

and

UNION OF NEEDLETRADES, INDUSTRIAL AND TEXTILE EMPLOYEES, AFL-CIO, CLC LOCAL 1003

MARCH **1,1997**

to

FEBRUARY 28, 2000

OPEIU/343/LF

1091601

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THIS AGREEMENT dated this 1st day of March 1997 is entered into:

Between:

TORFEACO INDUSTRIES LIMITED/PILLOWTEX CORPORATION

for its plant(s) in the Province of Ontario (hereinafter referred to as "the Company")

OF THE FIRST PART

- and -

UNION OF NEEDLETRADES, INDUSTRIAL AND TEXTILE EMPLOYEES AFL-CIO, CLC, LOCAL 1003

(hereinafter referred to as "the Union")

OF THE SECOND PART

Article 1 - NO DISCRIMINATION

The Union agrees that there will be no intimidation, interference, restraint, coercion or harassment exercised or practised upon employees of the Company by any of its members or representatives, and there will be no Union activity, solicitation for membership or collection of dues on Company time, and no meetings on Company premises except with the permission of the Company.

The Company agrees that there will be no discrimination, interference, restraint, coercion, or harassment exercised or practised by the Company, or any of its representatives, with respect to any employees because of his membership in the Union, and that membership in the Union by employees who are eligible to join will not be discouraged.

Article 2 - BARGAINING AGENCY

 The Company recognizes the Union as the sole and exclusive collective bargaining agency for all employees save and except supervisors, persons above the rank of supervisors and office employees for its plant(s) located in the Province of Ontario.

Article 3 - UNION SECURITY

The Company agrees it will deduct weekly from the earnings of each employee coming within the scope of this Agreement, as a condition of employment, a sum equal to the Union dues as set out in the Union of Needletrades, Industrial and Textile Employees current Constitution and will remit the money so deducted to the Ontario Joint Council Office whose receipt therefore shall be considered as a discharge of the Company for the amount so deducted. It is understood that the first deduction, from new hires, in the amount of fourteen dollars (\$14.00), is considered an initiation fee and remitted to Local 1003 Treasurer. The first deduction will be from the employees' fourth pay. The Company will, at the time of making the deduction, specify those employees from whom deductions were made.

Article 4 - NO COERCION

1. The Union agrees that there will be no intimidation, interference, restraint or coercion exercised or practised upon employees of the Company by any of its members or representatives, and there will be no Union activity, solicitation for membership or collection of dues on Company time, and no meetings on Company premises except with the permission of the Company.

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Artic. J-RESERVATION OF MANAGEMENT FUNCTIONS

- Except as, and to the extent specifically modified by this Agreement, all rights and prerogatives of Management are retained by the Company and remain exclusively and without limitation within the rights of the Company and its management. Without limiting the generality of the foregoing, the Company's rights shall include:
 - The right to maintain order, discipline and efficiency; to make, alter and enforce, from time to time, rules and regulations, policies and practices, to be observed by its employees; to discipline and discharge employees subject to the provisions of this Agreement. In the event the Union disputes the reasonableness of such rules and regulations, the Union shall have one right to file a policy grievance in respect hereof pursuant to the provisions of Article 11 of this Agreement. Such grievance shall specify the rule or rules being disputed and the grounds upon which such rule or rules are being disputed.
 - (b) The right to select, hire and control the working force and employees; to transfer, assign, promote, demote, classify, layoff, recall, suspendand retire employees; to plan, direct and control plant operations; to select and retain employees for positions excluded from the bargaining unit and to transfer employees into or out of the bargaining unit. Employeestransferred out of the bargaining unit can be transferred back into the bargaining unit of the same department and classification providing that said transfer does not result in layoffs. However, seniority which has accumulated in such supervisory positions shall not count as service in the bargaining unit.
 - (c) The right to determine the location and extent of its operations and their commencement, expansion, curtailment or discontinuance; the direction of the working forces; the products to be manufactured; standards of production; subcontracting of work; (provided that the shifts subcontracting does not result in layoff), the

schedules of work and production; the number of shifts; the methods and process and means of performing work; job content and requirements, quality and quantity standards; the qualifications of employees, the use of improved methods machinery and equipment, whether there shall be overtime work; the number of employees needed by the Company at any time and how many shall operate or work on any job, operation, machine or production line; if an employee will be paid according to a bonus or incentive plan; the number of hours to be worked and starting and guitting time. Employees not in the bargaining unit cannot perform bargaining unit work, however, the present practice of the department supervisors to instruct, train and assist in case of an emergency; i.e., absenteeism, vacation, personal leave, sudden upsurge of work, etc., to fulfil the needs of the Company. Generally, the Company has the exclusive right to manage the enterprise and its business without interference.

2. The Company shall exercise these functions in a manner consistent with the provisions of the collective agreement.

Article 6 - NEGOTIATING COMMITTEE

- The Company acknowledgesthe right of the Union to appoint, or otherwise select, a Negotiating Committee of not more than six (6) employees and will recognize and deal with said Committee with respect to any matter which properly arises from time to time during the course of this Agreement.
- 2. It is clearly understoodthat the Negotiating Committee is a separate entity from the Grievance Committee, and that it will deal only with such matters as are properly the subject of negotiations, including proposals for the renewal or modification of this Agreement at the proper time.

Artic - STEWARDS

1. The Company acknowledges the right of the Union to appoint, or otherwise select, a reasonable number of stewards to assist employees in presenting their grievances. The zone within which each steward is to function is set out in Article 10, paragraph 5.

Article 8 - HEALTH AND SAFETY COMMITTEE

1. The Company acknowledges the right of the Union to appoint, or otherwise select a Health and Safety Committee consisting of not more than two (2) employees.

Article 9 - QUALIFICATION OF STEWARDS AND COMMITTEE PERSONS

1. It is mutually agreed that an employee will not be eligible to serve as a Steward or as a member of any Union Committee until after he has become a permanent employee and has been placed on a seniority list.

Article 10 - DUTIES OF STEWARDS AND COMMITTEE PERSONS

- ■ The Union acknowledges that Stewards, as well as other members of the Union Committee, will continue to perform their regular duties on behalf of the Company, and that such persons will not leave their regular duties without obtaining permission from their immediate supervisor, and when resuming their regular duties after being engaged in duties on behalf of the Union, that they will report to their supervisor and will give any reasonable explanation that may be requested with respect to their absence.
- 2. It is further agreed that the Company will compensate Stewards and the Grievance Committeefor time spent in dealing with employees' grievances at their regular rate of earnings.
- 3. Compensation will not be allowed for time spent outside the employee's regular working hours, and the Company reserves the right to withhold payment if the Steward does not conform to the accepted practice when

dealing with grievances or if an unreasonable or abnormal amount of time is consumed in dealing with such matters.

- **4.** It is clearly understood that Stewards and other Union officers will not absent themselves from their regular duties unreasonably in order to deal with the grievances of employees.
- **5.** The following shall be the distribution of Stewards:

Quilting Department 1 Steward Comforter Department 1 Steward

Filling Department

(pillows & cushions), 1 Steward
Cutting Department 1 Steward
Shipping Department 1 Steward

Cutting Fashion Pads

Fiber Comforters
Garnet/Bonding Line

Feathers - All Classifications
Fiber Pillows - All Classifications

Quality Assurance Truck Driver Shipping Receiving Custodial Alliance Avenue

Article 11 - COMPLAINTS AND GRIEVANCES

1. It is the mutual desire of the parties hereto that complaints of employees shall be adjusted as quickly as possible and it is generally understood that an employee has no grievance until he has first given his supervisor an opportunity of adjusting his complaint.

- If any employee has any complaint or question which he wishes to discuss with the Company he shall take the matter up with his immediate supervisor, and he may be accompanied by his zone steward if he requests such assistance.
- "Grievance" shall mean a violation of Contract or Law. Whenever the term "grievance procedure" is used in the Agreement, it shall be considered as including the grievance and arbitration procedures contained in Articles 11, 12 and 13.

The Company shall be under no obligation to consider or process any grievance unless such grievance has been presented to the Company in writing at Step No.1 of the grievance procedure within ten (10) days from the time the circumstances upon which the grievance is based are known or should have been known to the grievor. However, if the Company does consider or process a grievance which has been presented late, the Company shall not be estopped or precluded at any stage from taking the position that the grievance is late and not arbitrable.

4. If the complaint is not settled in accordance with the provisions of paragraph 2 of this Article 11 and if it is a grievance it shall be processed as follows:

STEP No. 1

The Zone Steward shall, within ten (10) days referred to in paragraph 3 above, state the grievance of the employee or employees in writing and shall deliver a copy to the immediate Supervisor of the employee concerned. After such discussion as is necessary, the Supervisor shall, within a period of two (2) working days, state his decision or his refusal to make a decision, in writing, and deliver a copy to the Director of Manufacturingand to the Zone Steward.

STEP No. 2

If the matter is not settled it may, within two (2) working days of delivery of the Supervisor's answer, be taken up between the Steward and such representatives of the Company as are designated for that purpose, and such Company representative shall render his decision within two (2) working days of such meeting.

STEP No. 3

If the matter is not settled it may, within seven (7) working days of delivery of the Company representative's answer, be taken up between the Union Representatives and the Director of Manufacturing. The aggrieved employee and/or a full time Union representative may be present at this meeting at the request of either party. The Director of Manufacturing shall render his decision within four (4) working days.

5. If the matter is not settled at Step No. 3, then it may be referred to arbitration in accordance with the provisions of Article 12. The request for arbitration must be made within ten (10) days after the grievance has been dealt with in Step No. 3.

However, it is agreed that notwithstanding the Company's consideration of a grievance in any of the steps of the grievance procedure, no grievance may be submitted to arbitration, the alleged circumstances of which occurred more than ten (10)working days prior to its submission in writing.

Grievances in written form will be returned (at all steps of the grievance procedure) to the zone Steward or any member of the Grievance Committee by supervisory personnel or office personnel only.

Article 12 - ARBITRATION

1. Whenever either party to this Agreement submits any grievance to arbitration, written notice shall be given to the other party formally stating the subject of the grievance, and at the same time, nominating an arbitrator. Within ten (10) days after receipt of such notice, the other party shall name an arbitrator. The arbitrators representing the two parties shall meet immediately, and if they fail to agree upon a settlement of the grievance within three (3) full working days after they have first met, then they will attempt to agree upon a Chairman of the Arbitration Board and

failing agreement, the Minister of Labour for the Province of Ontario will be requested to appoint an impartial Chairman.

- 2. As soon as the Arbitration Board has been completed by the selection of a Chairman, it shall meet and hear the evidence and representations of both parties and shall render a decision as soon as possible, the intentions being that all decisions shall be given within seven (7) days after arbitration proceedings have commenced.
- 3. No persons shall be selected as an Arbitrator who have been directly involved in attempts to negotiate or settle the grievance.
- 4. The time limits and other procedural requirements set out in Article 11, 12 and 13, are mandatory and not merely directory. Therefore, failure to put a grievance in writing at the proper step in accordance with the requirement of Articles 12 or 13 shall be deemed a complete waiver and abandonment of the grievance. Any grievance not appealed from one step of the grievance procedure to the next within the specified time limit shall be deemed to be abandoned. No matter may be submitted to arbitration which has not properly been carried through all specified previous steps of the grievance procedure within the time limits specified. The mandatory provisions of Article 11, 12 and 13, shall not be considered to have been waived by the parties or either of them unless they expressly provide a waiver thereof in writing signed by both parties.
- **5.** The decision of the Chairman of such Arbitration Board shall be final and binding on both parties to this Agreement.
- **6.** The Arbitration Board shall not have jurisdiction to alter or change any of the provisions of this Agreement, or to substitute any new provisions in lieu thereof, nor to give any decision inconsistentwith the terms and provisions of this Agreement, or to deal with any matter not covered by this Agreement.
- **7.** Each of the parties hereto will bear the expenses of the Arbitrator appointed by it, and the parties will jointly bear the expenses of the Chairman of the Arbitration Board, if any.

Article 13 - TERMINATION

- 1. An employee who has completed their probationary period and claims that he has been discharged without reasonable cause will be treated as a grievance if a written statement of the grievance is lodged with the Management within five (5) working days after the employee ceases to work for the Company. All preliminary steps of the complaint and grievance procedure may be eliminated in such cases and discussion of the grievance will commence at Step No. 2.
- 2. A case of termination may be settled by confirming the Managements's action in dismissing the employee, or in reinstating the employee with full compensation for time lost, or by any other arrangement which is just and equitable in the opinion of the conferring parties.
- 3. It is understood that the Company may bring forward at any meeting held with the Grievance Committee, any complaint or grievance, and that if such complaint or grievance is not settled to the mutual satisfaction of the conferring parties, it may be referred to arbitration in the same way as the grievance of an employee.
- An employee who has not yet completed his probationary period as specified in Article 15 of this Collective Agreement may be discharged without just cause and for any reason, provided that the discharge is not arbitrary, discriminatory or in "bad faith."

Article 14 - I ABOUR MANAGEMENT MEETINGS

The Union and the Company have agreed to have Labour/management meetings which will be held monthly at the plant during working hours for the purpose of improving the harmonious relationships between the parties.

Artic 15 - STRIKES AND LOCKOUTS

1. In view of the orderly procedures for settling grievances, the Company agrees that there shall be no lockout during the life of this Agreement. The Union agrees that there shall be no strike or other action which will stop, curtail, limit or interfere with the duties, working effort or production of any employee or group of employees.

Article 16 - SENIORITY

- Seniority shall be established on a departmental basis and may be exercised only to the extent specifically set out in this agreement. Although departments may be established, eliminated or changed by the Company, at the time of signing of this Agreement there existed the following departments:
 - 1. Cutting
 - 2. Fashion'
 - 3. Mattress Pads
 - 4. Fiber Comforters
 - 5. Garnet/Bonding Line
 - 6. Feathers- All Classifications
 - 7. Fiber Pillows All Classifications
 - 8. Quality Assurance
 - 9. Truck Driver
 - 10. Shipping
 - 11. Receiving
 - 12. Custodial
 - Seniority applied to promotions, transfers, layoffs, and recalls, shall be subject to interchangeable skills, and shall be consistent with the provisions of Article 18 of the Collective Agreement.

Seniority lists will be established on a departmental basis and will designate the classification of each employee with the exception of "floaters" whose seniority shall be on a plant wide basis.

- 3. A new employee shall be on probation until after he has worked for the Company for a total period of twelve (12) weeks. If retained, his seniority will then be dated from the day he commenced work for the Company and will accumulate thereafter. Cases of sickness, during the probationary period, of one (1) week or less shall be considered as having been worked. The layoff or discharge of a probationary employee shall not be the subject matter of a grievance.
- The following conduct constitutes reasonable cause for discharge and seniority shall cease (and the employee's employment terminated) if an employee:
 - (a) voluntarily leaves the employ of the Company;
 - is discharged, and such discharge is not reversed through the Grievance Procedure;
 - (c) having less than one (1) year's seniority with the Company at the time of layoff, is laid off for a continuous period greater than six (6) months. A return to work for a period less than ten (10) consecutive days will count as a continuous layoff;
 - (d) having seniority with the Company of more than one (1) year at the time of layoff, for a period greater than twelve (12) months. A return to work for a period less than ten (10) consecutive days will count as a continuous layoff;
 - (e) is absent without leave and without reasonable cause for a period greater than three (3) working days;
 - (f) and fails to notify the company of his intention to report for work within three (3) working days after call, and such failure is without reasonable cause;
 - (g) if the employee fails to return to work promptly after the

- expiration of leave granted to him, unless he is excused by the Plant Manager;
- (h) being granted leave of absence by the Company he accepts employmentelsewhere during his term of leave of absence:
- fails or refuses to do job assignment or follow instruction of supervisor without reasonable cause;
- leaves work assignment, place of work, or plant during working hours without permission from his/her supervisor or the personnel office;
- "May cease" when employee stops machines and/or work, makes preparations to leave work, (such as removing work shoes, putting on shoes or outer wear, or washing up) before lunch and rest periods or authorized quitting time; unless the employee has had three written warnings, then it would become a "shall cease";
- knowingly and willingly breaks a published safety rule resulting in an accident;
- (m) rings the card of another employee, or permits his/her card to be rung by another employee;
- (n) fails to be at his/her work station and ready to commence work at sound of buzzer, i.e., 7:00 a.m., 8:00 a.m., etc., lunch and rest periods inclusive without "reasonable cause";
- (o) leave the building during regular assigned working hours without clocking out and obtaining permission from the Department Supervisor.
- **5.** If an employee finds that he is unable to report for work he will notify his supervisor before the start of his shift or as soon thereafter as possible.

6. Records of warning or disciplinary action will be removed from employee's file two (2) years from date of issue. However, to be removed, the two year period must be free from all written discipline of the same origin.

Article 17 - LEAVE OF ABSENCE

 The Company may grant leave of absence to employees retroactively or otherwise for legitimate reasons including illness, accident or to transact personal or union business.

Seniority accumulates during any period of absence with permission.

Leaves of absence may be allowed to employees with over one year's service and added on to the employee's vacation entitlement. Employees must have written permission from their supervisor.

In cases of emergency, which are established to the satisfaction of the Company, the Company may give consideration to requests for extended leave of absence so that an employee may go abroad.

Leave of absence must be applied for in writing, at least one month prior to the starting date of the requested leave, stating the period desired and the reason for such leave. If leave of absence is granted it shall be in writing with a copy to the Union.

- 2. The Company will grant, upon one (1) week's notice, to not more than two (2) employees at one time, at the written request of the Union, temporary leave of absence without pay to delegates of the Union for attendance at Union conventions or meetings. Such leave of absence shall not exceed a total of fifteen (15) days in any one year.
- An employee who, because of illness or injury, requires an absence from his job for more than three (3) working days shall, upon furnishing evidence satisfactory to the Company of such illness or injury, which may, in questionable cases include examination by a company appointed physician, be granted a sick leave for the duration of the period of his disability due to such illness or injury, except that at the end of six (6) months in the case of an employee with less than one (1) year's seniority,

or twelve (12) months in the case of an employee with one (1) year's seniority or more, of absence because of such illness or injury the employee's employment and seniority shall be terminated. The employee shall furnish supplementary medical evidence of disability from time to time, as required by the Company. Failure to furnish such evidence of disability will result in the termination of the employee's employment and seniority. Before any employee on sick leave may return to work he must present a doctor's certificate stating that he has fully recovered and is able to return to his regular classification and perform such job in accordance with the Company's quality and production standards. The Company reserves the right to terminate employment if the record of the employee indicates an excessive amount of time off or recurring or repetitive time off.

Article 18 - TRANSFER OF EMPLOYEE

When an employee is transferred by the Company from one department to another which has a separate seniority list from which he was transferred for a period of ninety (90) days, after which date, if the transfer remains in effect, his accumulated seniority shall be transferred and placed to his credit.

Article 19 - SENIORITY APPLIED TO PROMOTIONS, TRANSFERS, LAY-OFFS AND RECALLS

- In all cases of filling permanent job vacancies within the department, except those in respect of positions excluded from the bargaining unit, and in all cases of layoff from the department, other than temporary layoff as defined herein, or recall to the department from layoff, the following factors shall be considered:
 - (a) Length of continuous service;
 - (b) Experience, efficiency and qualifications;
 - (c) Fitness and reliability.

Where the qualifications in factors (b) and (c) are relatively equal in the judgement of the Company, factor (a) shall govern provided, however, that management shall not exercise its judgement in an arbitrary manner.

Pieceworkers will be recalled in strict order of seniority when there IS not less than eight (8) hours' work available for them.

- 2. (a) The term "layoff as used herein shall mean the imposed absence from work for one (1) full shift or more due to shortage of work.
 - "Permanent vacancy" as used in this agreement shall be deemed to mean a vacancy which the Company desires to fill and which arises as the result of:
 - i the death, discharge, retirement or quit of an employee;
 - ii the transfer of an employee to a permanent classification;
 - iii the creation of a new bargaining unit job by the Company.
- In cases of temporary layoff, i.e., one (1) working day or less, seniority need not be considered.

4. Temporary Layoffs

If in the matter of urgency the supervisor is unable to contact an employee who has been temporarily laid off, for recall to **commence** work for the next working **shift** (day), the next in seniority and who is qualified to do the work will be recalled **and** the department Steward notified. If an employee cannot be contacted by telephone for the purpose of recall, the employee shall be sent a registered letter to his last known address. If employee is absent from work at the time of layoff and the Company leaves message with someone other than the employee (i.e., family member), notifying him/her of layoff, and that employee still reports for work, he/she will be sent home without pay.

5. It shall be the duty of employees to notify the Company promptly of any change of their address and/or phone number. If an employee should fail to do this the Company will not be responsible for failure of any notice to reach the employee.

- 6. When a permanentiob vacancy arises in a department above the level of utility worker, the Company agrees to advertise such vacancy in the department for three (3) days. During the posting period, the Company may temporarily fill the job as it deems proper. In order for an employee to be eligible to apply, the applicant must have the qualifications to perform the job in accordance with the Company's quality and production. standards. It is understood that the applicant must accept a lower rate of 2-pay if such classification rate is lower. Selection will be made in accordance with the provisions in paragraph 1 hereof. The Company will consider applications from the department in which the vacancy occurs, and if not filled from that department, applications will be considered from employees in other departments. All employees interested in the job vacancy must make application within three (3) working days from the posting. Nothing contained herein shall be interpreted as requiring the Company to fill any vacancy. If there are no suitable applicants the Company may fill the vacancy from any source. The job provided herein shall apply only in respect of the original vacancy and will not apply to subsequent vacancies created by the filling of the original vacancy. To cover transfer of employees with seniority to a higher classified job by posting, will receive either their current job rate or (new three month) start rate, whichever is the greater.
- 7. "An employee designated as a 'floater' shall not perform the work of a regular employee in a position for more than two (2) continuous days while that regular employee or any other regular employee of the department, who is qualified to perform the work available, is on imposed layoff and has greater seniority than the floater.

Article 20 - TRANSFER TO POSITIONS NOT COVERED BY THIS AGREEMENT

1. The appointment or selection of employees for supervisory positions, or for any other position not subject to the provisions of this Agreement, is not covered by this Agreement, but if any employee is so transferred or appointed and later is transferred back to a position which is governed by this Agreement, then the seniority which he has accumulated in such supervisory position shall not be counted as service in the plant.

Article 21 - SAFE - TH AND SANITATION

1. The Company agrees to make all reasonable provisions for the safety and health of its employees during the hours of their employment as well as provisions for the Joint Safety and Health Committee. The Union reserves the right to request additions and extensions to such provisions. It is understood the employees will not abuse these facilities. Management has the right to take disciplinary actions when facilities are abused.

Article 22 - BULLETIN BOARDS

1. The Company shall make available' space on its bulletin boards for the purpose of posting notices of Union activity. All such notices must be approved by the Management before being posted.

Article 23 - SCHEDULES

1. Attached hereto and forming part of this Agreement are the following schedules:

Job Rates: Schedule "A," which is a schedule of the job classification

presently in effect and the ranges of pay for each

classification.

Hours of Work: Schedule "B," which is a schedule of the detailed working

conditions, hours of work, etc.

Vacation Plan: Schedule "C," which is a schedule of the plan of granting

annual vacations with pay.

Health & Welfare: Schedule "D," which sets out health and welfare plans.

Article 24 - NOTICES TO COMPANY AND UNION

1. Any notices which either party desires to give to the other shall be given by hand or sent by registeredmail as follows:



To the Company: Director of Manufacturing

Torfeaco Industries Limited,

545 Trethewey Drive, Toronto, Ontario

M6M 2L9

To the Union: Union of Needletrades, Industrial and Textile

Employees

Ontario Joint Council Office

15 Gervais Drive

Suite 700 Don Mills, Ontario

M3C 1Y8

Article 25 - TERM OF AGREEMENT

This agreement shall continue in effect until February 28, 2000 and shall continue automatically thereafter for annual periods of one (1) year each sunless either patty notifies the other in writing within the period of two (2) months immediately prior to the annual expiration date that it desires to amend or terminate the Agreement.

2. Negotiations shall begin within fifteen (15) days following notifications for amendments as provided in the preceding paragraph. If, pursuant to such negotiations an Agreement is not reached on the renewal or amendment of this Agreement or the making of a new Agreement prior to the current expiry date, this Agreement shall continue to full force and effect until a new Agreement is signed between the parties or until conciliation proceedings under the Ontario Labour Relations Act have been completed, whichever date occurs first.

IN WITNESS WHEREOF each of the parties hereto has caused this agreement to be signed by their duly authorized representatives as of the 247 day of 1997.

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FOR THE COMPANY

FOR THE UNION

Ossunto Melingra

William Brygo

Article 26 - MODIFIED WORK

 Should an employee suffer a work-related accident or injury, and is not able to return to their pre-accident job, then the Employer agrees to provide the employee with modified work that will suit the employee's restriction until he/she is able to return to their pre-accident job.

SCHEDULE "A" WAGES & CLASSIFICATIONS

Piece Work or Incentive System

Year 1 (1997):

Piece Work to be implemented sixty (60) calendar days following ratification of the contract in conjunction with Union Representatives. Current averages that individuals now have will remain as is until piece work allows updating.

Red Circled Employees

Year 1 (1997);

All Red Circled Employees will receive a cheque in the amount of \$100.00, without tax deductions.

	HIRING RATE	QUALIFIED RATE AFTER 13 WEEKS
GARNETMC. OP./BONDING LINE OP.	\$ 9.50/HR	\$11.75/HR
TRUCK DRIVER	\$10.00/HR	\$11.75/HR
MULTI-NEEDLE Q.M. OP./PINSONIC MC OP.	\$ 9.50/HR	\$11.35/HR
CUTTER	\$ 9.50/HR	\$11.50/HR
LEAD HAND A		\$11.65 - 13.55/HR
LEAD HAND B		\$10.15 - 11.65/HR
SLITTER MC OP.	\$ 9.00/HR	\$10.95/HR

	HIRING RATE	QUALIFIED RATE AFTER 13 WEEKS
SHIPPER	\$ 9.00/HR	\$10.91/HR
RAW MATERIAL HANDLER	\$ 9,00/HR	\$10.91/HR
MENDER	\$ 8.50/HR	\$ 9.65/HR
QUALITY CONTROL	\$ 8.50/HR	\$ 9.65/HR
GENERAL WORKER	\$ 8.50/HR	\$ 9.61/HR
CUSTODIAN	\$ 8.50/HR	\$ 9.61/HR
MIXERS/CRUSHERS	\$ 8.50/HR	\$ 9.65/HR
CASE INSPECTOR	\$ 8.50/HR	\$ 9.55/HR
FILLERS	\$ 8.50/HR	\$ 9.50/HR
FLOAT		S 9.25/HR
BEATERS	\$ 7.50/HR	\$ 8.50/HR
SEWING MC. O. (P.W. BASE)	\$ 7.50/HR	\$ 9.25/HR
HAND OPERATOR (P.W. BASE)	\$ 7,50/HR	\$ 9.25/HR
SEWING MC. OP. (T.W. BASE)	\$ 7.50/HR	\$ 8.90/HR

Red Circled Employees

Year 2 (1998):

All Red Circled Employees will receive a cheque in the amount of \$100.00, without tax deductions

EFFECTIVE MARCH 1, 1998

	1
HIRING RATE	QUALIFIED RATE AFTER 13 WEEKS
\$ 9,70/HR	\$11.95/HR
\$10.20/HR	\$11.95/HR
\$ 9.70/HR	\$11.55/HR
\$ 9.70/HR	\$11.70/HR
	\$11.85 - 13.75/HR
	\$10.35 - 11.85/HR
\$ 9.20/HR	\$11.15/HR
\$ 9.20/HR	\$11.11/HR
\$ 9.20/HR	\$11.11/HR
\$ 8.70/HR	\$ 9.85/HR
\$ 8.70/HR	\$ 9.85/HR
\$ 8.70/HR	\$ 9.81/HR
\$ 8.70/HR	\$ 9.81/HR
\$ 8.70/HR	\$ 9.85/HR
\$ 8.70/HR	\$ 9.75/HR
\$ 8.70/HR	\$ 9.70/HR
	\$ 9.45/HR
\$ 7.70/HR	\$ 8.70/HR
\$ 7.70/HR	\$ 9,45/HR
\$ 7.70/HR	\$ 9,45/HR
\$ 7,70/HR	\$ 9.10/HR
	\$ 9.70/HR \$ 9.70/HR \$ 9.70/HR \$ 9.70/HR \$ 9.70/HR \$ 9.20/HR \$ 9.20/HR \$ 9.20/HR \$ 9.20/HR \$ 8.70/HR \$ 8.70/HR \$ 8.70/HR \$ 8.70/HR \$ 8.70/HR \$ 7.70/HR \$ 7.70/HR \$ 7.70/HR

Year 3 (1999);

All Red Circled Employees will receive a cheque in the amount of \$100.00, without tax deductions

MARCH **1 1999**

HIRING RATE	QUALIFIED RATE AFTER13 WEEKS
\$ 9,90/HR	\$12.15/HR
\$10.40/HR	\$12.15/HR
\$ 9.90/HR	\$11.75/HR
\$ 9.90/HR	\$11.90/HR
	\$12.05 - 13.95/HR
	\$10.55 - 12.05/HR
\$ 9,40/HR	S I1.35/HR
\$ 9.40/HR	\$1 II 31/HR
\$ 9,40/HR	\$11.31/HR
\$ 8,90/HR	\$10,05/HR
\$ 8.90/HR	\$10.05/HR
\$ 8,90/HR	\$10.01/HR
\$ 8.90/HR	\$10.01/HR
\$ 8.90/HR	\$10.05/HR
\$ 8.90/HR	\$ 9.95/HR
\$ 8.90/HR	\$ 9.90/HR
	\$ 9.65/HR
	\$ 9.90/HR \$ 10.40/HR \$ 9.90/HR \$ 9.90/HR \$ 9.40/HR \$ 9.40/HR \$ 9.40/HR \$ 8.90/HR \$ 8.90/HR \$ 8.90/HR \$ 8.90/HR \$ 8.90/HR \$ 8.90/HR

	HIRING RATE	QUALIFIED F : AFTER 13 WEEKS
BEATERS	\$ 7.90/HR	\$ 8.90/HR
SEWING MC. O. (P.W. BASE)	\$ 7.90/HR	\$ 9.65/HR
HAND OPERATOR (P.W. BASE)	\$ 7.90/HR	\$ 9.65/HR
SEWING MC. OP. (T.W. BASE)	\$ 7.90/HR	\$ 9.30/HR

PIECEWORK RATES

In setting piecework rated, all operations of the job have been taken into consideration, as well as some personal time, relaxation, interruption from other machines in a group and minor details. Piecework rates do not include certain emergencies or major delays beyond the employer's control, such as power failure, major machine breakdowns, etc.

Piecework earnings will be calculated by the number of hours an employee works on piecework rated jobs.

The failure of an employee to report daily piecework coupons (tickets) earned for piecework hours worked each shift, will be sufficient grounds for disciplinary action, ranging from reprimand to immediate discharge.

POSTING OF PIECEWORK RATES

All piecework rates shall be posted in the department concerned (and a copy forwarded to the Union), and shall remain posted for as long as they are in effect. Unless specified as "temporary,"piecework rates will not be altered unless there is a change in methods, equipment, materials, or design or unless an arithmetical error has been made on the setting of the rates.

EME INCIES (DownTime)

In the case of downtime, the duration of which exceeds ten minutes on any one occasion, or a total of thirty minutes in any one day, and which is caused by emergencies beyond the employee's control, not previously included in the piecework rates the Company shall pay to the employee concerned his average earned rate, as determined by the previous pay period. Any such emergency shall be reported to the employee's immediate supervisor as soon as it occurs and no allowance on the employee's pay records will be made unless the supervisor concerned has been notified of the emergency.

Where spare equipment is available and in operating conditions, the employee will transfer to said equipment and the average rate shall not apply. Where spare equipment spare parts mechanics are not available and employee has been paid four (4) hours of regular work (reported for), the Company reserves the right to request the employee to accept other work on time work or layoff until equipment has been repaired. Seniority shall/will apply upon the employee's next regular shift.

The foregoing provisions do not prevail where the **provisions** of the section "Reporting Allowance" are applicable.

REPORTING TIME PAY AND CALL-IN PAY

- 1. Employees who report for work at the regular starting time of their shift, when they have not been notified previously not to do so, and for whom work is not available, shall be provided with four (4) hours of work for four (4) hours of pay in lieu thereof. Where the Company's inability to provide work is due to fire, flood or hydro failure or other "Acts of God the foregoing shall not prevail, except that the Company will pay employees for the time they remain in the plant at the Company's request in the event of hydro failure. Other work will be provided or payment will be made at the employees regular rate.
- 2. An employee called from home to do emergency work will be paid a minimum of four (4) hours pay for such work at his/her regular rate of pay. However, when an employee is notified to report for work prior to his regular starting time and is expected to work through and complete his regular shift, he will be paid only for the hours worked in excess of his

normal number of hours, on an overtime basis.

TEMPORARY TRANSFER OF PIECEWORKERS AND HOURLY RATED EMPLOYEES

When a pieceworker is, for the convenience of the Company, transferred from his regular work to special work of a temporary nature, such employee will be paid his average hourly earnings as determined by the previous pay period, or the option of the going piece rates plus an incentive premium which is agreeable to both parties.

When a pieceworker is transferred from one department to another in which he has had previous experience, due to lack of work in his first department, the piece rates of the department transferred to will apply.

All piecework operators; changing from a piecework operation to a timework operation must first punch the back of their clock card and have the card signed by the **Department** Supervisor. This also applies to an employee changing from a timework operation to a piecework operation. No requestfor timework makeup, etc., will be met unless it is recorded on the back of the clock card and signed by the Department Supervisor.

Nothing in the foregoing paragraph shall be construed as meaning that an employee so temporarily transferred shall be retained in that department if the work being done is considered unsatisfactory or if no work remains to be done.

Where an hourly rated employee is requested to perform a job with a different classification and lower rate of pay, while work is available in his regularjob, the rate of pay for his/her regularjob will apply.

NOTE: The above is not to be considered a transfer.

OFF T PREMIUM

A shift premium of forty (40) cents per hour will be paid while working on the evening shift. (Evening shift is any shift starting after 3:30~p.m. and quitting on α before twelve midnight). A **shift** premium of forty-five (45) cents will be paid while working on the night shift. (A night shift is any shift starting after 11:00 p.m. and quitting on or before 7:00 a.m. on the next shift.

Shift premiums will not be paid for hour worked which are paid for at any time and one half the regular shift rate.

SCHEDULE"B" HOURS OF WORK

The regularly assigned hours of work will be Monday to Friday with the following hours:

1 or 2 Shift Operation:	7:00 am	3:30 pm
	3:30 pm	12:00 midnight
	8:00 am	4:30 pm
	4:30 pm	1:00 am
3 Shift Operation:	7:00 am	3:00 pm
	3:00 pm	11:00 pm
	11:00 pm	7:00 am
	8:00 am	4:00 pm
	4:00 pm	12:00 midnight
	12:00 midnight	8:00 am

Employees working on a 3 shift operation (8 hours per shift) will be allowed a 20 minute paid lunch period. Employees working on 1 or 2 shift operations will have a one-half hour unpaid lunch period.

There shall be a five (5) minute wash-up period prior to the lunch hour and a five (5) minute wash-up period at the end of the shift.

The Company does not guarantee to provide work for any employee for such regularly assigned hours, or for any other hours, but will notify the Union before establishing any change in such hours.

Employees reporting more than three (3) minutes after the scheduled start

lime of the shift will be penalized as follows:

More than 3 minutes late	deducted 15 minutes pay
16 minutes late	deducted 30 minutes pay
31 minutes late	deducted 45 minutes pay

All clocks shall be synchronized.

OVERTIME

An employee required to perform work in excess of his regularly assigned eight (8) hours per day shall be compensated for such excess hours at the rate of time and one-half his hourly rate if engaged on timework, or time and one-half his piecework earnings if engaged on piecework. Such piecework earnings shall be determined on the basis of the employees average hourly piecework.

All work performed on Sunday will be considered overtime and will be paid at double an employee's regular rate if engaged on a time work job or double the piecework earnings if engaged on a pieceworkjob.

Employees who are required to work overtime for more than two (2) hours in any one day and who are not given at least one day's notice of such overtime shall be provided with supper money in the amount of \$5.00.

The opportunity to do overtime work will be evenly distributed among all those employees normally performing and willing to do such work. An employee who declines an overtime assignment shall, for the purposes of this paragraph, have the number of hours of such overtime assignment counted as having been allocated to him.

REST PERIOD

The Company shall grant a 10 minute rest period in the first half of each shift and another 10 minute rest period in the second half of each shift, the periods to be allotted at the discretion of the department supervisors, having regard to overall production of the department. Employees who are assigned overtime hours in excess of two (2) hours at the end of a regular eight (8) hour shift will be given a ten (10) minute rest period prior to commencing overtime.

It is understood by both parties that such periods are liberal allowances and that every effort shall be made to see that employees do not abuse these rest periods.

SCHEDULE "C" VACATIONS WITH PAY, PAID STATUTORY HOLIDAYS, AND BEREAVEMENT ALLOWANCE

Up to 4 years service in accordance with the Vacations with Pay Act.

4 - 5 years' service	2 weeks' vacation and 5% of earnings
5 - 9 years' service	3 weeks' vacation and 6% of earnings
9 - 14 years' service	3 weeks' vacation and 7% of earnings
14 - 22 years' service	4 weeks' vacation and 8% of earnings
22 years' service and over	5 weeks' vacation and 10% of earnings

STATUTORY HOLIDAYS

The Company will observe and agrees to pay all employees who have completed their probationary period, eight (8) hours' pay at average earnings for each of the following statutory holidays; regardless of the day of the week on which they may fall:

New Year's Day Good Friday
Victoria Day Canada Day
Civic Holiday Labour Day
Thanksgiving Day Christmas Day
Boxing Day

The Company also agrees to observe and pay all employees have completed their probationary period, four (4) hours' pay at .erage earnings for one-half day's holiday on Christmas Eve and one-half day's holiday on New Year's Eve.

An employee will be eligible for pay for such day only if he has worked the complete eight (8) hour shift on both the scheduled shift before and after the statutory holiday unless absent as a result of illness, jury duty or bereavement, when such absences occur on the day immediately before or after the holiday, or as a result of layoff when the layoff occurs within the week of the holiday. The Company will require a medical certificate where applicable.

An employee reporting late for work on either of the qualifying days will be allowed to make up **lost** time to a maximum of thirty (30)minutes at straight time rate of pay in order to qualify for the holiday pay. The makeup time may not necessarily be worked on the day of late arrival. Makeup will be at the discretion of the Department Supervisor. Employees required to perform makeup time will be given at least one day's notice.

Where a statutory holiday falls within the vacation period employees will be entitled to an additional day's holiday with eight (8) hours pay at average earnings.

BEREAVEMENT ALLOWANCE

The Company agrees to grant leave of absence with pay at the employee's regular hourly rate of pay for time **lost** from regular working hours due to a death in the employees immediate family, (wife, husband, child, mother, father, sister or brother, mother-in-law, father-in-law, grandmother, grandfather, grandchildren). It is understood that the leave of absence will be three (3) full scheduled work days (excluding Saturday and Sunday). Payment will not be made for any day which is not a scheduled work day for the Company or when the employee is absent from work because of vacation, leave of absence or personal sickness.

n the event of a death of a sister-in-law, brother-in-law, aunt, uncle (blood relatives) of an employee, the employee will give twenty four (24) hours notice and be permitted up to one working day off with pay at the time of the bereavement to attend the funeral, providing the funeral occurs on one of the employee's scheduled working days.

Probationary or temporary employees will not be covered by any of the bereavement clause.

Employees shall be required to submit proof of death.

SCHEDULE "D"

Health & Welfare: The Company will assume responsibility for 100% of the

cost of the Ontario Employer Health Tax.

Life Insurance: As per Company master agreement.

Long Term

Disability B_nefit: As per Company master agreement. (Employee must

have three (3) years of service to be eligible for Long Term

Disability Benefits.)

Supplementary Health Plan:

The employee will pay the following Insurance rates:

Family \$10.50 Single \$ 5.25

The required premium payments for the Group and Health Insurance Plans, as set out above will be maintained by the Company in cases of (1) Illness, (2) Accidents, including Worker's Compensation, (3) Approved leave of absence.

The Company will continue to pay the required premiums for the Group and Health Insurance Plans, based on the following length of employment.

Period of Employment Coverage

3 months and over 90 days

- (a) Benefit coverage with respect to layoff: If the employee(s) is laid off for a period of more than 30 days, the coverage will remain in effect for a period of 90 days.
- (b) All benefits cease on the day on which an employee terminates his employment with the Company.

Year)97) - Drug Card:

Introduction of a Drug Card. Employees will no longer be required to pay for drugs, fill out forms and wait for the 80% rebate. Employees will only pay 20%. Example: Your drug bill is \$100, you pay only \$20. There is a 10% increase in the insurance premium for this benefit, however it will not be passed on to the employee. The Company will pay for the current cost increase.

Year 2 (1998) - Vision Care Plan:

Introduction of a Vision Care Plan. The Plan will entitle the employee and family to \$100 per person, every two (2) years. The premium will be paid 100% by the Company.

Year 3 (1999) - Semi-Private Coverage:

The premium will be paid 100% by the Company

PLANT RULES

The purpose of these rules and regulations is not to restrict the rights of anyone, but to define them and protect the rights of all and ensure cooperation. committing any of the following violations will be sufficient grounds for disciplinary action ranging from reprimand to immediate discharge, depending on the seriousness of the offence in the judgement of management.

- 1 Falsification of personnel or other records.
- 2 Failure to ring your own time card, ringing a card other than your own, or permitting your card to be rung by another.
- Absence from work or tardy arrival at place of work. It is each employee(s) responsibility to notify his supervisor of any absence, telling him the probable length of absence and the reason for absence, on the first day absent.

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- 4 Leaving work assignment or plant during working hours without p or failure to return to work after lunch period without permission.
- 5 Distracting the attention of others, or otherwise causing confusion by unnecessary demonstration of any kind on Company premises.
- 6 Possession of weapons on Company premises.
- 7 Failure or refusal to follow the instructions of supervision or to do your job assignment. (Do your work assignment and follow instructions; and complaint may be taken up later through your supervisor.)
- 8 Operation of machines, tools or equipment to which you have not been specifically assigned.
- 9 Making waste unnecessarily; faulty or careless workmanship
- 10 Horseplay, scuffling, running or throwing things.
- 11 Wasting time or loitering in toilets or on any Company property during work hours.
- Smoking, except in specifically designated areas and during specified periods.
- Assaulting, threatening, intimidating, coercing or interfering with employees or supervision.
- Soliciting or collecting contributions for any purpose whatsoever on Company premises, without the approval of Management.
- Distributing literature, written or printed matter of any description on Company premises, without the specific approval of Management.
- Posting or removal of notices, signs, or writing in any form on bulletin boards or Company property without the specific approval of Management.
- Misuse or unauthorized removal of employee lists, blue prints, Company records, or confidential information of any nature.

- 18 Careless use, misuse or abuse of any tools, equipment, materials, products or other property, owned by other employees or by the Company, or in the Company's custody.
- 19 Restricting output.
- The making αr publishing of false, vicious, or malicious statements concerning any employee, any member of supervision, the Company or its products.
- 21 Abusive language to other employees or supervision.
- 22 Fighting
- Theft or misappropriation of property of employees, **ar** of the Company, **ar** in the Company's custody.
- Possession or drinking of liquor or any alcoholic beverage on Company property or while on job assignment. Reporting to work under the influence of alcohol, when suffering from alcoholic hangover or in an unsafe condition. In addition, no employee shall possess, use, sell or be under the influence of marijuana, hallucinogensor any other drugs (except drugs used for medicinal purposes and supported by a doctor's written prescription) while on Company property.
- Sabotage or deliberate destruction of any property belonging to the Company, its employees, or in the Company's custody.
- 26 Disregard of safety rules or common safety practices.
- 27 Immoral conduct or indecency.
- Throwing refuse or objects on the floors or out the windows or doors.
- 29 Stopping machines and/or work, making preparations to leave work (such as removal of working shoes, putting on shoes or outer clothing or washing up) before lunch period or authorized quitting time.
- 30 Repeated violations of plant or safety rules.

SAFETY RULES

Torfeaco Industries Limited endeavours to make working conditions in the plant as safe as possible. The purpose of the entire safety program is to protect you from injury. The following are general safety rules applicable to all employees. Specific safety instruction for certain jobs will be issued by Supervision where necessary.

- No machinery should be operated without authority or without a thorough knowledge of the method of operation.
- 2 Machinery should never be set in motion without definitely ascertaining that no one is in a position to be injured.
- 3 Guards and other safety devices are provided for your protection. They must not be removed except by authorization of the supervisor, and then replaced immediately after operation for which authority was given to remove guard or fixture.
- Report defective guards, equipment, or machinery not operating correctly to your supervisor immediately.
- 5 Stop your garnetting machine before you leave it; when oiling, cleaning or adjusting, switch off the motor, see that the belt is on the loose pulley, and if possible lock your machine, to prevent accidental starting.
- 6 Never distract the attention of other operators. You may cause them injury.
- 7 Where danger exists from dust, flying chips, splinters, grinding etc., shatter-proof goggles must be worn.
- 8 Keep space around your machine, passageways, etc., clear of surplus materials, to prevent tripping into machinery.
- 9 Notify your supervisor if the floor around your machine is oily or slippery.
- Do not wear loose fitting coats or clothing, or loose ties, etc.

- 11 .nticipate rough and jagged edges on all material when lifting.
- Carefully wash hands free from grease or oil at the end of a shift, and before eating food, to avoid certain types of poisoning. Methylated spirits and similar degreasing agents cause a skin irritation and should not be used.
- Electrical equipment should never be interfered with. Report to supervisor who will send for electrician to effect any repairs, adjustments or overhauls.
- To avoid strains and ruptures, stand firmly on both feet, as close to the work as possible, slightly bending the knees. This posture permits the even distribution of the necessary effort.
- 15 If you are injured, no matter how slightly, report to your supervisor for treatment. It should be borne in mind that a slight scratch or cut, if neglected, may lead to the loss of a limb or even cause death.
- Do not wear rubber soled shoes, especially in wet or oily places. Wear safety shoes to prevent injury to the feet and no open-toe or canvas running shoes are permitted.
- See that ladders have proper safety feet or hooks, or are tied to prevent slipping. Report to your supervisor any that are unprotected, broken or unsafe.

If any of the above rules are not clear to you - ask your supervisor

FIRE PROTECTION

- 1 Learn the specific fire hazards involved in your work.
- 2 Learn the location of the nearest extinguisher and the proper use of such equipment.
- 3 Submit any questions regarding fire precaution to your supervision.