within seven (7) working days of the circumstances giving rise to the grievance and a meeting will be held within one (1) **week** between representatives of **the** Company and the Union and the grievance shall be answered **in** writing by the Company within one (1) week **of** such meeting. This shall be known as a policy grievance.

6.04 Failing settlement under the grievance procedure of any grievance which concerns the interpretation, administration or alleged violation of the Agreement, the grievance may be referred by either party to Arbitration as provided in Article VII below. If no written request for Arbitration is received within **fifteen** (15) working days after the final decision is given under the Grievance Procedure, it shall be deemed to be settled or abandoned. The Union may extend the fifteen (15) working days for an additional five (5) days provided they notify the Company in writing, prior to the **expiry** of the initial fifteen (15) day **period**, that the extension is necessary.

6.05 In the event that a grievance is filed involving safety, it is understood that the Union Safety Representative, or his alternate, will be included in the processing of such grievance, if agreed to by both parties, for the resolution of the grievance.

ARTICLE VII - ARBITRATION

7.01 No matter shall be submitted to Arbitration which **has** not been properly carried through the appropriate stages of the Grievance Procedure.

7.02 (a) Both parties to this Agreement agree that in a grievance concerning a discharge or discipline case a Sole Arbitrator will be used.

7.02 (b) Both parties agree that in a grievance concerning interpretation of the Agreement, the matter will be referred to a Sole Arbitrator.

7.03 The decisions of the Sole Arbitrator shall be binding on both parties.

7.04 The Sole Arbitrator shall not have any power to alter or change any of the provisions of this Agreement or to substitute any new provisions for any existing provisions, nor to give any decision inconsistent with the terms and provisions of this Agreement.

7.05 Each of the parties to this Agreement will jointly bear the expenses of the Arbitrator.

7.06 No person shall be selected as Arbitrator who has been directly involved in attempts to negotiate or settle the grievance.

7.07 Employees when required to appear before an arbitrator on the hearing of the appeal of the grievance shall be paid by the Company at their regular rate for the time so spent. The same condition shall apply to the Plant Chairperson, and one Committee person.

ARTICLE VIII – DISCIPLINE

8.01 Disciplinary records will be valid for an established period of time and may not be relied upon for subsequent disciplinary actions beyond this period. The valid time periods are:

- | | |
|-----------------------------|------------|
| Verbal and Written Warnings | - 6 months |
| Suspensions | - 9 months |

8.02 An employee subject to reprimand or disciplinary action by the Company shall have Plant Chairperson or designate, in the case of their absence employee's area Steward or Committee Person present. Union Representative may not be required during the investigative procedure the Company may undertake in order to determine fault, provided the employee is not removed from his work area.

8.03 The Company will provide employee with written confirmation of discipline. The Company will not discipline an employee more than five (5) working days after they become aware of the event(s) or matter(s) given rise to the discipline, unless prior notification to the Union is given, that the time in the grievance procedure cannot be met due to the legitimate absence from the Plant of persons involved in the matter, or other established legitimate reasons, such as ongoing investigation in the matter, an automatic extension will be granted, the duration of which will be subject to mutual agreement.

8.04 In the event that disciplinary action of the Company results in discharge of an employee, the **matter** will be discussed with the Union Chairperson or his/her designate before such action **is** taken.

8.05 (a) A claim **by** an employee that they have been discharged without reasonable or just cause shall be treated as a grievance if a written statement of such grievance is lodged with the Manager or his delegate within seven (7) working *days* after the employee is discharged. **The** grievance will commence at the Second Stage of the Grievance Procedure.

It is understood that probationary employees may be discharged for reasons less serious than for employees who have completed probation

8.05 (b) Such special grievance may be settled under the Grievance and Arbitration Procedures by:

- (a) confirming the employee's dismissal;
- (b) reinstating the employee with full compensation for the time lost; or
- (c) **by** any other arrangements which are reasonable within the opinion of the conferring parties.
- (d) **by** any other arrangements which are reasonable *in* the opinion of the arbitrator.

8.05 (c) After discharge or suspension of **an** employee without notice an opportunity will be given the employee to interview his Steward for twenty (20) minutes prior to leaving the plant, except where the circumstances resulting in discharge or **suspension** are of a violent nature.

ARTICLE IX - SAFETY

9.01 The complete Health and Safety language is contained in Appendix D and forms part of the collective agreement.

ARTICLE X - SENIORITY

10.01 Newly hired employees shall serve a probationary period of forty-five (45) actual days worked in a twenty-six (26) week period. Upon completion of the probationary period, a new employee shall have their seniority dated back forty-five (45) working days.

10.02 Seniority shall mean an employee's length of service with the Company after completion of the probationary period. An employee shall maintain and accumulate seniority unless such seniority is lost under conditions as set out in Article 10.09.

10.03 (a) In all cases of lay-offs exceeding ten (10) continuous working days, promotions, downgrading or upgrading, length of service shall govern. It is understood, employees who have more seniority and are qualified to bump a junior employee will do so at time of lay-off. Where employees have seniority but not qualifications, the Company will provide training at time of lay-off except in the maintenance trade skills and G-8 truck driver position.

Any short-term lay-offs or recalls of ten (10) continuous working days or less shall be by skill and seniority except for those employees with 20 or more years of service. No training will be provided except for those employees with twenty (20) or more years of service.

Employees with less than twenty (20) years service who are affected by a short-term lay-off will be given a training opportunity upon recall to his or her new position in order to avoid subsequent short-term lay-offs.

If the employee accepts the training opportunity, they will be expected to follow the Company learning curve for the job as outlined in Article 10.15.

10.03 (b) If the employee accepts the training opportunity but subsequently requests to be transferred back to his/her original job before they have completed their training, he/she may face lay-off in accordance to Article 10.03(a).

Employees taken off the job i.e. **through** reassignment, during the learning curve will be given time to complete their training unless they are laid-off in accordance to Article 10.03(a)

An employee who refuses a training **opportunity** will remain on lay-off and await recall back to the job **from** which they were laid-off.

Employees will have recall rights to their former job classification.

10.04 It is understood **that** should an employee decide to bump an employee in their department or another department (as per 10.03 above), the employee can only exercise **this** privilege on one occasion per layoff.

10.05 When layoffs are necessary, **all** part-time **and** probationary employees shall be laid off first. The probationary period is **forty-five (45)** days worked.

10.06 When recalling employees to work after a layoff, they shall be recalled in the inverse order in which they were laid off, that is, the laid off employees with the longest length **of** service will be recalled first. If the senior employee recalled is not qualified for the position he is recalled to, training will be provided.

10.07 Before **new** employees are hired, consideration shall be given to the employment of employees who are on layoff and are still subject to recall. The senior employee on layoff will be trained.

10.08 Management shall provide the Union at the signing **of** this Contract with a seniority list giving the length of service of each employee and shall revise said list at four **(4)** month periods throughout the Contract year. One copy of such list shall be posted on the Bulletin Boards and one copy shall be **mailed** to the Union Office. The Company will also **provide** addresses, classifications and rates of pay of all bargaining unit employees to the Union and Plant Chairperson.

The Company will supply the Plant Chairperson with the following information:

- (a) employees who acquired seniority
- (b) employees **on** leave of absence
- (c) employees **on** Weekly Indemnity and Long Term Disability or WSIB
- (d) employees **on** layoff and recall
- (e) employees who have lost seniority
- (f) employees who are discharged
- (g) employees telephone **numbers**
- (h) employees transferred into or out of the bargaining unit
- (i) employees **skill** and qualification

10.09 Seniority standing shall be cancelled and employment terminated if the employee voluntarily leave their employment with the Company; or if they are discharged; or if they have been laid off for a period of twenty four (24) months; or if they are laid off for a **period** of less *than* twenty four (**24**) months and fails **to** return to work or to give in writing valid reasons for their inability to do so within ten (10) days of the date they have been requested by the Company in writing to return to work and will **return to work seven (7) days** after notifying the Company of their intention to return to work or if they overstay **a** leave of absence granted **by** the Company in writing without securing an extension of such leave; or if they absent themselves from their work for more than three (**3**) days without securing leave of absence or without producing evidence of a sufficient **reason** satisfactory to the Company.

10.10 The Negotiating Committee, the Grievance Committee, the Shop Stewards of Union and the **Union Certified Worker**, during their term of office in the **Union**, and the Lead **Hands**, shall head the seniority list **in** their respective departments. **This** clause will only apply in the case of layoffs.

10.11 (a) **A** vacancy in a permanent job or an additional job occurring in a department shall be posted plant wide **on** all bulletin **boards** for a period of three (**3**) working days. Copy of this posting to be supplied to the Plant Chairperson of the Union. **In** the interest

of efficiency, the Company shall consider in order of seniority, and base its selection thereon. In filling these vacancies, or making promotions, seniority shall prevail. The Company will provide training needed for the job. Employees will be allowed **two (2)** job postings in a **six (6)** month **period**. The Union is to receive the name of the successful candidate and his classification.

Job postings will not report the **shift** in which the vacancy exists; the successful applicant will however be given preference of **shift** based on their seniority. **An** employee who is awarded a job **posting** and whose performance fails to meet the Company learning curve, will be returned to the job from which they posted out and be replaced **by** the next most senior applicant on the job posting. The employee who replaced the unsuccessful job posting applicant will then be returned to their previous job classification, and **so on**. An employee who is awarded a job posting and is unable to **perform** the duties of the new job for medical reasons, will return to the job from which they posted out, provided the medical condition is reported within **(30)** consecutive working days from **date** of transfer. The employee who replaced the unsuccessful job posting applicant will then be returned to their previous job classification and so on. The vacancy in the original posting will then be filled by the next most senior applicant on the posting.

10.11 (b) The Company will notify the plant chairperson and the applicants within three **(3)** working days of the expiration of the job posting, advising them of the results of the posting. The chairperson will also be provided with a copy of all applicants on file.

The successful applicant's job classification and **rate** of pay will change at the time he/she is awarded the job posting and he/she will be transferred to his/her new job within twenty-five (25) working days **after** being advised of the results of the posting.

If the Company is unable to **move** an employee to their new job within the twenty-five (25) working day period, then they will be compensated for loss of earnings of 20 *days* plus all hours worked

following the 25th working day, through to transfer to new job. Compensation will be as follows:

In the case of an incentive job:

- (a) If qualified on job for which they posted, employee will be compensated 120 % plus indirect bonus, less their regular earnings on pre-posted job.
- (b) If unqualified on job for which they posted, the employee will be compensated base rate plus indirect bonus, less their regular earnings on pre-posted job.

In the case of a non-incentive job:

- (a) The employee will be compensated for loss of earnings.

10.12 A vacancy in a permanent job may be filled temporarily for a total period not exceeding thirty (30) working days while the posting is being filled.

All temporary job vacancies which require filling, resulting from absence due to illness, injury, maternity leave or Company approved leave of absence, which are expected to last thirty (30) calendar days or longer shall be posted as "Temporary Job Vacancies". Only the initial Temporary Vacancy shall be posted. Such posting will be posted as soon as the Company becomes aware that such absence will extend beyond the 30 calendar days.

The successful applicant to a temporary job posting will:

- (1) be considered the junior employee within their temporary classification for purposes of shift preference
- (2) be recalled back to their former job should there be a reduction in manpower within that particular classification
- (3) have their classification seniority re-established on their return to their former job

Employees returning shall be placed on their former job and the employees who temporarily filled the position, and any subsequent temporary vacancy, will return to their former job.

10.13 It is understood and agreed **that** the Company has the right to reassign employees to suit **operating** requirements.

Where a reassignment is necessary, the most senior qualified employee **will** be given the option to be reassigned first. Where there **are** no qualified senior employees, the Company will reassign the most junior qualified employee. When the Company reassigns **an** employee to an incentive job, the employee will earn no less **than** his/her **new** base rate plus 20% of an incentive job.

Qualified employees reassigned from an incentive job to a non-incentive job will earn no less **than** the higher **rate** plus 20% **of** the higher rate plus indirect bonus or piece work average whichever is greater, unless the reassignment is due to a shortage **of** work on the employee's job. **Reassignments** due to shortage **of** work will be paid base **rate** plus indirect bonus.

No work assignment will be for any period over thirty (30) calendar days. After thirty **(30)** calendar days, the job must be posted and filled.

10.14 The Company and the Union agree that employees, who leave the bargaining unit to take employment with the Company outside the bargaining unit, will not be covered **by** the provisions of the collective agreement. Should the employee return to the bargaining unit within **(4)** months after the date of such appointment, he/she shall be accredited with only the seniority which he/she held prior to such appointment, and shall displace the most junior employee in the plant. Except in the case of skilled trades, he/she will displace the most junior employee in his/her former trade classification.

10.15 It is understood that training in Sections 10.03, 10.06, 10.07 and 10.11 **are** subject to performance in accordance with the Company learning curves.

ARTICLE X1 - STATUTORY HOLIDAYS

11.01 a) Each employee who has completed his probationary period and who is not required to work on any of the following days shall receive payment at his base rate for the regularly scheduled hours of work on which the holiday is celebrated provided **that** the employee works the regular day before the holiday and the regular day after the holiday unless authorized **by** the Company, **in writing**, to be absent on either or both such days:

2005 YEAR

| | | | |
|---------------|---------------------|----------------------|--------------------|
| Good Friday | Friday, March 25 | Day before Christmas | Monday, Dec. 26 |
| Victoria Day | Monday, May 23 | Christmas Day | Tuesday, Dec. 27 |
| Canada Day | Friday, July 1 | Boxing Day | Wednesday, Dec. 28 |
| Civic Holiday | Monday, August 1 | Floater | Thursday, Dec. 29 |
| Labour Day | Monday, September 5 | Floater | Friday, Dec. 30 |
| Thanksgiving | Monday, October 10 | New Year's Day | Monday, Jan. 2/06 |

2006 YEAR

| | | | |
|---------------|---------------------|----------------------|--------------------|
| Good Friday | Friday, April 14 | Day before Christmas | Friday, Dec. 29 |
| Victoria Day | Monday, May 22 | Christmas Day | Monday, Dec. 25 |
| Canada Day | Monday, July 3 | Boxing Day | Tuesday, Dec. 26 |
| Civic Holiday | Monday, August 7 | Floater | Wednesday, Dec. 27 |
| Labour Day | Monday, September 4 | Floater | Thursday, Dec. 28 |
| Thanksgiving | Monday, October 9 | New Year's Day | Monday, Jan. 1/07 |

2007 YEAR

| | | | |
|---------------|---------------------|----------------------|--------------------|
| Good Friday | Friday, April 6 | Day before Christmas | Monday, Dec. 24 |
| Victoria Day | Monday, May 21 | Christmas Day | Tuesday, Dec. 25 |
| Canada Day | Monday, July 2 | Boxing Day | Wednesday, Dec. 26 |
| Civic Holiday | Monday, August 6 | Floater | Thursday, Dec. 27 |
| Labour Day | Monday, September 3 | Floater | Friday, Dec. 28 |
| Thanksgiving | Monday, October 8 | New Year's Day | Tuesday, Jan. 1/08 |

Each employee will be paid one additional paid holiday per year, to be taken on their birthday. If the employee's birthday is on a weekend the paid holiday will be taken on a mutually agreed date.

11.01 (b) Layoff letters and approved vacation sick days **are** not acceptable as authorization **by** the Company to **be** absent for purposes of eligibility for Statutory Holiday pay **as** outlined in Article 11.01 a).

11.02 If **an** employee is requested **by** **the** Company to work **on** any of the foregoing holidays, he will be paid at **time** and one half for the **time** worked plus the statutory holiday pay.

11.03 If a Statutory Holiday should fall during the week an employee is on vacation, **an** additional day will be provided, following their vacation. Should **an** employee's birthday fall during a period of occupational injury/illness, which is limited to a **period of thirteen (13)** weeks, an additional day with pay will be provided following their **return** to work.

Statutory Holidays which **arise** during a period of sickness shall be paid limited to a period of **thirteen (13)** weeks, subject to conditions and upon written proof to **the** Company **by** a Doctor's certificate.

11.04 i) Employees who have completed their probationary **period** and who are laid off during the month of December and subsequently recalled during the month of **January** immediately following, will be paid the following holidays at base rate:

- Day before Christmas
- Christmas Day
- Boxing Day
- New **Year's** Day
- Two Floaters

ii) Employees who have completed their probationary period and whose **total** layoff and subsequent recall **period** does **not** exceed ninety(90) calendar days, including the six paid holidays outlined in 2(i)above, will be paid the following holidays at base rate:

- Christmas Day
- Boxing Day
- New **Year's** Day

ARTICLE XII - SHIFT DIFFERENTIALS

12.01 The Company will pay one dollar and forty cents (\$1.40) per hour for all hours worked after 3:10 p.m.; one dollar and forty-five cents (\$1.45) per hour effective April 1, 2006 and one dollar and **fifty** cents (\$1.50) **per** hour effective April 1, 2007.

ARTICLE XIII -WAGE SCHEDULE

13.01 Appended hereto and forming part of **this** Agreement is Appendix "B" -Wage Schedule- which outlines the classifications of work and hourly rates in effect as of the date of signing this Agreement.

13.02 If, during the life of this Agreement, any new occupational classifications are established or current occupational classifications are revised **by** the Company, the Union will be advised of such occupational classifications and the rates of pay will be negotiated with the Union prior to implementation. The classifications and the rates will form part of Appendix "B" for the duration of the Agreement.

The Union may file a Grievance under the provisions of Article VI in the event that the Union does not agree with the rate of pay established **by** the Company.

13.03 Appended hereto and forming part of **this** Agreement is Appendix "C" - Productivity Plan.

ARTICLE XIV - DEDUCTION OF UNION DUES

14.01 During the life of **this** Agreement, the Company agrees to deduct the amount of Union dues **from** each employee covered by **this** Agreement. Deduction of these dues will commence from the date of employment, but has no affect on the probationary status of newly-hired employees. The Company will remit such deductions to the Union by cheque at the address shown in **this** Agreement within twenty-five (25) days from date of deduction.

14.02 It is ~~further~~ understood that all new employees will be required to contribute initiation fees and weekly dues commencing ~~from~~ the first deduction date following date of their employment.

14.03 It is understood that the Union will indemnify the Company and save it harmless ~~from~~ any and all **claims** which may be made to it by any employee for **amounts** deducted **as** herein provided.

ARTICLE XV - JURY AND CROWN WITNESS LEAVE

15.01 When an employee is summoned to, and reports for jury or crown witness duty, they shall be paid the difference between the daily amount received for jury or crown witness service and their straight time hourly rate plus indirect **bonus** that they otherwise would have received for work which they did not **perform**. The employee will present proof of service and attendance and the amount of pay received

ARTICLE XVI - BULLETIN BOARD

16.01 The Company will provide **two** separate bulletin boards in satisfactory locations in the shop for the convenience of the Union in posting notices of Union Meetings. **All** such notices must be signed by an authorized officer of the Union and **submitted** to the Manager and/or their authorized representative for **approval** before being **posted**

ARTICLE XVII - REST PERIODS

17.01 There shall be a fifteen (15) **minute** rest **period** assigned **by** the Company during the first four **(4)** hours of an employee's regular **shift** and also during the last four **(4)** hours of an employee's regular **shift**.

17.02 Five **(5)** **minutes** wash-up time will be provided for each employee at the end of the day's work.

17.03 There will be a ten (10) **minute** rest period before the start of overtime during the week when the overtime will be of **two** (2) hours duration or greater.

ARTICLE XVIII - HOURS OF WORK AND OVERTIME

18.01 (a) The **normal** hours of work will be eight (8) hours **per** day Monday **through** Friday inclusive, representing a normal work week of forty (40) hours **per** week. It is understood that this shall not constitute a guarantee of hours of work per day or days of work **per** week or for any period whatsoever.

(b) It is understood and agreed that the normal daily hours of work specified in 18.01 (a) above *may*, by mutual agreement of the parties, be increased to nine (9) hours during certain periods of the year in order to allow employees to enjoy the extended weekend provided that the normal weekly hours do not exceed forty (40) **as** provided herein.

(c) **Shifts** other than the day shift will have the hours of work scheduled so that they do not exceed forty (40) hours per week.

18.02 (a) Authorized work on a statutory holiday shall be paid double the employee's regular **rate**. Authorized work on a floater shall be paid at double the employee's regular rate. The requesting of overtime shall only be done by supervisory personnel.

(b) Authorized work performed in excess of the scheduled shifts referred to in 18.01 shall be paid at the rate of time and one-half the employee's base rate.

18.03 (a) Overtime shall be on a voluntary basis to be arranged between the employee and the Company. It is understood that the employee shall make every effort to perform overtime work when required.

18.03 (b) When an employee is not advised of the requirement to work overtime **by** the end of the **shift** of the previous day, he shall receive twelve dollars (\$12.00) supper money if **the** overtime exceeds two (2) hours. Effective April 1, 2006, the supper allowance will increase to twelve dollars and fifty cents (\$12.50) and to ~~thirteen~~ thirteen dollars (\$13.00) effective April 1, 2007.

(c) The Company will **not** work any prolonged periods of overtime while seniority employees are on layoff. However, there may be situations where overtime cannot be avoided, and in such situations, overtime can and will be used. Examples of such situations where overtime may be required for the purpose of this provision **are:**

- i) equipment failure of which would cause possible missed shipment to customer
- ii) vendor (supplier) late delivery, e.g. material (fabric) etc.
- iii) customer release change – increased requirements with short notice and insufficient lead **time** from customer.
- iv) manpower – absenteeism excluding paid holidays and vacation
- v) equipment upgrade, modification, maintenance: or other operations that cannot be scheduled during production hours.

Authorized work performed in excess of eight (8) hours per day and all work performed **on** Saturday shall be paid at the rate of **time** and one half of employee's regular rate. Authorized work performed on Sunday shall be paid double at employee's regular rate.

It is understood and agreed where 18.01 (b) is applicable, that the time and one half premium will be after **nine (9)** hours per day and after four hours **on** Friday.

Equalization of Overtime:

The Company will distribute overtime equitably among employees in the classification or, who are performing the job in the department in which overtime occurs, the purpose being to determine the allocation of overtime and serve the principle of equalization. Overtime shall be maintained within a **thirty (30)** paid hour variance at any one time within the classification in the department.

If the Company is unable to maintain the **thirty (30)** hour variance then compensation will be paid to those employees within the classification for the hours required to bring the differential back to the **thirty (30)** hours.

Overtime worked outside the classification **as** a result of re-assignment **will** not be considered for compensation but will be considered for the purpose of equalization.

For equalization purposes, any employee who is absent from work for any reason when overtime is distributed and who would have been requested to work the overtime, shall be charged with the overtime hours. This also includes employees on modified work. Employees called at home before their scheduled **shift** and, who refused the overtime will not be charged for such hours.

Successful applicants to job postings will continue to be eligible for overtime within their old job classification until they are moved to their new job.

When reasonably possible, employees will be notified the workday before weekday overtime and the Thursday before weekend overtime.

Any offer of overtime which is refused, provided at least **two (2)** hours advance notice was given, will be charged to the employee **as** overtime worked for the purpose of equalization of overtime.

If the Company is unable to obtain sufficient employee(s) within the classification in the department, the **opportunity** will be given to the employee with the least amount of overtime in the department who is qualified to perform the work.

Employees who are not scheduled to be at work when overtime is **offered** will not be contacted to work the overtime **until** the Company has asked everyone **on shift** who is qualified to perform the work.

The **Company** will maintain records of all overtime worked and charged, which will be revised **daily**. Union representatives may review these records at anytime **upon** request. The **union** will be provided with such records monthly.

When necessary, to avoid disputes arising out of the inequitable distribution of overtime, the supervisor will notify the steward of the overtime in advance and, both of them will review the overtime record to **determine** who is eligible for the overtime.

18.04 Any employee who reports for work **as usual** and is sent home because no work is available shall be paid **(4)** hours at their group rate provided such lack of work is not caused **by an** Act of God or any other event beyond the control of the Company.

Any employee who is called to work **as** a result of emergencies and works four **(4)** hours or less, shall receive a **minimum** of four **(4)** hours pay at the applicable rate.

ARTICLE XIX - VACATION WITH PAY

19.01 The basis for vacation pay will be on the gross **annual** earnings in the twelve (12) months **from** May 1st to the following April 30th immediately preceding the employee's vacation. Vacation with pay for all employees covered by this Agreement shall be granted on the following basis:

- (a) Employees with less than **one** (1) year seniority, as of April 30th of the vacation year, shall have their vacation pay calculated and granted in accordance with the requirements of the Province of Ontario Employment **Standards** Act.

- (b) Employees with one (1) year or more seniority, as of April 30th of the vacation year, will be entitled to **two (2)** weeks vacation with pay, such pay being equal to 4% of the total pay of the employee in the year for which the vacation is given.
- (c) Employees with four (4) years or more seniority, **as** of June 30th of the vacation year, will be entitled to three (3) weeks vacation with pay, such pay being equal to 6% of the **total** pay of the employee in the year for which the vacation is given.
- (d) Employees with eight (8) years or more seniority **as** of June 30th of the vacation year, will be entitled to **four (4)** weeks vacations with pay, such pay being equal to 8% of the total pay of the employee in the year for which the vacation is given.
- (e) Employees with sixteen (16) years or more seniority as of June 30th of the vacation year, will be entitled to five (5) weeks vacation with pay, such pay being equal to 10% of the total pay of the employee in the year for which the vacation is given.
- (f) Employees with twenty-three (23) years or more seniority **as** of June 30th of the vacation year will be entitled to **six (6)** weeks vacation with pay, such pay being equal to 12% of the total pay of the employee in the year for which the vacation is given.

19.02 Not less ~~than~~ one-third (1/3rd) of employees entitled in each year to take three (3) weeks holidays shall be entitled to take three (3) consecutive weeks; right of selection to be determined **by** rotating Vacation Seniority List based **on** Departmental Seniority.

19.03 All **two (2)** week vacations shall be granted during the summer months, unless mutually agreed to **by** the employee and the Company that the said vacation period be taken at a time not specified in the Agreement.

19.04 If the gross annual earnings in the twelve (12) months **from** May 1st to the following April 30th immediately preceding vacation time of any employee are abnormally low because of unavoidable absence due to illness during this period the Company will compute

their vacation pay **on** the basis of the hours of work week in effect times their base hourly rate for each holiday week they are entitled **to**. It is understood that employee must have worked a **minimum** of **400 hours** during the vacation year to be entitled to the **make up** of vacation pay.

19.05 Other **than** an employee who is discharged for cause and who will be paid vacation pay under the provisions of the Ontario Employment **Standards** Act, all employees who cease to be employed **by** the Company before they receive paid vacation pay under the provisions of the Ontario Employment **Standards** Act will receive their vacation pay **proportionate** with the basis set out **as** above.

19.06 The Company agrees to post notice **by** April 1st in each year setting out the dates of the summer shutdown, if any.

19.07 Employees will have from January 1st to **January 31st** of the following year to take unused vacation. Final requests **for** vacation must be submitted by November 30th. Those employees who do not submit their requests for unused vacation, will have their vacation scheduled by the Company to be taken **by** January 31st. Vacation that is not used will not be carried forward or paid. If extreme absence (3 months or more) occurs during the year, vacation pay will be paid without **taking** vacation.

A list will be given to the Plant Chairperson on all **outstanding** vacations as of January 1st, and updated on any changes.

19.08 An employee who while on **annual** vacation becomes ill or is injured shall have the right to terminate his/her vacation. Such vacation will be rescheduled **as** may be mutually agreed between the Company and the employee. Proof of such illness or **injury** must be acceptable to the Company

19.09 In the event of bereavement while an employee is **on** vacation the employee will be entitled to bereavement leave on his/her return to work at a mutually agreed upon time.

ARTICLE XX - HEALTH AND WELFARE

20.01 The Company agrees to pay the following Health and Welfare benefits as set forth in all employees covered by this contract after they have completed the probationary period

20.01 (a) 100% of the cost of the Major Medical Plan, including a drug card program with no co-payments, which provides coverage for

- prescription drugs
- semi-private hospital room
- out-of-province expenses card
- progressive glasses - \$100 for frames and full cost of lenses once every 24 months (12 months for dependent child)
- dental - \$225 every 24 months
- Vision and eye examinations by a qualified regulated health professional
- Services of a psychologist - \$700 in a calendar year
- Naturopath/homeopath - \$600 in a calendar year
- Reflexologist - \$600 in a calendar year
- Chiropractor - \$600 in a calendar year
- Athletic shoes - \$500 every 24 months
- Hearing aids - \$800 every five years
- Drugs for the treatment of erectile dysfunction
- Speech pathologist to \$500
- Massage therapy to 25 minutes
- Payment of a wide range of medical expenses (please see benefit booklet)

20.01 (b) 100% of the cost of the Life, Paid Up Life and Accidental Death and Dismemberment plans providing:

| | |
|-------------------------|-----------------|
| Effective June 22, 2005 | |
| \$52,000 for employee | (life and AD&D) |
| \$14,500 for spouse | (life and AD&D) |
| \$14,500 for child | (life and AD&D) |

| | |
|-------------------------|-----------------|
| Effective April 1, 2006 | |
| \$53,000 for employee | (life and AD&D) |
| \$14,750 for spouse | (life and AD&D) |
| \$14,750 for child | (life and AD&D) |

| | |
|-------------------------|-----------------|
| Effective April 1, 2007 | |
| \$54,000 for employee | (life and AD&D) |
| \$15,000 for spouse | (life and AD&D) |
| \$15,000 for child | (life and AD&D) |

20.01 (c) 100% of the cost of the Weekly Indemnity Benefits providing first *day* accident, first day hospital, in-patient, out-patient surgery, and surgery not performed in hospital from the first day coverage and fourth day sickness for a **period** of thirty (30) weeks effective April 1, 2005; **two thirds** (2/3's) of the employee's weekly earnings up to **maximum** of \$450 **per** week.

Details of the Sick Leave Plan are outlined in the Group Benefits Binder for "Ontario Hourly" employees.

20.02 The Company agrees to pay for 100% of the cost of Dental Care Basic Plan and Riders Nos. 1 and 2 and 65% cost of restorative benefits on the current C.D.A. schedule; effective April 1, 2007 70% restorative benefits. The Dental Plan pays a **maximum** benefit of \$2000 **per** person per calendar year. Orthodontics for dependent children to age 21 based on \$3,000 life time **maximum** with 50% reimbursement.

Late entrant **maximum** during the first 12 months of insurance is \$500 for insured and each dependent.

20.03 In the event of a layoff, Major Medical and Dental Care will be maintained until the end of the month following the month the employee is laid off.

20.04 The Company will provide a Long Term Disability (L.T.D.) Plan for all employees. Employees will be eligible for the L.T.D. plan after their probationary **period** ends. The L.T.D. plan will be paid for at the rate of 100% **by** the Company.

20.05 Employee retiring between the ages of 60 and 65 will receive their benefits **as** covered under sections 20.01(a), 20.01(b) and 20.02 of the current collective agreement until age 65.

The Company pays the **full** cost of the basic pension for employees **who** have enrolled in the pension plan prior to September 1, 2005. It is calculated using the following formula:

0.75% of the "Final Average Earnings" up to the "Average Yearly ~~Maximum~~ Pensionable Earnings" (YMPE)

PLUS

1.0% of the "Final Average Earnings" over the Average YMPE.

MULTIPLIED by

the years of "Credited Service"

If you retire prior to your normal retirement date, you will receive an additional benefit payable at your date of retirement until the earlier of the first day of the month of:

1. your date of death; or
2. your 65th birthday.

The amount you will receive is equal to \$12.50 effective June 22, 2005, \$14.00 effective April 1, 2006, and \$15.00 effective April 1, 2007.

Effective September 1, 2005, any employee joining the Simmons Canada Inc. pension plan will become a member of a defined contribution plan. (3% from employee and 3% from the employer).

20.06 Doctor's Notes and Insurance Forms - The Company will pay \$40 per year for all doctor's notes and insurance forms, **after the** original note/form.

ARTICLE XXI - BEREAVEMENT

21.01 Provided an employee has completed their probationary period, in the event of death of the Mother, Father, Spouse, Child or Grandchild, an employee shall be allowed up to five (5) consecutive working days absence without loss of pay.

In the event of death in the immediate family, an employee shall be allowed up to three (3) consecutive working days leave of absence without loss of pay. The term "immediate" shall be deemed to include Brother, Sister, Mother-in-Law, Father-in-Law, Brother-in-law, Sister-in-law, Son-in-law, Daughter-in-law or **Grandparents** of the employee. An employee would also be allowed one (1) day leave of absence without loss of pay in the event of death of an Aunt or Uncle.

All bereavement leave will be paid at base rate plus indirect bonus.

ARTICLE XXII - LEAVES OF ABSENCE

22.01 When leave of absence is requested by an employee for personal reasons, such leave without pay may be granted by the Company taking into consideration the employee's reason for such leave. Requests for such leave during the months of July and August must be made in writing by April 1st of the calendar year. The Company will in turn confirm such leave in Writing within one (1) month. Requests for leaves of absence other than during this period will be answered within two weeks.

22.02 Employees who have been elected or otherwise appointed to attend Union Conventions, Conferences or Delegations, will be given permission to do so without pay. Written requests will be required by the Company from the Union for such leaves of absence. Such request shall be received at least forty-eight (48) hours in advance of the required leaves of absence.

The Union will instruct the Company what the employee is to be paid and the Company will then bill the Union for this amount.

22.03 An employee elected or appointed to **an** office in the Union which requires a continuous and extended absence from their regular work shall, upon written application therefore, be granted such leave of absence without pay, and without loss of seniority for such time **as** they hold office, to a maximum leave of two (2) years, after which further leave may be granted at the discretion of the Company. It is a condition of reinstatement to their former position that the employee apply therefore within thirty (30) calendar days after the expiration of their term of office with the Union and that they are competent to **perform** the work.

22.04 MATERNITY/PARENTAL LEAVE OF ABSENCE

- (a) An employee with at least thirteen (13) weeks **seniority** shall be entitled to maternity leave up to seventeen (17) weeks with accumulated seniority during such leave.
- (b) **An** employee with at least thirteen (13) weeks seniority shall be entitled to parental leave of up to thirty-seven (37) weeks with accumulated seniority
- (c) An employee who is entitled may combine maternity leave and parental leave for a maximum period of fifty-two (52) weeks with accumulated seniority.
- (d) In the event of a complication during pregnancy leave, **an** employee will be granted additional leave, provided medical evidence is received **by** the Company.
- (e) **An** employee with at least thirteen (13) weeks seniority shall be granted up to thirty-seven (37) weeks leave for the adoption of a child with accumulated seniority.

When such employee returns to work, they will be reinstated to their former job classification and **shift** if possible.

ARTICLE XXIII - MODIFIED WORK PROGRAM

23.01 (a) This will confirm the agreement made with the Union during negotiations that the Company will maintain its commitment to providing modified work wherever practical in accordance with the following guidelines.

Company Policy

1. **Simmons Canada Inc., Brampton Plant**, recognizes the benefits of a Modified Work **Program**.
2. **As** such it is the policy of the Company to provide a **fair** and consistent approach to employees who **are** returning from a personal illness or injury.
3. **Simmons Canada Inc. Brampton Plant**, therefore, undertakes to provide wherever practical, meaningful employment for permanently or temporarily disabled employees be it their pre-injury job, modified work, or other suitable employment **as long as** it does not operate to displace seniority provision of a collective agreement.

23.01 (b) PROCEDURES FOR EMPLOYEE REINSTATEMENT

- (a) The Joint Health and Safety Committee will obtain all pertinent information with respect to an employee's physical restrictions from treating physician.
- (b) The Committee will review the information and how it will affect, if at all, the employee's pre-injury employment (job) and if **so**, what modifications may be made to the employee's pre-injury position. Failing **this**, a determination will be made **as** to the availability of other suitable employment. Outside resources such **as** W.S.I.B. worksite analyst, functional abilities, etc., may be **used** to facilitate **this** decision.
- (c) Medical approval from the employee's physician is required prior to the return to work.
- (d) The Committee will then present the case to the employee's Supervisor, Company **Doctor**, Departmental Manager and Human Resources Manager with recommendations **as** to employment. Once presented to

Management, a response (decision) is to be received by the Committee within five (5) working days.

- (e) When a decision has been made as to the employee's return to work and position (job) they will return to, the employee's case worker (if applicable) and Committee persons will set up a work trial agreement.
- (f) During any work trial period the Supervisor and Committee will follow the employee's progress.
- (g) When an employee wants to return to **Simmons** Canada Inc. payroll before the work trial is completed, the Joint Health and Safety Committee will meet with the employee and review their progress and submit a recommendation. The Committee shall forward all correspondence, agreements, etc., during the course of the work trial **period**.
- (h) The Joint Health and Safety Committee will be comprised of **two** members chosen by the **union** and **two** members chosen **by** the company and will meet as required.

23.01 (c) MODIFIED WORK WAGE SCHEDULE

- (a) If the disability is the result of a non-occupational injury/illness, the employee will be paid his regular base rate plus indirect bonus. If the disability is the result of an occupational injury/illness, the employee will be paid 95% of their gross earnings for the appropriate period immediately preceding the date of injury/illness.
- (b) Where the employee loses time due to appointments arising from an occupational accident/illness the Company will pay the employee for the lost time and collect amount from the Work Place Safety and Insurance Board.
- (c) Statutory pay for employees on this pay schedule to be paid as per Article XI of this agreement. Statutory pay for all occupational injury/illness employees will be paid at 95% of their gross earnings for the appropriate period immediately preceding date of injury/illness.

ARTICLE XXIV - PAID EDUCATION LEAVE PROGRAM

The Company has agreed to the incorporation of Paid Education Leave on the basis of five (5) cents per hour for all hours worked.

Such monies shall be paid **on** a quarterly basis **into** a trust fund established by the National Union C.A.W., and sent by the **Company** to the C.A.W. Paid Education Leave **Program**, Administration Office, Box 8978, **Port** Elgin, Ontario NOH 2C0.

It is understood that money paid by the Company shall be used solely for the purpose of **training seniority** employees of the Company in aspects of Trade **Union** functions.

The Company agrees that **members** of the **Bargaining** Unit selected by the Union to attend such courses shall be granted, a leave of absence without pay for twenty (20) **days** of class time, plus travel time where necessary, to be intermittent over a twelve (12) month **period** from the first day of leave. Employees **on** such leave of absence will continue to accrue **seniority** and benefits.

ARTICLE XXV - SEVERANCE PAY

The Company agrees to give the Union a minimum of six (6) months notice of the closure or the transfer of all its manufacturing operations, or a complete area thereof, which would directly cause the immediate lay-off or termination of employees.

An employee who has less than 15 years service shall be entitled to severance of one and one half (1½) week's pay for each year of service.

An employee who has 15 or more years of **service** shall be entitled to severance of two (2) week's pay for each year of service.

Benefits will continue for **six** (6) months.

Company to pay for and participate in **Labour** Adjustment Program.

ARTICLE XXVI - GENERAL

26.01 For purposes of this Agreement, the words "Foreperson" and "Office Personnel" not covered by the Agreement shall designate persons who shall be responsible for the complete **flow** and production in their **Departments** and also responsible for supervising and directing one or more wage-earners and who shall not perform production or handling work, except in the following cases:

- (a) tracing and having operating difficulties corrected, tests, experimentations and demonstrations of new procedures;
- (b) in emergencies;

The exceptions described above shall not be taken advantage of, particularly if qualified employees are available without jeopardizing plant production.

The Company will provide a copy of the Collective Agreement, Company paid benefits and pension, in booklet form to every seniority employee no later than one hundred and twenty (120) days after the ratification of the Collective Agreement.

26.02 It is understood however, that in cases where there are no experienced or qualified wage-earners to do the training, the Foreperson shall train the wage-earner.

26.03 (a) Tools owned by the employee who has acquired seniority when broken or worn out in Company work will be replaced when offered for exchange. This privilege will not be unreasonably abused.

26.03 (b) Work clothing that is worn out by Maintenance employees in performing Company required maintenance work will be replaced, once approved by Maintenance management. This privilege will not be unreasonably abused.

26.03 (c) The Company will provide each Maintenance Department mechanic/ electrician/ machinist with an **annual** \$250.00 tool allowance, on that employee's anniversary **date** of employment. This allowance is to be used to maintain a complete set of tools in

good condition, **as** outlined in the tool list established **by** the Company. The Company **will** conduct an **annual** tool audit **to** ensure that each mechanic/machinist has maintained a complete set of tools.

26.04 It is agreed that should O.H.I.P. not pay for the medical examination of the Truck Drivers **as** required **by** the **Ministry** of Transportation and Communications of Ontario **prior** to January 31, 1978, and **as** required **by** them subsequently every three (3) years to age sixty-five(65), the Company will assume these costs. Medicals for truck drivers will be done during working hours to a maximum of three (3) hours.

26.05 The Company agrees to pay full purchase cost of Truck Drivers' **Uniforms**. A probationary employee who leaves the Company for *any* reason will return their **uniforms**. The Company will cover the dry-cleaning cost of the truck driver's uniforms.

26.06 The Company agrees to pay full purchase cost of jackets for Warehouse **persons** and Quality Assurance/Waste Management employees. Jackets will be cleaned twice a year **and** kept in storage in the Spring and Summer months. Jackets **will** be replaced when needed

26.07 The Company is responsible for ensuring that appropriate maintenance work is complete. The truck drivers are responsible for daily inspections of the equipment. **Providing** that the truck drivers have completed their daily checks in the prescribed manner, and have reported sub-standard conditions to the Company, the truck drivers will not be held liable for any tickets regarding the operating condition of the equipment

26.08 The Company will pay the total cost of any courses required **by** the Company or, which are legally required, of truck **drivers**.

26.09 The Company will not alter **any** employee time card without notifying the employee. The Company shall give the reason(s) for such alterations. In the event the reason is not satisfactory to the employee the matter is subject to the grievance procedure.

ARTICLE XXVII - C.O.L.A. Effective April 1, 2005

- 1) A cost of living allowance will, if applicable, be paid to each employee and will be based on the Consumer Price Index for Ontario (Base 1992=100) provided by Statistics Canada, for all regular hours of work.
- 2) The average C.P.I. for January to March 2005 will be the base index for all calculations of the C.O.L.A.
- 3) The C.O.L.A. will be calculated on a quarterly basis for quarters ending June, September, December, and March, with **the** understanding that the C.O.L.A. payment will not be reduced from the previous quarter.
- 4) The calculation for the C.O.L.A. payment will be \$0.01 for **every** .100 increase in **the** C.P.I. (1992), with a \$0.35 per **hour** maximum.

The payment will be the amount equivalent to the percentage increase in the quarterly (3 month Average) C.P.I. above the base index.

ARTICLE XXVIII - TERM OF AGREEMENT

28.01 This Agreement will be binding and remain in full force and effect from April 1st, 2005 to March 31st, 2008 and shall continue for **periods** of twelve (12) **months** thereafter unless one of the parties gives notice in writing to the other party by registered mail, addressed to the address of the recipient as shown in this Agreement, of intent to amend it or to terminate it; such notice shall be signified not more than sixty (60) *days* and not less than thirty (30) **days** prior to the date of termination.

IN WITNESS HEREOF THE PARTIES HERETO HAVE EXECUTIED

THIS AGREEMENT THIS _____ day of _____, 2005

Signed on behalf of:

SIMMONS CANADA INC.

15 Bramalea Road

Brampton, Ontario

L6T 2W5

W.O.Dickson, Vice-President Manufacturing

D.C. Puttock, Vice-President Human Resources

C.L. Schell, ~~Controller~~

B.R. Mason, Human Resources Manager

Signed on behalf of

**NATIONAL AUTOMOBILE, AEROSPACE,
TRANSPORTATION AND GENERAL WORKERS
UNION OF CANADA (CAW - CANADA)
AND ITS LOCAL 513 (CAW/T.C.A.)**

4 Bram Court

BRAMPTON, Ontario

L6W 3R6

Phillip Paul, C.A.W. / T.C.A. National Representative

Dave Dawe

Herman Pimentel

Augustus Myers

Gerry Bell

WAGE SCHEDULE
Effective April 1, 2005

Student Rate: \$15.52

Starting Rate: 50 cents per hour less than job rate. New employees progress to the STEP rate effective the pay period immediately following the completion of probation.

| CLASSIFICATION | STEP 1 | SPEP II | STEP III | STEP IV | FULLY QUALIFIED |
|----------------------|--------------------|----------------------------|----------|------------|-----------------|
| Cut & Sew | | | | | \$20.63 |
| Box Case Sewer | \$19.71 | | | | \$19.71 |
| M.Q.P. Group | \$19.50 | \$19.91 | \$20.21 | | \$20.42 |
| Construction | \$19.71 | \$19.91 | \$20.21 | | \$20.42 |
| Mattress Finishing | \$20.11 | \$20.71 | | | \$20.92 |
| Box Spring Finishing | \$19.91 | | | | \$21.12 |
| Warehouse | N/A | | | | N/A |
| Quality Assurance | N/A | | | | N/A |
| Maintenance | \$24.27 \$24.77 | G3 Sewing G7 Journeyman | Machine | Technician | |

FULLY QUALIFIED PREMIUM:

21 cents per hour over highest classification rate in department

WAGE SCHEDULE
Effective April 1, 2006

Student Rate: \$16.02

Starting Rate: 50 cents per hour less than job rate. New employees progress to the STEP rate effective the pay period immediately following the completion of probation.

| CLASSIFICATION | STEP 1 | SPEP II | STEP III | STEP IV | FULLY QUALIFIED |
|----------------------|--------------------|----------------------------|----------|------------|-----------------|
| Cut & Sew | | | | | \$21.13 |
| Box Case Sewer | \$20.21 | | | | \$20.21 |
| M.Q.P. Group | \$20.00 | \$20.41 | \$20.71 | | \$20.92 |
| Construction | \$20.21 | \$20.41 | \$20.71 | | \$20.92 |
| Mattress Finishing | \$20.61 | \$21.21 | | | \$21.42 |
| Box Spring Finishing | \$20.41 | | | | \$20.62 |
| Warehouse | N/A | | | | N/A |
| Quality Assurance | N/A | | | | N/A |
| Maintenance | \$24.77 \$25.27 | G3 Sewing G7 Journeyman | Machine | Technician | |

FULLY QUALIFIED PREMIUM:

21 cents per hour over highest classification rate in department

WAGE SCHEDULE
Effective April 1, 2007

Student Rate: \$16.52

StartingRate: 50 cents per hour less than job rate. New employees progress to the STEP rate effective the pay period immediately following the completion of probation.

| CLASSIFICATION | STEP I | SPEP II | STEP III | STEP IV | FULLY QUALIFIED |
|-----------------------|--------------------|----------------------------|-----------------|----------------|------------------------|
| Cut & Sew | | | | | \$21.63 |
| Box Case Sewer | \$20.71 | | | | \$20.71 |
| M.Q.P. Group | \$20.50 | \$20.91 | \$21.21 | | \$21.42 |
| Construction | \$20.71 | \$20.91 | \$21.21 | | \$21.42 |
| Mattress Finishing | \$21.11 | \$21.71 | | | \$21.92 |
| Box Spring Finishing | \$20.91 | | | | \$21.12 |
| Warehouse | N/A | | | | N/A |
| Quality Assurance | N/A | | | | N/A |
| Maintenance | \$25.27 \$25.77 | G3 Sewing G7 Journeyman | Machine | Technician | |

FULLY QUALIFIED PREMIUM:

21 cents per hour over highest classification rate in department

APPENDIX "B"

Classifications

JOB TITLES

Truck Driver
Component Assembler
Mattress Assembler
Case Assembler
Box Spring Assembler
Material Handler
Maintenance (**Journeyman**)
Maintenance II (Machine Repair & Maintenance)
(A.B.C.)
Apprentice
Lead Hand

APPENDIX "C"

PRODUCTIVITY PLAN

SECTION I

Production **standards** have **been** established for all direct labour jobs as set out in Appendix "B" of the Collective Agreement. Such **standards** may be made the subject of grievance subject to the Productivity Plan Grievance and Arbitration provisions as attached hereto.

SECTION II - COMPENSATION

Subsection (1) **Direct Labour Employees** - Direct employees who perform at a pace more effective than the standard shall be compensated by one percentage point addition to base rate for every point of improvement in productivity over the standard.

For example: **EMPLOYEE PERFORMANCE**

Below 100% of standard - Classification Base Rate **only**

104% of standard - Classification Base Rate
+ 4% of Base Rate

105% of standard - Classification Base Rate
+ 5% of Base Rate

106% of standard - Classification Base Rate
+ 6% of Base Rate

107% of standard - Classification Base Rate
+ 7% of Base Rate

108% and above will be paid at the equivalent
percent of Base Rate over 100%

e.g. 120% of standard - Classification Base Rate
+ 20% of Base Rate

Subsection (1A)

All **indirect work** without standards and for which standards cannot be set, performed by **direct labour employees** will be paid at base rate per hour plus 35% of the incentive earned over standard by the **total** of all direct labour employees in the Plant.

For example:

| PLANT EFFICIENCY | INDIRECT COMPENSATION FOR DIRECT LABOUR EMPLOYEES ON INDIRECT WORK |
|-----------------------------|---|
|-----------------------------|---|

| | |
|------------|--------------------------------|
| Below 100% | Base Rate Only |
| 104% | Base Rate + 1.40% of Base Rate |
| 105% | Base Rate + 1.75% of Base Rate |
| 106% | Base Rate + 2.10% of Base Rate |
| 107% | Base Rate + 2.45% of Base Rate |
| 108% | Base Rate + 2.80% of Base Rate |

Over 108% will be paid additional .35% increments

e.g. 115% would be paid at Base Rate + 5.25% of Base Rate

Subsection(2) – Indirect Labour Employees

Effective April 1, 1993

All Maintenance, Warehouse, Garnett, Lead Hands, Production Coordinators, Quality Assurance/Waste Management, Tick Cage Storekeeper and Material Handlers will be paid base rate per hour, but additionally will receive a bonus in the amount of 35% of the incentive earned over standard by the total of all direct labour employees in the plant. All other indirect workers will receive base rate per hour plus 25% of the incentive earned over standard by the total of all direct labour employees in the plant.

Indirect labour employees will be paid an indirect bonus guarantee of 10%.

For example:

PLANT EFFICIENCY INDIRECT COMPENSATION FOR MAINTENANCE , WAREHOUSE, LEAD HANDS, PRODUCTION COORDINATORS, QUALITY ASSURANCE/WASTE MANAGEMENT, TICK CAGE STOREKEEPER AND MATERIAL HANDLERS

| | |
|--------------|--|
| Below 128.6% | Base Rate + 10.0% |
| Over 128.6% | will be paid additional .35% increments |
| e.g. 130% | would be paid at Base Rate + 10.50% of Base Rate |
| 140% | would be paid at Base Rate + 14.00% of Base Rate |

Subsection (3) – TRAINER PROVISIONS

When an incentive employee is specifically requested to act as a trainer, the employee will receive the 25% indirect bonus in addition to his regular base rate plus 20% for the time spent conducting the training.

Subsection(4) – TRAINEE PROVISIONS- DIRECT

During the time that an employee is **on training** and providing he **maintains** the requirements of the learning curve, he will receive his base rate plus indirect **bonus**, as per Subsection 1A, until he reaches 100% at which time the employee will be **an** incentive wage earner.

TRAINEE PROVISIONS - INDIRECT

During the **time** that **an** employee is **on training** and providing he **maintains** the requirements of the learning curve; he will receive his base rate plus indirect **bonus** as per Subsection 2

Subsection(5) INDIRECT BONUS ENTITLEMENT

Indirect **bonus** will not be paid for the following:

Direct workers **on** downtime (not performing any other work)

SECTION III - WAGE CALCULATION

All incentive and bonus payment (both direct and indirect) is to be calculated **on** a weekly basis.

SECTION IV - GENERAL

Subsection (1)

- (a) Existing **standards** shall remain intact regardless of earnings, except where **an** operation has been changed due to a revision of method, a change in machinery or material.
- (b) **New** Standards **shall** remain intact regardless of earnings, except where **an** operation has been changed due to a revision of method, a change in machinery or material or in the event of a **gross** error in **data** application.

Subsection (2)

"Off Standard" time, provided such is in excess of **fifteen** (15) continuous minutes is to be paid base **rate**; where teams are involved, combine 15 minute allowance. "Off Standard time will be measured from the **time** it is reported by the affected employee to his immediate supervisor.

Subsection (3)

Contract Allowances for Incentive Standards

Personal, fatigue, rest and delay = 14%

Subsection (4)

Employees who do not match the expectations of learning curves will be counseled, and may receive as a result of counseling, additional training.

Those who do not satisfactorily improve to an acceptable level, or at an acceptable rate, during any period, and **maintain** such level, will be subject to disciplinary or other remedial action as the Company deems advisable.

Subsection (5)

Show samples e.g. R & D's and "one offs" specifically requested by a Supervisor, the employee will be paid 120% plus indirect bonus.

SECTION V - PRODUCTIVITY PLAN GRIEVANCE AND ARBITRATION

Subsection (1)

All complaints arising **as** to the accuracy of any incentive standard may be handled as grievances **in** accordance with Article **VI** of the Agreement, subject to what is provided below.

Subsection (2)

Prior to the introduction of **new** or revised standards (5) working days will be set aside for discussions with the **union** on these

changes. During this period, information will be provided to the **union** on the method of developing **or** revising those standards and an attempt made to resolve disagreements. The information provided to the **union** will include information on the old **standard**. At the end of the five (5) day **period** the **new** or revised standards will be implemented.

Subsection (3)

Before submitting **any** grievance on a standard, **operators** will work at **normal** effort on the standard for a **period** of at least ten (10) working days.

Subsection (4)

If, after **ten** (10) working days from the date on which the standard was implemented, the **Union** is not satisfied with the standard, the **union shall** have the right to submit a grievance.

Subsection(5)

Failure to submit a grievance within **forty** (40) working *days* from the date a standard **was** implemented shall constitute acceptance of the standard and this standard can not be subsequently grieved.

SECTION VI - CONCLUSION

This Plan provides equal earning **opportunity** for all employees on the basis of **applied skill** and effort by each employee. There is **no** ceiling on production or earnings. The emphasis is on efficiency, **quality**, and productivity.

APPENDIX "D"

HEALTH & SAFETY

1. Company Duties

The Company shall institute and maintain all precautions to make reasonable **provisions** that every worker **has** a safe and healthy workplace and to protect the environment outside the workplace. The Company shall comply in a timely manner with the Occupational Health and Safety Act, its regulations, codes of practice, and guidelines and all relevant environmental laws, regulations, codes of practice, and guidelines. All standards established under these laws shall constitute minimum acceptable practice to be **improved upon by** agreement of the Joint Health and Safety Committee which shall be **known** throughout the following Articles **as** "the Committee".

2. Joint Health. Safety Committee

- (a) The Company and the union agree to maintain the established Joint Health, Safety in accordance with the Occupational Health and Safety Act, its regulations, codes of practice, and guidelines. The union representation **on** this Committee will be three appointed members from the plant bargaining unit, one of which will be **&om** the afternoon shift.
- (b) Two co-chairpersons **shall** be selected from and by the members of the Committee. One of the co-chairpersons shall be a **union** member chosen **by** the **union** members of the Committee. The other co-chairperson shall be a company member.
- (c) During all absences of the **union** co-chairperson the company shall recognize an alternate co-chairperson designated **by** the union.
- (d) The Committee shall assist in creating a safe and healthy place to work and one which **does** not harm the environment, shall recommend actions which will improve the effectiveness of the health, safety and environmental program, and shall

promote compliance with appropriate laws, regulations, codes of practice, and guidelines. The Company shall consider **all** the recommendations of the Committee.

- (e) Without limiting the generality of the foregoing, the committee **shall**:
- (i) Determine that workplace inspections have been carried out at least once **a** month. Such inspections shall be **made** at intervals that **will** prevent the development of **unsafe working** conditions or conditions that may harm the environment.
 - (ii) Determine that accident and incident investigations have been **made**.
 - (iii) Recommend measures required to attain compliance with appropriate laws or which will correct hazardous conditions or conditions which may harm the environment
 - (iv) The **co-chairpersons** shall participate in and **keep a** record of all **types** of inspections and **work** refusals.
 - (v) Solicit and consider recommendations from the workforce with respect to health, safety and environmental **matters** and recommend implementation where warranted
 - (vi) Hold regular meetings at least once **a** month or more frequently if mutually agreed upon **by** the union and the company **co-chairpersons** for the review of:
 - reports of current accidents, industrial diseases, and means of prevention
 - remedial action taken or required **by** the reports of investigations or inspections.
 - any other matters pertinent to health, safety, and the environment.
 - (vii) Have access to and promptly receive copies of all reports, records, and documents in the company's possession or obtainable by the company pertaining to health, safety or environmental matters.

- (f) Time spent **by** members of the Committee in the come of their duties shall be considered as time worked and shall be paid in accordance with the terms of this agreement.

3. Union Health and Safety Committee

The union Health and Safety Committee shall meet for at least **two** hours a month without the company members to prepare for meetings.

4. Dangerous Circumstances

- (a) The company agrees that an appropriate member of the Committee shall have the right to investigate dangerous circumstances within the workplace at any time.
- (b) If the certified member determines that dangerous circumstances exist, **then** the procedure contained in the occupational Health and Safety Act will be followed.

5. Right to Refuse

- (a) The company shall ensure that all employees are informed that they have the right to refuse hazardous work which **may** harm them, any person or the environment and that signs are posted in the workplace advising them of this right.
- (b) If a worker exercises their right to refuse they shall notify the supervisor. **They** shall stand **by** in a safe place and participate fully in the investigation of the hazard.
- (c) At every stage the company shall ensure that no other worker is asked or permitted to **perform** the work of the worker who refused, without first advising the worker of the work refusal.
- (d) The union co-chairperson or alternate shall fully participate in the investigation at every stage. The union co-chairperson or alternate **may** recommend **a** solution to the problem with the agreement of the refusing worker.
- (e) The JHSC will function according to the Occupational Health and Safety Act, its Regulations, codes of current practice and

guidelines and parts 5 and 6 of the Occupational Health and Safety Act, in effect on the date of this agreement. All standards established under those laws shall constitute minimum acceptable practice to be improved upon by agreement of the JHSC.

6. No Disciplinary Action

- (a) No employee shall be discharged, penalized, coerced, intimidated or disciplined for acting in compliance with the Occupational Health and Safety Act, its regulations **and** codes of practice and environmental laws, regulations or codes of practice.
- (b) No employee shall be discharged, penalized, coerced, intimidated or disciplined for refusing **to** work on a job or in any workplace or **to operate** any equipment where they believe that it would be unsafe or unhealthy to themselves, a fetus, a workmate or the public, the **environment** or where it would be contrary to the applicable federal, provincial, or municipal health and safety or environmental *laws*, regulations **or** codes of practice.
- (c) For the employee who refuses work under Section 5 above, **all** employees affected by the refusal, and any direction under Section 4 above there shall be no **loss** of pay, seniority or benefits during the period of refusal.

7. Education and Training

- (a) All employees will be provided with proper training for the **safe** operation of any equipment pertaining to their **job**.
- (b) The company will ensure that all employees receive appropriate WHIMIS training.
- (c) All members of the Joint Health and Safety Committee will attend the following courses unless they have taken these courses in the previous year:

Workers Health and Safety Agency Certification Course,
3 weeks

All such training will be completed within twelve (12) months of the effective date of this collective agreement. The company will ensure that the lost time, per ~~diem~~ or meal, and travel and accommodation if required will be paid to all employees who participate in education or training required by this Section 7 (c).

- (d) The union members of the Joint Health and Safety Committee will attend the CAW Health and Safety Course (one week) and the CAW Environment Course (one week). These courses will be taught at the CAW Family Education Centre in Port Elgin.

8. Accident and Incident Investigations

- (a) Every injury or near-miss which involved or would have involved a worker going to a doctor or hospital must be investigated.
- (b) The union co-chairperson or designate and the company co-chairperson or designate of the Committee shall investigate the accident or incident.

9. Disclosure of Information

The Company will display or post appropriate WHIMIS information as required by law.

10. Right to Accompany Inspectors

The union co-chairperson or alternate shall be allowed to accompany government inspectors (health and safety or environment) on an inspection tour.

11. Access to the Workplace

Upon approval of management union staff or union health and safety or environmental advisors or consultants shall be provided access to the workplace to attend meetings of the Joint or Union Committees or for inspecting, investigating or monitoring the workplace.

12. National Day of Mourning

Each year on **April 28** at 11:00 a.m., work will stop and one minute of silence will be observed in memory of workers **killed** or injured on the job.

13. Ergonomics

The Company through the joint Health and **Safety** Committee will provide ergonomic working conditions where reasonably practicable.

A. Education and Training

The Company will grant leave of absence for Union **members** to take health and safety courses where feasible.

B. Monitoring

- (a) The Company *shall* test for hazards as recommended by the Health and Safety Committee.
- (b) The Company shall promptly supply the results of any **monitoring** it conducts or **contracts** to conduct and the results of any monitoring by any government agency to the Committee and shall post the results in a conspicuous location.

C. Ventilation

- (a) The company shall ensure that adequate local exhaust ventilation systems **as** installed are maintained where required.
- (b) The company shall ensure that adequate general ventilation systems are installed and properly maintained.

D. First Aid Attendants

- (a) There shall be qualified first aid attendants holding a St. John Standard certificate present on all shifts.
- (b) The employer shall pay for the fees, **textbooks** and lost time of an employee who is required to obtain a St. John's Standard Certificate.

14. Miscellaneous

- (a) The Union and the Plant **Chairperson** will receive a copy of all Workplace Safety and Insurance Board (W.S.I.B.) Accident **Reports** (Form VII).
- (b) Injured workers to receive remainder of shift pay when unable to finish shift due to W.S.I.B. injury or illness.
- (c) The Company agrees to provide clear lens Safety Glasses at **no** cost to the employee when required on the recommendation of the Plant/Office Health and Safety Committee. **Also**, the Company will pay for prescription lenses when required on the understanding that should the employee leave within one (1) year, the Company will be reimbursed.
- (d) The Company **and** the Union agree to promote and encourage the wearing of Safety **Boots** throughout the Plant. Effective upon ratification of this agreement, the Company agrees to pay up to ninety-five (\$95.00) dollars annually upon proof of purchase. The Company agrees to pay for a second pair of work shoes, in Company designated areas or where damaged *in* the workplace.

VIOLENCE AGAINST WOMEN

The parties agree that women sometimes face situations of violence or abuse in their personal life that *may* affect their attendance or performance at work. The parties agree that when there **is** adequate verification from a recognized professional (i.e. doctor, lawyer and professional counselor), a woman who is in **an** abusive or violent personal situation will not be subjected to discipline without giving full consideration to the facts in the case of each individual and the circumstances surrounding the incident otherwise supportive of discipline. This statement intent is subject to a standard of good faith on the **part** of the Company, the Union and affected employees, and will not be utilized **by** the Union or employees to subvert the application of otherwise appropriate disciplinary measures.

CUT & SEW

BOX CASE SEWER

| | APR 1 2005 | APR 1 2006 | APR 1 2007 | | |
|--------|---------------|---------------|---------------|----------------|------|
| STEP I | \$19.71 | \$20.21 | \$20.71 | Box Case Sewer | M-33 |

M.Q.P. GROUP

| | APR 1 2005 | APR 1 2006 | APR 1 2007 | | |
|----------|---------------|---------------|---------------|---|----------|
| STEP I | \$19.50 | \$20.00 | \$20.50 | Quilting Machine Operator | M-37 |
| | | | | Cloth Handle/Border Operator | M-36 |
| | \$19.71 | \$20.21 | \$20.71 | Non Flip Case Sewer | M-33A |
| STEP II | \$19.91 | \$20.41 | \$20.91 | Duon/Ruffler High Loft Deck Sewer | M-31 |
| | | | | High Loft Closer | M-32 |
| | | | | Bechik Machine Operator | M-34 |
| | | | | Border Labeling Machine Operator | M-34A |
| | | | | Border Operator | M-34B |
| | | | | MQP Sewing Machine Operator | M-35MQP |
| | \$21.52 | \$22.02 | \$22.52 | Material Handler | M-44 |
| STEP III | \$20.21 | \$20.71 | \$21.21 | Gribbetz Machine (#4300) Operator | M-38 MOP |
| | | | | Gribbetz Machine (Paragon) Operator | M-38 MOP |
| | \$20.42 | \$20.92 | \$21.42 | FULLY QUALIFIED M.Q.P. GROUP | |
| | \$20.63 | \$21.13 | \$21.63 | FULLY QUALIFIED IN CUT & SEW DEPT. | |
| | \$23.92 | \$24.42 | \$24.92 | Senior Production Coordinator | M-23 |
| | \$19.82 | \$20.27 | \$20.72 | Tick Cage Storekeeper | M-25 |
| | \$22.42 | \$22.92 | \$23.42 | Border Cutting Coordinator | M-6 |
| | \$21.52 | \$22.02 | \$22.52 | Utility Operator | M-2 |
| | \$22.42 | \$22.92 | \$23.42 | Production Co-coordinator - Utility Operation | M-11 |

CONSTRUCTION

| | APR 1 2005 | APR 1 2006 | APR 1 2007 | | |
|----------|---------------|---------------|---------------|---------------------------------------|-------|
| STEP I | \$19.71 | \$20.21 | \$20.71 | Border Wire Assembler | M-4 |
| | | | | Edge Wire Bender & Joiner | M-28 |
| STEP II | \$19.91 | \$20.41 | \$20.91 | Coiler Assembler Operator | M-53 |
| | | | | Hot Melt Operator - 6" | M-27 |
| | \$20.11 | \$20.61 | \$21.11 | Pocket Construction Finisher | M-29 |
| | | | | Hot Melt Operator - 7 _" | M-27A |
| STEP III | \$20.21 | \$20.71 | \$21.21 | Pocket Machine Assembler | M-51 |
| | \$20.41 | \$20.91 | \$21.41 | Pocket Machine Assembler - 7 _" | M-51A |
| | \$20.42 | \$20.92 | \$21.42 | FULLY QUALIFIED IN CONSTRUCTION DEPT. | |
| | \$21.52 | \$22.02 | \$22.52 | Material Handler | M-19 |

MATTRESS FINISHING

| | APR 1 2005 | APR 1 2006 | APR 1 2007 | | |
|---------|---------------|---------------|---------------|---|------|
| STEP I | \$20.11 | \$20.61 | \$21.11 | Hog Ringer | M-20 |
| STEP II | \$20.71 | \$21.21 | \$21.71 | Tape Closer | M-1 |
| | \$20.92 | \$21.42 | \$21.92 | FULLY QUALIFIED IN MATTRESS FINISHING | |
| | \$22.42 | \$22.92 | \$23.42 | Production Coordinator/Material Handler | M-12 |
| | \$22.42 | \$22.92 | \$23.42 | Afternoon Shift Lead Hand | M-8 |

BOX SPRING FINISHING

| | APR 1 2005 | APR 1 2006 | APR 1 2007 | | |
|--------|---------------|---------------|---------------|--|------|
| STEP I | \$19.91 | \$20.41 | \$20.91 | Box Spring Frame Maker | M-3 |
| | | | | Box Spring Finisher | M-16 |
| | | | | Box Spring Construction Assembler/Stapler | M-17 |
| | \$20.12 | \$20.62 | \$21.12 | FULLY QUALIFIED IN BOX SPRING FINISHING | |
| | \$22.42 | \$22.92 | \$23.42 | Box Spring Coordinator | M-5 |

WAREHOUSE

| | APR 1 2005 | APR 1 2006 | APR 1 2007 | | |
|--|---------------|---------------|---------------|-------------------------------------|------|
| | \$21.52 | \$22.02 | \$22.52 | Warehouseperson | M-26 |
| | \$22.42 | \$22.92 | \$23.42 | Afternoon Shift Warehouse Lead Hand | M-61 |
| | | | | Storekeeper/Warehouse Lead Hand | M-62 |
| | \$22.52 | \$23.02 | \$23.52 | Truck Driver (Tractor Trailer) | G-8 |
| | \$19.50 | \$20.00 | \$20.50 | Waste Management Operator | M-22 |

QUALITY ASSURANCE

| | APR 1 2005 | APR 1 2006 | APR 1 2007 | | |
|--|---------------|---------------|---------------|-------------------------------|------|
| | \$19.50 | \$20.00 | \$20.50 | Quality Assurance Inspector | M-15 |
| | \$22.42 | \$22.92 | \$23.42 | Quality Assurance Coordinator | M-21 |

MAINTENANCE

| | APR 1 2005 | APR 1 2006 | APR 1 2007 | | |
|--|---------------|---------------|---------------|--|------|
| | \$24.27 | \$24.77 | \$25.27 | Sewing Machine Technician | G-3 |
| | \$24.77 | \$25.27 | \$25.77 | Journeyman | G-7 |
| | \$25.17 | \$25.67 | \$26.17 | Maintenance Lead Hand | G-10 |
| | \$21.52 | \$22.02 | \$22.52 | Maintenance Storekeeper | G-12 |
| | \$23.27 | \$23.77 | \$24.27 | Pocket Coil Set-up & General Maintenance | M-42 |

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LETTER OF UNDERSTANDING

Re: Use of Temporary Truck Drivers

The Company agrees to limit the use of **temporary** truck drivers to **situations** where the demand for drivers exceed those of "**at work**" qualified **bargaining** unit **truck** drivers, **spending** 100% of their **time** driving.

Date of Agreement: May **22nd, 2002**

For the Union: Gerry Bell
Dave Dawe
Augustus Myers
Phillip Paul
Herman Pimentel

For the Company: David C. Puttock

LETTER OF UNDERSTANDING

Re: Shift Change & Night Shift Hours of Work

The Parties agree to the following procedures in **the** administration of Hours of Work.

1. When the Company requires an employee to change their scheduled shift the Company **will inform** the employee 48 hours in advance **unless** there is a **mutual** agreement between the Company **and** the employee.
2. In the event the Company wants to **implement** a night shift, **the** Company **will** meet with the Union to negotiate the hours of work.

Date of Agreement: April 22nd, 2002

For the Union: Dave Dawe
Augustus Myers
Gerry Bell
Herman Pimentel
Sophia Sofroniou
Phillip Paul

For the Company: David C. Puttock

LETTER OF UNDERSTANDING

Joint Anti-Harassment Policy

Simmons Canada Inc. and CAW and its Local 513

During the current negotiations, the parties discussed Human Right issues in the workplace. The parties have committed to implementing the procedure for the benefit of **Simmons** Canada Inc. employees. **In addition**, the parties agreed to outline the procedure within the context of **this** Appendix.

Simmons Canada Inc. and the CAW and its Local 513 are committed **to** providing a harassment free workplace. Providing fair and equitable treatment for all employees **is** best achieved in **an** environment where **all** individuals interact with mutual respect for each other's rights.

Workplace Harassment/Policy and the Procedure Defined

Every employee **has** the right to work in **an** environment **free** of harassment. This right includes the responsibility to eliminate harassment in our workplace, either as a participant or **as** an observer.

This policy and procedure outlines the commitment of **Simmons Canada** Inc. and the CAW and its Local 513 to ensure a harassment free workplace as required under applicable human rights legislation and will act as a guide to employees in adhering to legal and social guidelines regarding the recognition and prevention of harassment.

This policy exists to understand the seriousness of workplace harassment and to establish that there is **no** acceptable level of harassment at **Simmons Canada** Inc. Employees who feel that they are being harassed are encouraged to seek protection under **this** policy.

Workplace Harassment Defined

Harassment **is** defined as a "course of vexatious comment or conduct that is **known** or ought reasonably be **known** to be unwelcome", that denies individual dignity and respect on **the** basis of the **grounds** such as: gender, disability, race, colour,

sexual orientation or other grounds prohibited by applicable human rights laws. At **Simmons** Canada Inc. all employees are expected to treat others with courtesy and consideration and to discourage harassment.

The Workplace is defined as all Company facilities and premises.

Workplace harassment includes, but is not limited to, the following examples:

- Unwelcome remarks, jokes, innuendoes or taunting about another's body, attire, gender, disability, racial or ethnic background, sexual orientation, etc., which cause awkwardness or embarrassment.
- Displaying visuals of a sexual, racial or otherwise offensive nature such as pornographic pictures, posters, cartoons, graffiti or simulation of body parts.
- Leering (suggestive staring) or other gestures
- Unnecessary physical contact such as touching, patting or pinching
- Unwanted sexual solicitation, physical contact or advances, particularly made with implied reprisals, if rejected.
- Refusing to work or share facilities with another employee because of the other's gender, disability, sexual orientation, racial, religious or ethnic background.
- Backlash or retaliation for the lodging of a complaint or participation in an investigation

Obligation of Employees

Employees are obligated to bring any complaint of harassment to the attention of the **Human Rights** representative for the Company or the Union as soon as possible. If the Company/Union is not made aware of any issues of harassment, they may be unable to address such issues.

What Harassment Is Not

Properly discharged supervisory responsibilities including disciplinary action, or conduct that does not interfere with a climate of understanding and respect for the dignity and worth of **Simmons** Canada Inc. employees are not considered harassment.

Neither **is** this policy meant to inhibit free speech or interfere with the normal social relations that are a part of life in **Simmons Canada Inc.**

Filing A Complaint

If an employee believes that **he/she has** been harassed on the basis of any of the ground stated above, that employee should:

- Tell the alleged **harasser(s)** to stop, if possible;
- Document the **event(s)**, complete with the time, date, location, names of witnesses and details of each event, **if possible.**
- If the harassed employee does not feel able to approach the alleged **harasser(s)** directly, or if, after being told to stop, the alleged **harasser** continues, the harassed employee should:
- Lodge a complaint either directly **through** a person on **his/her** behalf with any Company or Union representative.

Investigation

In minor cases, the **Company** and the **Union** agree that the **Union** and the **Company** may **try** to resolve a harassment complaint informally using the Internal Procedure without a full investigation when so requested by the complainant. The human rights representative for the **Union** or the **Company** will handle **all** case of harassment. The outcome of this attempted resolution will be communicated to both the **Union** and the **Company**. If the complainant disagrees with the attempted resolution, or if the complaint involves more than minor issues there will be a joint investigation of the complaint according to established methods. Once **informed** of a complaint requiring joint investigation, the **human** rights representative will immediately inform **his/her** counterpart and together these two will conduct a thorough joint investigation according to established methods. Where the complainant is a woman and the complaint involves sexual harassment or gender discrimination, the joint investigation *team* will include at least one woman.

The joint investigation will include an interview of the complainant **and may** include interviewing the alleged **harasser**, witnesses and other person named in the complaint. It is the intention of the **Union** and the **Company** that, in most cases, the

investigation will take place within five (5) days and shall be concluded fifteen (15) days of the lodging of a complaint. An extension to the time limits may be granted by mutual agreements.

The interview timing and location will recognize the need to maintain confidentiality. The identity of the complainant, the alleged harasser(s) and the nature of the complaint will be kept confidential and only persons with a need to know will be informed of the complaint. Records of the investigation, including interviews, evidence and recommendation will be securely maintained and the Union human rights representative.

Resolution

Upon completion of their joint investigation, the investigation will present their report to the Manager of Human Resources and Unit Chairperson. The Company agrees that 10 days after receiving the joint investigation report, the harassment complaint will be resolved.

Violation of this policy may lead to discipline up to including termination

The purpose of this policy and procedure is to allow the CAW and Simmons Canada Inc. the opportunity to address and resolve internal problems relate to the objective of achieving a harassment free workplace. The policy and procedure in no way precludes the complainant's right to seek action under the applicable human rights legislation.

The parties also agree to communicate this information about the procedure to the workforce prior to June 1, 2002 through local Union newsletters, bulletin boards notices and Company publications.

Date Of Agreement: May 22nd, 2002

For the Union: Dave Dawe
Gerry Bell
Herman Pimentel
Augustus Myers
Phillip Paul

For the Company: David C. Puttock

LETTER OF UNDERSTANDING

Re: Grievances

The Vice-president Human Resources will meet with the Grievance Committee **to** review grievances before **they are** processed to **arbitration**.

Dated this **14th** day of April 2005

For the Company: David C. Puttock

For the **Union:** Phillip **Paul**
 Dave Dawe

LETTER OF UNDERSTANDING

Re: Loss of Earnings

Employees may file a loss of earnings claim through Sun Life for a job related injury/illness pending a decision on their claim by the Workplace Safety Insurance Board (WSIB). Once claim has been approved by the WSIB then the employee is responsible for reimbursing Sun Life.

Date of Agreement: June 20th, 2005

For the Company: David C. Puttock

**For the Union: Phillip Paul
Lisa Harrison
Dave Dawe**

LETTER OF UNDERSTANDING

Re: **Statutory Holidays**

1. The Parties agree employees **who are** late one hour or less on their regular scheduled **shift** immediately before or after **a** Statutory Holiday will be given the **opportunity** to make up the lost time in order to qualify for the holiday **pay**. Lates that exceed one hour will render the employee ineligible for the holiday pay.
2. A request for leave of absence on the regular scheduled **shift** immediately before or after A **Statutory** Holiday will **not** be unreasonably denied, **taking into** consideration the employee's reason for such leave and the Company's ability to service its customers.

Date of Agreement: June 15th 2005

For the Company: David C. Puttock

For the Union: Phillip Paul
Dave Dawe
Lisa Harrison
Eileen Tracey