

**COLLECTIVE
AGREEMENT**

-BETWEEN-

**Woodbridge
Foam Corporation**
Tilbury, Ontario

-AND-

**The National Automobile
Aerospace, Transportation
And General Workers
Union of Canada
(CAW – Canada)
and its Local 127**

2005

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ARTICLE 1 – PURPOSE OF AGREEMENT

1.01 It is mutually agreed that the purpose and intent of this Agreement is to promote cooperation and harmony between the Employer, the Employees and the Union, and to secure for the parties the full benefits of orderly Collective Bargaining; to recognize mutual interest and to provide a channel through which information and problems may be transmitted from one to the other, and to provide an amicable method for the fair and peaceful disposition of all Grievances; to promote efficiency in the production of quality products, and to set forth the conditions of employment to be observed by the Employees, the Union and the Company.

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

1.02 In this Agreement, words using the masculine gender include the feminine and neuter, the singular includes the plural, and the plural singular where the text so indicates.

ARTICLE 2 - RECOGNITION

2.01 The Company recognizes the Union as the exclusive Collective Bargaining agent of all regular plant employees at its plant location, 189 Queen Street North, Tilbury, Ontario; save and except foremen, persons above the rank of foreman, office staff, plant clerical staff, sales staff, technical staff (such as work measurement staff, Q.C. technician staff, process technician staff, laboratory staff, metallurgical staff), engineering staff (such as professional engineers, engineering technicians, designers, draftsmen).

2.02 The words “employee” or “employees” when used in this Agreement, shall mean only regular seniority employees and excludes probationers.

2.03 Employees defined in Clause 2.01 not in the bargaining unit, shall not perform any work which is recognized as work of the bargaining unit, except for the purposes of instruction, experimenting or in emergencies. It is not the Company's intent to replace bargaining unit members by having salaried employees performing regular bargaining unit work.

The Salary personnel performing the work will keep the appropriate Union Representative informed of the nature of such work, prior to the work being performed.

In case of emergency, only, a bargaining unit employee will be assigned to the work as soon as possible.

2.04 Notwithstanding the above, should a non-bargaining unit employee perform bargaining unit work, for any reason, he shall, prior to performing the work, advise the appropriate Union representative of the purpose and duration of such work. Additionally, such work will not reduce the hours of work or overtime opportunity of a bargaining unit employee or eliminate the need for hiring/recalling employees not currently active in our workforce.

ARTICLE 3 - MANAGEMENT RIGHTS

The Union recognizes and acknowledges that the Management of the plant and direction of the working force are fixed exclusively in the Company and, without restricting the generality of the foregoing, the Union acknowledges that it is the exclusive function of the Company:

- to operate and administer its affairs, to direct the working force, to plan, direct and control operations.

- to schedule working hours, to determine the number of employees to be employed, and the right to hire and select employees from any source, promote, demote, classify, transfer, rehire.

- to discipline, suspend or discharge employees, for just cause, the right to make, enforce, and alter, from time to time, Rules and Regulations covering the operations, and release employees because of lack of work or for other reasons.

- to determine the nature and kind of business conducted by the Company, the kinds and locations, of plants, equipment, product components, parts and material to be used, parts, components, products, materials, services and equipment purchased, the control of materials and parts, the methods and techniques of work, the content of jobs, the schedules of production, the right to introduce new and improved standards or facilities, the right to establish and change occupational production standards.

- to determine the extension, limitation, curtailment or cessation of operations or any part thereof.

- the Company will discuss with the Plant Chairperson any changes in existing Rules and Regulations, or the establishment of new Rules and before such changes are made effective.

-subject to the expressed provisions of this Agreement, and provided it is not inconsistent with the terms of this Agreement.

ARTICLE 4 - UNION MEMBERSHIP AND CHECK OFF

4.01 All present employees, and probationers, shall, as a condition of employment, become and remain members of the Union, for the term of the Agreement.

4.02 All employees, and probationers, shall, as condition of employment, authorize the Company to deduct from their pay the regular Union dues, initiation fees, and assessments as prescribed by the Constitution of the Union, and the by-laws of the local Union.

4.03

- (a) The Company will, for the duration of this Agreement, deduct from the pay cheque weekly installments of equal amounts that the total regular annualized dues of such employees, and remit such monies to the Financial Secretary of Local 127 of the National Union C.A.W. by the tenth (10th) of the month following the month in which the dues were deducted.
- (b) If a regular employee, or probationer, has no earnings during the prior week, dues deductions shall be deferred until his next pay period, subject to 4.04 of this Agreement.
- (c) The Company will at the time of making each remittance, supply a list of the names of each employee from whose pay deductions have been made and the total amount deducted from the month. Also, the name and status of any employee from whom the Company has made no dues deductions, dues deductions to be included in the employees' T-4 slips.
- (d) The Company will forward to the C.A.W. Financial Secretary of Local 127, an initial list of the names and addresses, including postal codes, of all employees covered by Article 4.01 of the Collective Agreement. Any change in this list will be provided on a quarterly basis thereafter.

4.04 No deductions shall be made from the pay of any employee covered by Clause 4.01, of this Agreement, in any month, where such employee has worked less than a total of forty (40) hours as of the last pay period of the month. Paid vacation days and paid Statutory Holidays will be considered as days worked.

4.05 The Union agrees to indemnify and save the Company harmless against all claims or other forms of liability that might arise out of, or by reason of, deductions made or payments made in accordance with this Collective Agreement.

ARTICLE 5 – NON-DISCRIMINATION/HARASSMENT

5.01 Both the Company and the Union are committed to providing a workplace free of discrimination and harassment. Employees must not engage in discrimination or harassment because of prohibited ground contrary to the Ontario Human Rights Code (the "Code"). Prohibited grounds are race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offences, marital status, family status or handicap, as defined in the Code. This provision shall be interpreted in accordance with and subject to the provisions of the Code.

5.02 The Union and the Company recognize that sexual or racial harassment is a cruel and destructive behaviour against others that can have devastating effects.

- (a) Sexual harassment is any unwanted attention of a sexual nature such as remarks about appearance or personal life, offensive written or visual actions like graffiti or degrading pictures, physical contact of any kind, or sexual demands.
- (b) Racial harassment is any action, whether verbal or physical that expresses or promotes racial hatred in the workplace such as racial slurs, written or visually offensive actions, jokes or other unwanted comments or acts.

5.03

- (a) If an employee believes that he has been harassed and/or discriminated against on the basis of a

prohibited ground of discrimination, the employee may bring the incident forming the basis of the complaint to the attention of his Union representative and/or Supervisor. If the employee's Union representative and/or Supervisor cannot, to the satisfaction of the employee, deal with the complaint, the employee is encouraged to submit his complaint in writing to a Joint Committee.

- (b) A Joint Committee will be comprised of two representatives selected by the Company and two representatives selected by the Union, per Division. Where the complainant is a woman and the complaint involves sexual harassment or gender discrimination, the joint investigation committee will include at least one woman.

The Company will ensure appropriate training by a certified CAW training source as follows;

- 1) All new hires will receive four (4) hours training.
- 2) Each member of the Joint Committee will receive yearly four (4) hour refresher training
- 3) All employees will receive a four (4) hour refresher training during the life of this Collective Agreement, which shall be inclusive of lunch and rest periods.
- 4) All Joint Committee members and Bargaining Committee members will complete a CAW 3-day course paid by the Company.

The Joint committee has established a procedure for expediting such investigations.

ARTICLE 6 - UNION REPRESENTATION

6.01 The Company acknowledges the right of the Union to elect a plant committee and stewards to a

maximum of fourteen (14) persons. The Company agrees to recognize six (6) of these Union appointees as the Plant Committee. One of such Plant Committee will be the Plant Chairperson on steady days. Any changes in the area of representation will be discussed between the Company and the Union and mutually agreed upon prior to the changes taking place. Representation will be as follows:

PLANT AREA	NUMBER OF STEWARDS
Foam Division (Production).....	1 PER SHIFT
Foam Division Support Groups.....	1 PER SHIFT
Enerflex Division (Production).....	1 PER SHIFT
Enerflex Division Support Groups.....	1 PER SHIFT
Skilled Trades.....	1

- Other shifts are covered by the respective shift Union Representation.

Such members of the Plant Committee and Stewards will be required to rotate shifts as per Article 19.05, if required. The Union agrees to assure representation on all the shifts. The Committee persons, Stewards, and the Plant Chairperson at the time of their election must have been employees of the Company for at least twelve (12) months. The duty of the Committee Persons, Stewards, and the Plant Chairperson shall be to represent the employee(s) in the investigation and processing of grievances or contract administration as outlined in the Grievance Procedure.

6.02 The Union will inform the Company in writing of the names of the committee persons, Stewards, and the Plant Chairperson, and their alternates and any subsequent change in the names of the Committee persons, Stewards, and the Plant Chairperson, and their alternates and the Company will not be required to recognize the Committee persons, Stewards, and the Plant

Chairperson and their alternates until such notification from the Union has been received. There will be only one alternate recognized for each Union Representative, to be active only in absence of the representative.

6.03 In order that such representatives can perform their duties it is acknowledged that, when required, a reasonable period of time off work may be necessary for them, and/or the grievor. Such permission will be granted during the shift, and in no case later than one (1) working hour after the request, except in the case of an emergency. Upon returning to work the representative and grievor shall report back to their supervisor or his designate. Permission granted by their supervisor will not be abused nor will excess time be used to transact such business.

The Company will recognize a full-time Plant Chairperson paid at the applicable rate. The Plant Chairperson must notify the Plant Manager or his designate, if any additional paid time to attend Union business is required.

The Company recognizes the need for the Plant Committee to meet in order to deal with general Plant issues. The Company will grant up to two (2) hours per week paid at the applicable rate for such meeting. Committee persons will notify their immediate supervisor three (3) working days prior to such meeting, except in the case of an emergency permission on short notice will be granted by the Plant Manager or designate. Meetings called by the Company will be paid by the Company and are not subject to the above schedule.

The Company recognizes the need for the Plant Chairperson to leave the plant for Union business during working hours paid at the applicable rate. Reasonable requests by the Plant Chairperson will be granted. The Plant Chairperson will not be replaced at the Plant during such business.

6.04 The Company agrees to recognize a Negotiating Committee which will be the Plant Committee, along with a Representative from the National Union, and/or the President of CAW Local 127. During negotiation for a new contract an additional Committee person will be recognized to represent production.

6.05 The Company will provide a bulletin board for the Union to post notices regarding meetings and matters pertaining only to the Union. Prior to posting, all such notices must be acknowledged by the Plant Manager or his representative and must be initialed by the Plant Chairperson.

6.06 It is agreed that the Union, its members or agents, shall not distribute or cause to be distributed any hand-bills, pamphlets, literature or Union material detrimental to the Company on the Company premises or time, except for arrangements agreed to between the Union and the Company. It is further agreed that all Union activity of any kind during working hours of the Company, will be as specified by this Agreement or mutually agreed.

6.07 To assure representation in weekend overtime situations the area Union representative will be scheduled when three (3) or more employees are working, Article 20.08 notwithstanding. Such representative will not be part of the regularly scheduled crew, but will be assigned any other duties in his area of representation, regardless of classification, at their normal applicable rate. If no Union representation is available for the overtime, the Union will appoint a Steward from among the employees scheduled to work and notify the Company.

6.08 The Company recognizes the Union's desire to have representation relevant to the size of the workforce. At the time of establishing a new area of business the Company agrees that Stewards will be recognized and will be added to the representation as identified in article 6.01.

ARTICLE 7 – STRIKES AND LOCK-OUTS

7.01 The parties hereto agree that there shall be no strikes, work stoppages, or lockouts during the life of the Agreement.

7.02 The words “strikes” and “lockouts” as used herein are agreed to have the meaning defined in the Labour Relations Act RSO 1980.

ARTICLE 8 – GRIEVANCE PROCEDURE

Step 1:

Complaints will not be considered a grievance and will be handled between the employee and his immediate supervisor. If a discussion is necessary, it will take place in an office. To recognize responsible communication between the parties the complaint will be documented by the Supervisor and Shift Steward and/or the employee using the Complaint Form. The Company will respond in writing to the employee and Steward regarding his complaint within two (2) working days of the complaint being documented.

Step 2:

Failing a satisfactory settlement at the complaint stage a grievance must **be** put in written form referencing the Complaint Form number, within five (5) working days from the date **of** the alleged violation of the Collective agreement, or from the date the alleged violation of the agreement became known to the griever, stating the nature of the grievance, the applicable Article(s) of this Agreement alleged to have been violated, and the remedy sought. The steward and griever will be given reasonable time to issue this written grievance.

One copy of the written grievance will be delivered to the Human Resource Manager or designate by the Plant Chairperson. A meeting will be held between the Plant

Chairperson, the appropriate Union Steward, on day shift, and an appropriate representative(s) of the Company to review and discuss the facts surrounding the grievance. A decision in writing outlining the reasons for accepting/denying grievance will be given to the Plant Chairperson by the area Manager within three (3) working days from the receipt of the written grievance.

Step 3:

Failing a settlement in Step 2, within three (3) working days, the aggrieved employee, with the Plant Chairperson, shall refer the grievance, in writing, to the Plant Manager, or his representative. At the time the grievance is presented to the Plant Manager or his representative, a representative from the National Office of the Union and/or the President of the Local may be present. The Plant Manager, or his representative shall render his decision, in writing to the employee, four copies to the Union office, one copy each to the Local President and National Representative within three (3) working days from the date of the Third Step grievance meeting.

8.02 Policy, Group, Suspensions or Discharge grievances, initiated by the Company or the Union will be originated at the Third Step of the Grievance Procedure, with strict adherence to the terms of the Third Step of the Grievance Procedure.

8.03 The time limits foreseen at the various steps of the Grievance or the Arbitration Procedure may be extended by mutual consent in writing by both parties. Failure to adhere to time limits specified in this Agreement or mutually agreed extensions, will result in the grievance being allowed or withdrawn without setting precedence or prejudice.

8.04 Failing a satisfactory settlement as in Step Three (3), the grievance may be submitted to Arbitration as outlined in Article 9 of this Agreement.

8.05 The Company and the Union shall not be subject to any financial liability for any period more than, up to, thirty (30) working days maximum, prior to the date a grievance was filed in writing. The employee repayment plan will not exceed the equivalent of one (1) hours pay weekly.

8.06 The Union and the Company will schedule a third step grievance meeting or a Union / Management continuous improvement meeting per division on a monthly basis. An annual schedule will be developed for these meetings. The Plant Committee members will be attending these meetings.

ARTICLE 9 - ARBITRATION

9.01 Failing a satisfactory settlement in Step Three (3) of the Grievance Procedure, it shall be the responsibility of the party desiring Arbitration to so inform the other party, in writing, within fifteen (15) working days after the Plant Manager, or his representative's response.

9.02 It is agreed that disputes which are carried to the arbitration stage shall be heard before a single Arbitrator. The Company and Union agree that the under mentioned persons shall be called to arbitrate on a rotation basis and in order of their listing:

F. Reilly
L. Davies
W. Rayner
M. Tims
T. Crljenica

9.03 The Arbitrator will set a date for the hearing, within reasonable time delays, to permit both parties to present their case and will render a decision as soon as possible after the completion of hearing all evidence.

9.04 The Arbitrator shall not have jurisdiction to alter or change any provisions of the collective Agreement or to substitute any new provisions in lieu thereof, nor to give

any decision inconsistent with the terms and provisions of this Agreement, or deal with any matter not covered by this Agreement.

9.05 The parties will equally bear the fees and expenses of the sole Arbitrator. Any witnesses called by the parties will be at their individual expense.

9.06 Notwithstanding the Arbitration Provisions in the Collective Agreement, the Union and Company may mutually agree that any grievance referred to Arbitration under the Arbitration Provisions of the Collective Agreement, may be Arbitrated under Section 49 of the Labour Relations Act.

ARTICLE 10 – DISCIPLINE AND/OR DISCHARGE

10.01 Employees directed by the Company to attend a formal disciplinary meeting, will be accompanied by a Union representative. Employees attending such meetings outside their scheduled working hours will be paid for this meeting. The timing of such meeting will be determined between the Plant Manager or designate and the Plant Chairperson.

10.02 A period of twelve (12) months with no recurrence of the same or related violation, from the date of issuance, of any disciplinary action given to an employee, will result in removal of said disciplinary action from the employee's personnel record.

10.03 An employee being discharged or suspended will be given the opportunity to meet with his shift Union representative or a representative of the Plant Committee, for a reasonable period of time, not to exceed one (1) hour, paid at the applicable rate, prior to leaving the plant. In the case of suspensions, at the time of this meeting, the employee and the Union will be provided in writing with the reason for the discipline, and if already determined, the duration of the suspension.

10.04 The Company recognizes the employee's desire for disciplinary decisions to be made quickly. All disciplinary decisions will be administered to the employee within five (5) working days for the employee involved. Employees receiving suspension will serve the suspension commencing no later than his next scheduled shift after the decision being made.

ARTICLE 11 – PROBATIONARY PERIOD

11.01 New hires shall be considered probationary until they have completed a total of sixty (60) days actually worked which will include time spent in classroom training, within a twelve (12) consecutive month period after which they shall become regular employees as defined in Clauses 2.01 and 2.02 and their seniority rating shall be their original hiring date. The Plant Chairperson will be provided with a list of new hires upon completion of the probationary period.

11.02 During their probationary period, probationers shall be subject to release by the company, at any time, and the Company will have no responsibility for re-employment of probationers if they are laid off; and such probationers shall have no rights of grievance under this clause except for termination the probationary employee may file a grievance alleging that termination was exercised in bad faith.

ARTICLE 12 - SENIORITY

12.01 The term "seniority" as used herein, shall mean accumulated service calculated from the date the employee actually begins work in the plant, and shall include any classroom training time. Training days to be added to floor date, excluding weekends.

12.02 In the case of equality in seniority ranking, seniority shall be determined by alphabetical order of the employee's last name at date of hire.

12.03 An employee will lose his seniority and his employment with the Company will be terminated, for any of the following reasons:

- (a) If he voluntarily quits.
- (b) If he is discharged, and not re-instated through the Grievance Procedure.
- (c) If he is retired, as per provisions of the pension plan.
- (d) If the employee is absent without Company approved leave of absence for more than three (3) consecutive working days without a satisfactory reason.
- (e) (1) If an employee has been laid off due to lack of work, and does not return to work after being contacted personally to report for duty for his first scheduled shift of the following week or within five (5) calendar days, whichever is greater.

When the employee cannot be contacted, the Company will notify the employee by registered mail to his last known address, and he will be allowed no more than five (5) working days from the date such notification is received by the employee, to report for duty.

A copy of the registered letter will be provided for the Plant Chairperson at the time of mailing.

(2) If an employee is at work with another employer he will not lose seniority if he reports for work with the Company within five (5) working days following his notice of recall, as outlined in Clause 12.03 (e)(1).

- (9) If an employee overstays a Company approved leave of absence without receiving an extension in

writing of such leave of absence unless he has a valid reason.

- (g) If he accepts gainful employment while on any leave of absence without first obtaining the consent, in writing, of the Company.
- (h) (1) If an employee with more than one (1) year of seniority is laid off due to lack of work and not recalled for work for a period extending beyond his length of service.

(2) If an employee with less than one (1) year of seniority is laid off due to lack of work and not recalled within twelve (12) consecutive months.

12.04 It shall be the responsibility of the employee to notify the Company in writing promptly of any change in their address and phone number (listed or unlisted). If an employee fails to do so, the Company will not be responsible for failure of any contact or notice to reach such employee.

12.05 Employees transferred to a position outside the bargaining unit, may, at the discretion of the Company, be transferred back to the bargaining unit as probationary employees.

The Plant Chairperson will be provided with a list of employees transferred out of the bargaining unit.

12.06 The Company will post an up-to-date seniority list on a monthly basis. Copies of the Seniority List will be provided to the Plant Chairperson. This list will include the supplementary seniority numbering system for internal use only. Current clock numbers will be maintained for administrative purposes.

ARTICLE 13 - LAYOFF

13.01 When the Company deems it necessary to reduce the workforce for up to one (1) day, employees will be offered lay-off on a voluntary basis by seniority in their department. If training requirements are such that senior employees on a given shift need to be trained, the Company may choose to skip them when canvassing for such voluntary layoff. NOTE : For the purpose of this Article, it is understood that in the Foam Division, the Production Department shall include both Line and Finishing.

When the Company deems it necessary to reduce the workforce for greater than two (2) working days senior employees will be offered lay-off on a voluntary basis for the duration of the planned layoff by seniority first.

When the Company deems it necessary to reduce the workforce for up to two (2) working days, the senior employee(s) will be offered the work available on their assigned shift.

When the Company deems it necessary to reduce the workforce for greater than two (2) working days and up to five (5) working days, employees affected will be placed by the Company, in the job of the most junior employee on the basis of his division seniority.

1st in his own classification

2nd in his own division

For employees in the Foam division laid off under this clause, there will be a maximum of fifteen (15) working days laid off per calendar year for each employee. Once an employee reaches this maximum number of days, for subsequent layoffs, the employee will be allowed to displace the junior employee plant wide.

For lay-offs of up to two (2) working days the Company will give the employee(s) one (1) working day notice.

The Company will make sure that full shift lay-offs are rotated equally amongst all shifts.

13.02 When the Company deems it necessary to reduce the workforce for greater than five (5) working days, employees affected will be placed by the Company, in the job of the most junior employee on the basis of his plant wide seniority (Skilled Trades excepted, see Clause 32.07, first paragraph).

1st In his own classification

2nd In his own Division

3rd In the Plant

If any Temporary Job postings are being filled at the time of such layoff, they will be reposted.

When placing employees, the Company will give employees shift preference by seniority provided such opening exists

Such reduction in the work force will be consistent with the Company's right to maintain a workforce of employees who have at the time of lay-off, the factors as outlined in Clause 15.03 to perform the work that is available, at the rate of the job.

It is agreed and understood that such qualified employee(s) may require some minor orientation not to exceed one (1) shift. This period may be extended by mutual agreement

For lay-offs greater than two (2) working days and up to three (3) working days, the Company will give the employees one (1) working day notice.

Interdivisional movement will not be allowed during normal Summer shutdown periods, or Christmas vacation periods.

13.03 If the Company decides to close the Plant, complete or partial, for Vacations, and employees **are** required to work during this period, the seniority provisions of Clause 13.02 will not apply; however, the senior qualified employees who have been granted vacations under Clause 18.02, at other than the plant shutdown period, will be given preference for the shutdown work

13.04

- (a) The Company will give seniority employees three (3) working days notice for lay-offs of greater than three (3) working days.
- (b) The Company will notify employees to be laid off, under Clause 13.04 (a) in writing, and the employee will acknowledge receipt of such lay-off notice by signing such written notice.

Employees not working in the plant at the time of notice of lay-off will be advised by registered letter. A copy of a group notice will be given to the Plant Chairperson and posted on the Plant bulletin board.

13.05

- (a) The Plant Committee and the full time Health & Safety representative shall be retained in their respective area of representation, at the rate of the job, in the event of a lay-off regardless of their position on the seniority list. If no such work is available, they will be laid off under the lay-off provisions of the Collective Agreement.
- (b) Union Stewards shall be retained in their respective area of representation, on their respective shifts, at the rate of the job in the event of a lay-off, regardless of their position on the seniority list. If no such work

is available they will be laid off under the lay-off provisions of the Collective Agreement.

It is agreed and understood that such qualified employee(s) may require some minor orientation not to exceed one (1) shift. This period may be extended by mutual agreement

13.06 The Union and employees agree that any employee may not refuse a transfer to available work under Clause 13.02. The Company will notify the Plant Chairperson of changes in "available work" assignments weekly on Wednesday.

13.07 If no work is available because of fire, lack of power, act of God, or for any other conditions created due to situations outside the confines of the plant, employees may be laid off and the lay-off notice provisions of 13.01, 13.02 and 13.04 will not apply. If work is available, the senior available qualified people will be utilized.

13.08 When an employee returns to work from non-occupational illness or injury, occupational illness or injury, or Company approved Leave of Absence, he will be reinstated to his former classification, if such vacancy exists. If no such vacancy exists, he will be subject to the seniority provisions of Article 13.02.

13.09 Should a classification or department be shut down, or jobs are eliminated in a class, employees laid off from their classification for more than sixty (60) consecutive calendar days from the last day worked will not retain classification or departmental rights. After such time, the affected employees will become classified, by seniority, in the job into which they have been placed. (Skilled Trades excluded)

13.10 The Company and the Union agree to meet when it becomes necessary to discuss the implementation of a skeleton shift.

ARTICLE 14 - RECALL

14.01 Recall of employees after lay-off will be in the reverse order of lay-off as outlined in the provision of Clause 13.02, except that for temporary lay-offs, employees will be recalled by Bargaining Unit seniority.

14.02 Any employee who refuses a recall to any available job shall lose his seniority, and his employment with the Company will be terminated, subject to Clause 12.03 e (1) and (2).

ARTICLE 15 - JOB POSTING

15.01 If a permanent job vacancy exists, or new job classifications are created in the plant, such openings shall be posted on the plant bulletin boards on Thursday mornings at 10:00 a.m. and removed the following Tuesday at 10:00 a.m., during which time regular employees at work in the Plant at the time of such job posting, may make application on the approved form for such job vacancy.

Employees on approved leave of absence, or non-occupational or occupational leave of absence, or vacation will be permitted to apply for such job postings.

The Company has no obligation to advise any absent employees of any job posting.

Such notice will state whether it is a new job, the rate of pay, the main duties and indicate "A", "B", or "C" crew.

The Company agrees to supply the Plant Chairperson with copies of the Job Posting. A list of the applicants, and awards, will be provided to the Plant Chairperson prior to the successful applicant receiving the job. The Company will post a list of successful applicants.

Employees posting from one classification to another classification will report to the awarded job within five (5)

days, excepting employees posting out of Critical Jobs, who will report within ten (10) days after the job posting has expired. Regardless of when an employee reports to the awarded job, he will receive the higher rate of pay five (5) days after the posting has expired. Employees have the opportunity, upon notification of being the successful applicant, to refuse or accept the position.

15.02 Employees shall be permitted to bid for a higher, lower, or lateral, by shift, except that the successful regular employee shall be entitled to only three (3) full time job postings every contract year.

When a new classification has been created or a steady day vacancy becomes available all seniority employees will be permitted to bid for the job regardless of the above procedure.

15.03

- (a) Employees bidding for a permanent job vacancy, shall be considered by the Company at the time of job posting by seniority. Applicants may be required to pass a Company written and/or practical skill test for Mould Shop and positions requiring the operation of a Lift Truck.
- (b) Vacant jobs created as a result of vacation, illness, injury or occupational accident or illness, or leave of absence shall not be posted as permanent vacancies and may be filled by the Company on a temporary basis. Such vacancies will not be subject to the seniority provisions of the Agreement up to thirty (30) calendar days.

If an absence is expected to exceed thirty (30) days, or if a temporary job of more than thirty (30) days but less than ninety (90) days is created, such job will be posted for the temporary period. The subsequent

jobs created as a result of the temporary job posting, will be filled according to Article 15.05

In the case of Utility Operators, employees successfully bidding into temporary postings will only be trained to fill jobs in the Production Department (excluding Foam Production Lift Truck Operator), and after ninety (90) days, will be trained in all other Utility Operator jobs per Article 16.

On the conclusion of the temporary job posting, all employees will return to their former classification subject to the seniority provisions of the Collective Agreement.

15.04 Should a dispute arise as to an applicant's qualifications to do the job, he shall be given a five (5) day trial period in which to prove himself. The employee may request to be taken off the job, within a two (2) day period. In either event he will be placed by the Company back into his previous classification. In such case, the Company will select the next eligible employee, from the job posting applicants, if any. By mutual agreement the parties may agree to extend these time periods.

15.05 For regular full time job postings, the next four (4) subsequent job vacancies, if any, in either Division, created by successful job bidding, will be filled by job posting. Any subsequent job vacancy(s) that remain, if any, will be filled by the Company by new hires. If such vacancy exists in the Foam Division, a one time posting will be made in the Enerflex Division prior to hiring from outside.

15.06 Nothing contained in this Article shall be construed to limit the Company's right to hire new employees from outside.

NOTE: The terms of Clause 32.07, second paragraph, will apply to successful bidders into the Skilled Trades department.

ARTICLE 16 – VACANCY REPLACEMENT

16.01 An employee temporarily assigned, at the direction of the Company, to a classification other than his regular classification shall be paid his regular base hourly rate or the rate of the job to which he is transferred, whichever is higher. Such temporary transfer will be paid for the entire shift.

16.02 A vacancy shall be considered temporary provided it does not exceed thirty (30) calendar days, and during this period, will not be subject to the seniority provisions of this Agreement. If such vacancy exceeds this period, it will be posted for job bidding as per the provisions of Article 15.

The following procedure will be used to fill short term vacancies:

NOTE: Daily vacancies in the Utility Operator classification will not be filled.

- (a) the Company and Union agree that for the positions of Chemical Handler, Sample Maker, and Environmental Technician one (1) Utility Operator per shift; and for the position of Leadhand, two Utility Operators per shift will be trained. Each Utility Operator must choose at least one of these critical jobs. The jobs will be offered by seniority on each shift.
- (b) if the number of vacancies on shift exceeds the number of Utility Operators on shift, the Company will fill any vacancies in the Production Department first, by seniority and by preference. Support group vacancies (excluding Mould Shop, Skilled Trades, and Trainer which shall be filled at the discretion of

the Company), that remain unfilled may be filled by asking overtime in the open Support Group class.

When the Company transfers a Utility Operator to another shift, they will ask the Utility Operators on the affected shift by seniority. If no volunteers are found, the junior Utility Operator will be transferred.

- (c) The Company will fill vacancies with qualified Utility Operators first and then by offering such transfer to senior, qualified employees on the shift, in a classification that the Company deems able to be reduced. If no employees volunteer for such transfer, the Company will transfer the junior employee in that classification.
- (d) For any vacancies that remain unfilled, the Company will ask the appropriate employees for overtime.
- (e) The Company will ensure that the overtime is called by the lowest hours in any Production Department vacancy that remains. (excluding Utility Operator) If a Utility Operator has been temporarily assigned to this vacancy; they will be moved to another vacancy.
- (f) All vacancies will be filled within their respective Divisions only.

The Company reserves the right to assign any employee to vacancies for the following reasons:

- 1) while waiting for employees on overtime.
- 2) if no employees are available for overtime.

ARTICLE 17 – PAID HOLIDAYS

17.01 The following shall be considered as Paid Holidays under the terms and conditions of Article 17 of the Collective Agreement.

	2005	2006	2007	2008
Canada Day	July 1	July 3	July 2	
Civic Holiday	August 1	August 7	August 6	
Labour Day	September 5	September 4	September 3	
Thanksgiving Day	October 10	October 9	October 8	
Heritage Day		February 20	February 19	February 18
Good Friday		April 14	April 6	March 21
Easter Monday		April 17	April 9	March 24
Victoria Day		May 22	May 21	May 19

2005 (number of paid holidays 7) from 11 p.m. Wednesday, December 21/2005 to 11 p.m. Friday, December 30/2005.

2006 (number of paid holidays 7) from 11 p.m. Thursday, December 21/2006 to 11 p.m. Monday, January 1/2007.

2007 (number of paid holidays 7) from 11 p.m. Friday, December 21/2007 to 11 p.m. Tuesday, January 1/2008.

Note: The above dates may be changed by mutual agreement.

17.02 An employee absent from work for the last two (2) hours of the last working day immediately preceding any of the Paid Holidays listed in Clause 17.01 shall not be entitled to pay for the Holiday unless he has a valid reason.

17.03 An employee will also, not be paid for a Paid Holiday if:

- (a) He has been laid off due to lack of work for more than forty-five (45) calendar days prior to, and inclusive

of, the recognized Paid Holiday. For Christmas holidays the employee did not work any day between November 15 and January 15.

- (b) He is off work due to a non-occupational, certified illness or injury, for more than forty-five (45) calendar days prior to, and inclusive, of the recognized Paid Holiday.
- (c) **He** has been receiving Worker's Compensation for more than forty-five (45) calendar days prior to, and inclusive, of the recognized Paid Holiday.
- (d) He is on approved leave of absence from the Company for a period of more than forty-five (45) calendar days prior to, and inclusive, of the recognized Paid Holiday. If such leave falls in the Christmas holidays, the employee will be entitled to the paid time.

It is understood that probationers are not entitled to pay for any Paid Holiday, during their probationary period. However, the Company agrees that upon achievement of seniority, such employees will be paid for all Paid Holidays that fell during their probationary period, excluding time spent in classroom training, in the pay period following completion of their probationary period.

17.04 When a holiday falls within an eligible employee's approved vacation period, he shall be paid for such holiday. The additional day of vacation will be scheduled and such day will be mutually agreed upon. Exception to this clause is when the conditions are covered by clause 17.06.

17.05 Employees eligible for payment of a Paid Holiday will be paid on the basis of the applicable rate of the job to which they were assigned the day prior to the Holiday.

17.06 If any of the Paid Holidays listed in Clause 17.01 falls during a plant shutdown, such Holiday will be observed either on the previous Friday or the following Monday. The Company agrees to meet with the Plant Committee, fourteen (14) calendar days prior to any Paid Holidays, covered by Clause 17.01 to meaningfully discuss the Company's plans for observance of any such Holidays.

It is agreed and understood by the Union and Company that during the first forty – five (45) calendar days of any such Worker's Compensation or sickness or accident disability benefit, and the daily amount of payment outline in Clause 17.05.

ARTICLE 18 - VACATION

18.01 Vacations with pay shall be granted to all employees on the payroll of the Company on the basis of their seniority with the Company as defined in Article 12 of the Collective Agreement.

- (a) Employees with less than six (~~6~~) months seniority as of July 1st will be paid vacation pay in accordance with the provisions of Part VIII of the Ontario Employment Standards Act.
- (b) Employees with more than six (6) months, but less than one (1) year seniority, as of July 1st, one (1) week with vacation pay of four (4%) percent of gross earnings based on their period of employment during the previous twelve (12) month period from July 1st to June 30th.
- (c) Employees with more than one (1) year, but less than five (5) years seniority as of July 1st, two (2) weeks with vacation pay of four (4%) percent of gross earnings based on the previous twelve (12) month period from July 1st to June 30th.

- (d) Employees with more than five (5) years, as of July 1st, three (3) weeks with vacation pay of six (6%) percent of gross earnings based on the previous twelve (12) month period from July 1st to June 30th.
- (e) Employees with more than ten (10) years, as of July 1st, four (4) weeks with vacation pay of eight (8%) percent of gross earnings based on the previous twelve (12) month period from July 1st to June 30th.
- (f) Employees with more than twenty (20) years, as of July 1st, five (5) weeks vacation pay of ten (10%) percent of gross earnings based on the previous twelve (12) month period from July 1st to June 30th.
- (g) Employees who work a minimum of 1500 hours in any vacation year will receive no less than forty (40) hours vacation pay per year of entitlement. Time lost for verified sickness or Worker's Compensation will be deemed as time worked for the calculation of vacation pay for up to one (1) year.

18.02

- (a) The period or periods during which an employee may take his vacation shall be determined at the discretion of the Company. The Company, however, will ensure the most senior employee is granted their preferred vacation dates, provided such employee makes application, on a form provided by the Company, to his supervisor or representative, not later than May fifteen (15) of each year, a notice to this effect will be posted April first (1) each year. The Company will post the date of summer shutdown by May 1.
- (b) The Company will post a notice of Scheduled Vacations, not later than May 30th, each year.

- (c) The Company will schedule two (2) weeks vacation, if requested under Clause 18.02 (a), in the months of June, July and August, should the Company decide not to shut down during this period, provided the Company can meet customer requirements.
- (d) An employee may indicate their desire to move full weeks of scheduled vacation, if available. Such moves will **be** granted at the discretion **of** the Company on the following basis.
 - i) first requested
 - ii) seniority

18.03 The vacation year shall be from July 1st, through June 30th. Vacation time off must be taken during the current vacation year and cannot accumulate to be taken in any subsequent vacation years.

18.04 Vacation pay will be calculated on June 11th, 2005, June 10th, 2006, June 9th 2007 and will be made available to the employee on June 22nd, 2005, June 21st, 2006, June 20th, 2007 or a week prior to their approved vacation.

ARTICLE 19 – HOURS OF WORK

19.01 The normal hours of work will **be** eight (8) hours per day, and forty (40) hours will constitute a normal work week.

19.02 The normal work week will be comprised of five (5) consecutive days Monday through Friday.

19.03

- (a) The normal hours in a workday on a one (1) shift operation is defined as follows:
 - 7:00 a.m. to 3:00 p.m.

- (b) The normal hours in a workday on a two (2) shift operation **are** defined as follows:

DAY SHIFT: 7:00 a.m. to 3:00 p.m.

AFTERNOON SHIFT: 3:00 p.m. to 11:00 p.m.

The normal workweek on a three (3) shift operation will be Monday through Friday inclusive.

- (c) On a three (3) shift operation, the hours will be as follows:

DAY SHIFT: 7:00 a.m. to 3:00 p.m.

AFTERNOON SHIFT: 3:00 p.m. to 11:00 p.m.

NIGHT SHIFT: 11:00 p.m. to 7:00 a.m.

The normal work week will start at 11:00 p.m. Sunday for a three (3) shift operation.

19.04 In the event it becomes necessary for the Company to change the starting and stopping times of the normal shifts, or establish new shifts, the Company will meet with the Committee to mutually agree on such change or new shift.

19.05 It is agreed and understood by the Union and its members that all employees will be on a bi-weekly three (3) shift rotation. The order of shift rotation shall be Mid-night Shift, Afternoon Shift, Day Shift. (MAD)

An employee requested by the Company to change his shift during his regular work week, will be paid at time and one half (1-1/2) for the first shift of the new scheduled shift, if not given two (2) calendar days notice of the change.

19.06 This statement of the normal hours of work shall not be construed as a guarantee of any minimum, or as a restriction of any maximum numbers of hours of work per day, or per week, or of days of work per week, subject to the Employment Standards Act R.S.O. 1980.

19.07 The lunch period is twenty-five (25) minutes (paid) and is part of the eight (8) hours

19.08 Employees wishing to trade shifts, by classification only, will be restricted to full eight (8) hour shifts with the prior approval of both shift supervisors. No employee shall otherwise offer partial or complete shifts to any other employee. The Company will ensure that all shift trades will be dealt with in a fair and equitable manner.

Once a shift trade has been approved by both affected supervisors, the employees trading will keep the seniority rights of the opposite person. The trading employees will assume each other's clock number for purposes of lay-off, overtime, and temporary transfer.

ARTICLE – 20 OVERTIME

20.01 Hours worked in excess of eight (8) hours actually worked in a normal work day will be paid for at the rate of time and one half (1-1/2) the base hourly rate. For employees working overtime prior to the start of their regular shift, in the event such employee leaves prior to the end of their regular shift, due to voluntary layoff, or because of being laid off by the Company, they will be paid at the rate of time and one half (1-1/2) for time worked before the start of their regular shift.

Hours worked on Saturday will be at time and one half (1-1/2) the base hourly rate.

Hours worked on Sunday will be at two (2) times the employees base hourly rate.

20.02 Work performed on any Paid Holiday listed in Clause **17.01** of the Collective Agreement will be paid for at the rate to two (2) times the base hourly rate, in addition to pay for the Statutory Holiday as outlined in Clause **17.05**.

All hours worked during the Christmas shutdown will be paid at two (2) times the base hourly rate.

Overtime on holiday weekends will be voluntary. Hours worked on a paid holiday will be recognized as overtime hours for that week.

20.03 Overtime premiums shall not be paid more than once for any hours worked, and there shall be no pyramiding of overtime.

20.04 The Company is aware of the employees' desire for voluntary overtime, and will continue to make considerable effort, whenever possible, to secure overtime by voluntary means. However, it is clearly understood by the Union and employees that customer requirements must be met to ensure job security for all.

The Union and the employees agree they will not refuse to work up to a total of eight (8) hours of overtime in any one (1) week, when requested to do so. Employees refusing to work overtime, without a valid reason, will be subject to disciplinary action.

Overtime will be voluntary from Saturday 3:00 pm to Sunday 11:00 pm.

20.05 Shift premiums shall not be included in the calculation of overtime compensation.

20.06 Charging of overtime

(a) Employees obtaining seniority will be credited with the average overtime hours in their classification.

Employees posting into a new classification will be averaged into the classification upon entry.

(b) Employees transferring from one classification into another classification or transferring to another shift will carry their overtime hours. Employees being

transferred to the other Division will be averaged into their classification upon entry.

- (c) Employees returning from long term absences or transfers (exceeding thirty (30) days) will be averaged into the classification to which they will be returning.
- (d) Union Stewards overtime hours will not be used for the purpose of averaging an employees hours into a classification.
- (e) Employees eligible for overtime who are absent on the day of canvassing will be charged with overtime refused. For weekend overtime, employees absent on the day of canvassing must advise the Company by 12:00 PM (noon), Thursday, that they are available to work the said overtime or they will be charged as if they had worked.
- (9) Employees on a Company approved leave of absence will be eligible for overtime if they return to work prior to the overtime assignment.
- (g) Overtime hours worked and/or refused will be recorded as hours paid. An employee who fails to report for overtime will be penalized double the amount of hours originally scheduled.

20.07 Employees who return to work on modified light duty will only be given an opportunity to work overtime after all other employees on shift have been canvassed..

20.08 The Company will guarantee the equal distribution of overtime among fully qualified employees, by classification, in the department, on the shift that the overtime is required, according to the following chart;

Canvassing **for** Overtime

Heat & Wipe 1. Line Department (Foam Division), Enerflex Operators (Enerflex Division) 2. Utility Operators 3. Rest of Shift 4. Classified from Other Shifts 5. Support Groups

Weekend Shifts 1. Classification 2. Utility Operator 3. Rest of Shift 4. Classified from Other Shifts 5. Support Groups

Canvassing for weekend shifts will be according to Letter of Understanding #27

Daily Overtime **(1)** Open Vacancies: Step 1 - the class containing the low hours worker on shift in Prod. Dept. will be canvassed first. Step 2 - if more than 1 class is open repeat Step 1 in the class with the next low hours in the Prod. Dept. (except Utility). **(2)** Utility Operators **(3)** Rest of Shift **(4)** Support Groups

Note: for purposes of equalization, the lines in the Enerflex Division shall be considered as two separate departments.

In the event of equality between two (2) or more employees, seniority will apply. Employees unable to work overtime shall be considered to have worked for the purposes of equalization. The overtime hours will be calculated daily and a summary of overtime will be posted weekly by the second (2nd) working day. Overtime will be calculated on hours worked from Sunday to Saturday.

For weekend overtime, the overtime hours on the day of canvassing will be used, and any overtime worked between the time of such canvassing and the weekend assignment(s), will not affect any employees right to such overtime.

During summer shutdown periods, all employees scheduled to work will have their hours set to zero for purposes of overtime opportunities during the shutdown. At the end of the shutdown period, such employees will be credited with the hours they had accumulated prior to the shutdown. (Skilled Trades excluded).

After canvassing all qualified employees in production classifications, and in the event there is a need for filling production overtime requirements from the support groups, qualified employees with lowest overtime hours in their department will be asked first. Overtime hours worked or refused will be carried back to their classification.

ARTICLE 21 - SHIFT PREMIUM

21.01 A shift premium of sixty (\$0.60) cents shall be paid to all employees working on the second (2nd) shift.

A shift premium of one dollar (\$100) shall be paid to all employees working on the third shift.

Scheduled shifts which commence during one shift premium period and end in another shift premium period shall be paid only the shift premium of the commencing shift.

ARTICLE 22 - OCCUPATIONAL ACCIDENTS OR ILLNESS

22.01 When an employee suffers an occupational accident on the Company premises during his working hours that requires off-site treatment, such employee will be paid their applicable rate for the balance of their shift provided the incident is reported in person to the Company prior to leaving the premises. If needed, the Company will supply appropriate transportation to the doctor, or hospital on the first (1st) day of injury; and after treatment, appropriate transportation to the Plant and then, if required home. If treatment extends beyond

the end of the injured employee's shift, transportation directly home will be provided. Medical certification is required for Worker's Compensation Board files and payment. If the employee requires assistance during transportation the Company will provide proper transportation and assistance.

22.02 Any employee's reinstatement under Clause 13.08, after an occupational accident or illness is conditional on his supplying a certificate from a physician that he is fully recovered from the occupational accident or illness which caused his absence.

22.03 The Company, may require an employee to undergo a medical examination or examinations by a Company physician, or a physician of the employee's choice, and the Company shall bear the expenses incurred in connection there with, which will include payment for time lost, if such employee is at work. In the event of a dispute between two physicians concerning the validity of an occupational illness or injury, the Company and the Union will select a third party physician and his opinion will be binding on both parties.

22.04 An employee who is no longer able to perform the work in his classification, but is capable of performing other duties, or any employee who has incurred a non-compensable, or compensable permanent or partial disability, may by mutual agreement between the Company and the Union, be assigned to or retained at an operation which he is capable of performing at the prevailing rate of pay of his posted position or the rate of the assigned operation whichever is greater.

22.05 In the event an employee suffers a disability which prevents such employee from performing their normal job, the Company and the Union may make exceptions to the seniority, job posting, temporary transfer, layoff and recall procedures of the collective agreement.

When exceptions are made for the employee, the parties further agree that such employee will not be displaced under the layoff and recall provisions nor may such employee exercise job posting or claim any other job unless mutually agreed by the Company and the Union.

In the event of a layoff and the seniority of the employee placed under this provision does not entitle such employee to remain in the plant, the employee will be laid off and the employee will be recalled once they have sufficient seniority to work in the plant.

ARTICLE 23 ~ SICK LEAVE OF ABSENCE

23.01 Employees who are permitted to go home by the Company due to non-occupational illness or injury will not be paid for the remainder of their shift.

23.02 Any employee's reinstatement, under Clause 13.08, after sick leave, exceeding more than three (3) working days, is conditional on his supplying a certificate from a physician that he is fully recovered from the sickness which caused his absence. The Company will bear the expense for all such forms.

23.03 The Company, may require an employee to undergo a medical examination or examinations by a Company physician, or a physician of the employee's choice, and the Company shall bear the expenses incurred in connection therewith, which will include payment for time lost, if such employee is at work. In the event of a dispute between two physicians concerning the validity of a non-occupational illness or injury, the Company and Union will select a 3rd party physician, and his opinion will be binding on the parties.

23.04 The Insurance Carrier requires an initial claim form before commencement of Weekly Indemnity benefits. The Insurance Carrier may also request a supplemental form be completed while the employee is on Weekly Indemnity. The Company will bear the expense for all such

forms and also physician's notes for return to work from Weekly Indemnity.

ARTICLE 24 – LEAVE OF ABSENCE

24.01

- (a) A personal leave of absence, without pay, for a valid reason, may be granted for a period not to exceed up to four (4) calendar months, provided such leave does not disturb the efficiency of the employee's work area, or Plant, and such application is made to the Plant Manager or his representative at least five (5) days prior to the leave of absence, in writing, and written approval is obtained from the Plant Manager or his representative.
- (b) Employees may be granted an extension of leave of absence granted under Clause 24.01 provided such leave of absence is requested in writing to the Plant Manager or his representative at least five (5) working days prior to the termination of the initial leave of absence and such written approval is obtained from the Plant Manager or his representative prior to the termination of the initial leave of absence.
- (c) The Company agrees to consider all requests under this Article, for all employees, in a fair and equitable manner. The Company will copy the Plant Chairperson on all leave-of-absence forms.

24.02 Return to work following a personal leave of absence will be as per Clause 13.08.

ARTICLE 25 – PREGNANCY LEAVE OF ABSENCE

25.01 Pregnancy Leave of Absence will be in accordance with the applicable legislation.

25.02 Employees will be granted an extension of Pregnancy Leave of Absence, not to exceed a total of twelve (12) months, including the time limits provided under the Employment Standards Act, provided such leave of absence is requested in writing at least five (5) days prior to the commencement of such leave, and approved in writing by the Plant Manager.

ARTICLE 26 – LEAVE FOR UNION BUSINESS

26.01 An employee elected or nominated by the Union to attend Union Conventions, Conferences, Delegations, or Committee Meetings, will be granted a leave of absence without pay for a period not to exceed up to one (1) calendar month, and the Plant Manager or his Representative is given a minimum of five (5) working days notice in writing of such absence, and not more than seven (7) employees shall be granted such leave of absence at any one time. On request of the President of Local 127, the Company will accept two (2) working days notice, under this clause, for urgent shop committee meetings. An employee's return from such leave of absence is subject to Clause 13.07.

Hours accumulated while on leave will be used in the calculation of pension credits and vacation pay

26.02 Any employee with seniority elected or appointed to the National or Local Union staff, shall be granted a leave of absence without pay and benefits for a period of up to three (3) years, provided such request is made in writing at least two (2) weeks in advance to the Plant Manager.

Employees covered by this clause will accumulate seniority and be granted pension credits as per article 39 (5) as if he would otherwise be at work, for the duration of such leave.

Employees returning from Staff Union Leaves, shall notify the Company in writing, of their availability and desire

to return to work, and the Company shall have five (5) working days to return the employee to work following such notice.

Upon an employee's return from such leave of absence, the employee will be returned to his former classification, if such vacancy exists.

ARTICLE 27 – BEREAVEMENT LEAVE OF ABSENCE

27.01 If a death occurs in the immediate family of a regular employee (probationers excepted), during his scheduled work week, such employee will be given three (3) days leave of absence, with pay, at his applicable rate, up to a maximum of eight (8) hours pay, for each day of leave of absence, for the purpose of making funeral arrangements and/or attending the funeral. An employee's immediate family shall include:

employee's spouse's brothers spouse's sisters
spouse's grandparents

In the event of the death of an employee's current spouse, same sex spouse (as defined in Appendix B), child, step child, father, mother, brother, sister, parent-in-law, grandparent, grandchild, step-parent, step-brother, or step-sister, spouse's parents, spouse's step-parents, such paid leave of absence will be (5) days.

If bereavement occurs during a regular employee's scheduled vacation, he will be granted the appropriate paid days off and will extend his vacation period.

27.02 The employee will notify a shift supervisor in the event bereavement leave is required.

27.03 Such paid bereavement leave as described in Clause 27.01 is only payable where the employee would otherwise be at work during this period.

27.04 Proof of attendance at the funeral may be requested by the Company.

ARTICLE 28 – JURY SELECTION/DUTY/ SUBPOENAED WITNESS

28.01 An employee who is called for jury service / subpoenaed witness, shall be excused from work for the day(s) of which he serves, and he shall receive, for each such day of jury service/ subpoenaed witness on which he otherwise would have worked, the difference between eight (8) times his applicable rate, and the payment he receives for jury service / subpoenaed witness. The employee will present proof of service and the amount of pay received therefore, transportation excluded. An employee working the midnight shift which immediately precedes the day on which service is required will not be required to report for work for that entire shift.

ARTICLE 29 – REPORTING-IN-PAY

29.01 An employee who has not been notified in advance “not to report for work”, and who reports for his regular scheduled shift, will be given at least four (4) hours work, and if no work is available, he will be paid for a minimum of four (4) hours, at the applicable rate.

29.02 This obligation on the Company will not prevail:

- (1) if no work is available because of:
 - (a) a power shortage or a failure of power supply.
 - (b) any other conditions created due to situations outside the confines of the plant.
- (2) if the employee has not kept the Company informed of his current address and a telephone number.

ARTICLE 30 - CALL-IN AND CALL-BACK PAY

30.01 When an employee has completed his regular shift, and left the plant, and is requested by the Company to return to work before his next regular shift to do emergency work, such employee will be allowed to go home after any emergency work for which he was called, or which occurred after his arrival, is finished and shall be paid at the applicable rate for hours worked, or a minimum of four (4) hours pay at the applicable rate.

30.02 For employees called in prior to the start of their regularly scheduled shift, for regular production work, if such employee reports for work within one (1) hour of being called, such employee will be paid four (4) hours pay at the applicable rate. If such employee does not report within one (1) hour of being called, they will be paid for actual hours worked at the applicable rate.

ARTICLE 31 - SAFETY AND HEALTH

31.01 The Company and the Union realizing the benefits to be derived from a safe and healthy place of employment, agree that they, together with all employees, the Plant Committee and Stewards, and Supervisors, will cooperate to the fullest extent to promote safe work practices, health conditions, and enforcement of safety rules.

31.02 Safety equipment, devices, and procedures will be in accordance with all legislation applicable to the work place for matters pertaining to Health and Safety and will be followed and promoted by the Company and the Union.

31.03

- (a) There will be one Joint Health and Safety Committee (referred to hereafter as "The Joint Committee"), and it shall consist of up to thirteen (13) members. The Company shall recognize up to eight (8) plant worker

safety representatives, one (1) per shift selected by the employees from each production area, one (1) Skilled Trades representative and one full-time Health and Safety person shall be appointed/elected by the Union who will represent shipping/receiving. The Company will supply the names of their five (5) members to the Joint Committee. In the event of a one line operation the production area will be represented by the on-shift representatives of the line in operation.

The Company recognizes the need for training and updating of Health and Safety representatives, the Union Co-Chairperson and all hourly employees both prior to assuming their responsibilities and while on the job. Appropriate training will be made available for new hires, job changes, both permanent and temporary, and for all new legislation and/or processes and equipment, subject to Clause 31.03 (b) (2).

Joint Committee meetings will be attended by up to eight (8) worker representatives and up to five (5) Company representatives as per Clause 31.03 (a) paragraph 1.

The Joint Committee shall meet on the basis of a predetermined schedule prepared and mutually agreed upon for each calendar year. The worker representatives will be allowed to meet two (2) hours prior to the meeting. Each representative will be given the opportunity to meet with their appropriate back-up for one (1) hour each month.

There shall be two CO-Chairpersons, one appointed by the employer, and one representing the workers who shall be the full-time C.A.W appointed/elected Health and Safety representative.

In the event that a technical situation arises outside the scope of the on-shift worker safety representative and one of the CO-Chairpersons is not available, the worker

safety representative will inform his Supervisor of his problem and that he needs assistance. The Supervisor and/or the on-shift worker safety representative will then contact one of the Co-Chairpersons for direction.

- (b) The functions of the Joint Committee shall be:
 - (1) to identify, evaluate and recommend to the Plant Manager a resolution of all matters pertaining to health and safety in the work-place.
 - (2) to review education and training programs, and monitor all information to assure employees are knowledgeable in their rights, restrictions, responsibilities and duties under the Occupational Health and Safety Act.
- (c) The members of the committee who represent workers shall designate one of the members representing workers to inspect the physical condition of each area of the work-place, accompanied by a Management member of the Committee. An inspection schedule will be followed, such that the entire workplace is inspected at least once per month.
- (d) The Joint Committee will choose an inspection team of three people from the Committee members, two representing the Union and one representing the Company, and alternates if required, to investigate all new or substantially changed positions, processes and equipment, serious work-place accidents, and situations, and/or equipment that have the potential for a serious accident. The inspection team will be responsible for overseeing that the requirements prescribed in Section 25 and 26 of the act and Sections 5 and 6 of the Regulations for Industrial Establishments are carried out. The inspection team

will be given a minimum of one week notice before the introduction of any of the above aforementioned.

The Company agrees that a safety sign off document shall be signed by the inspection team prior to implementation of such change, or startup of such equipment. In the event signing of such document requires the presence of the Full Time Representative during other than his regular hours, all provisions of Article 20 and Article 30 shall apply.

- (e) All Health & Safety Committee members will be made available for Joint Health and Safety Meetings. All time spent in attendance at committee meetings or in activities relating to the function of the Joint Committee will be paid for at the member's appropriate hourly rate of pay, and the time spent is to be considered as time at work, time off for any Committee activity is subject to normal supervisory approvals.
- (f) The Company and the Union agree that, from time to time, representatives of Management and/or the Plant Chairperson may attend Health and Safety committee Plant tours and meetings. In this case, the Committee Co-chairs will be given reasonable advance notice of such attendance.

The Company agrees that the National representative, or his designate with reasonable advance notice to the Plant Manager, may attend from time to time, Health and Safety Committee Plant tours and meetings.

31.04 All employees will be required to wear Company approved safety shoes or **boots** in designated areas, as a condition of employment, and such foot protection shall be CSA approved. The Company will pay for regular employees only, one hundred and ten (\$110.00)

dollars towards the purchase of one pair of safety shoes or boots in each year of the Collective Agreement.

In cases where safety shoes may deteriorate due to working conditions the Company may authorize an additional contribution of sixty (\$60.00) dollars towards a second pair of safety shoes or boots within the twelve (12) month period. All skilled trades employees will receive one hundred and fifty (\$150) dollars towards each of two (2) pair of safety shoes or boots in each year of the Collective Agreement. PST shall be exempt when shoes are purchased from Company approved vendors.

31.05 All employees working in Company designated safety glass areas, will be required to wear safety glasses provided by the Company as a condition of employment.

The Company agrees to pay 100% of the cost of prescription safety glasses and Company approved safety frames from a Company designated supplier and such eye protection shall be CSA approved, for regular employees working in such designated areas requiring prescription safety glasses, one each consecutive twelve (12) months from the date of the last purchase, if necessary.

31.06 Prescription safety glasses damaged on the job (severely spotted glasses included) will be replaced by the Company at no cost to the employee.

31.07 The employer's share of the cost for safety boots or shoes and prescription safety glasses will be paid on the completion of an employee's probationary period.

31.08 On April 28 of each year at 11:00 am; one (1) minute of silence will be observed in the memory of workers killed or injured on the job.

ARTICLE 32 – SKILLED TRADES

32.01 All employees classified in the Skilled Trades department are subject to all provisions of the Collective Agreement except as specifically provided in Article 32. For the purpose of the Agreement the Skilled Trades department shall consist of:

- (1) Industrial Millwright - Mechanic (journeyman)
- (2) Electrician – Construction/Maintenance (journeyman)

32.02 Entry into the Skilled Trades shall be restricted to persons who provide documentation supporting their claim to required work experience and. . .

- (a) Any employee who presently holds a journeyman classification in the Plant in the Skilled Trades department;
- (b) Any employee who has served a bonafide apprenticeship of four (4) years (8000 hours) and holds a certificate which substantiates his claim of such service;
- (c) Any employee who has eight (8) years of practical experience in the Skilled Trades classification and can prove same with proper affidavits. A C.A.W. journeyman's card will be accepted as qualification.

The Skilled Trades Representative and the Plant Chairperson will be shown proof of qualifications of all hires into the Skilled Trades department prior to their commencing work in the plant.

The Company agrees to pay the cost of licence renewals for Skilled Trades personnel when such renewals are required by law.

32.03 The Company recognizes the need for training and updating the skill levels of the Skilled Trades personnel in the plant to the point where they may properly service, repair, and maintain the existing and future equipment of the plant.

- (a) The Company will ensure Skilled Trades personnel are properly trained on any new piece of equipment and or machine installed in the plant.
- (b) Whenever possible the Company will ensure Skilled Trades personnel interface with outside contractors when there are specific skills which our employees would require to learn.
- (c) In the event an outside contractor, Corporate Engineering, and/or Internal Engineering are involved in the modification, new installation, or upgrading of any current piece of equipment or machinery the appropriate Skilled Trades personnel will be advised and provided training if needed on the changes or modifications made. This will ensure our employees will be able to properly maintain the equipment.
- (d) A yearly training analysis will be conducted for all Skilled Trades personnel in conjunction with the Skilled Trades Representative. The results will be reviewed on an as needed basis throughout the year.

32.04 Those Skilled Trades employees who as a condition of employment, are required to provide their own hand tools and measuring devices, will meet and maintain specific tools as designated by the Company. Additions or deletions to this tool list will be mutually agreed upon with the Skilled Trades representative.

Any such hand tool broken by normal use of the tool, will be returned to the employer and replaced from a lump sum of seven hundred and fifty (\$750) dollars in the first

year, seven hundred and seventy-five (\$775) dollars in the second year, and eight hundred (\$800) dollars in the third year of the Collective Agreement. Each of these amounts are gross, before tax amounts. In any case, the net payment to such employees shall be no less than five hundred and fifty (\$550) Year 1, five hundred and seventy-five dollars (\$575) Year 2, and six hundred (\$600) dollars Year 3. Payment effective May 1 of each year.

32.05 The Company will provide insurance protection to a maximum of the cost of the Company approved tool list from fire, and water damage, damage by accident and proven theft from locked tool boxes for Skilled Trades employees only, properly stored on Company premises.

32.06 The Company agrees to deduct Canadian Skilled Trades Council dues as may be adopted by the Canadian Skilled Trades Council. The Union will advise the Company, in writing, of the amount of such dues, and any changes in the amount of such dues, before deductions or changes in such deductions are made.

The deductions are to be made once each year in the month of January, and are to be forwarded to the Financial Secretary of the Local 127. New employees will have their deduction upon completion of their probationary period.

32.07 In the event a reduction of the workforce within a Skilled Trades classification is required, departmental seniority between the Skilled Trades Divisions within the plant will apply instead of plant wide seniority.

Employees bidding into Skilled Trades department will not carry Plant wide seniority for the purposes of layoff, recall, vacation preference or overtime selection.

32.08 The Company will recognize the current shift rotation. Any changes in shift rotation will be mutually agreed upon between the Plant Manager or his repre-

sentative and the Skilled Trades representative. Shift vacancies created by an absence or vacations will be covered by overtime assignments.

If the Company utilizes an outside contractor for shift coverage, the Skilled Trades in that classification, will be offered to move shifts, by seniority, and the outside contractor will be placed on the shift left vacant.

No Skilled Trades employees shall be granted vacation during the summer shutdown period. In granting vacations to Skilled Trades employees in a millwright classification, the Company and Union agree that there must always be a minimum of two (2) millwrights per Division available at work in the plant. However, it is agreed that once preferred vacation periods are granted, they will not be changed in the event one of the remaining millwrights is absent during the preferred week.

32.09 It is the policy of the Company that outside contractors will not be utilized in the plant to perform work normally done by our Skilled Trades.

- (a) In the event utilization of outside contractors is required, the following procedure will take place:
- (1) The need will be reviewed in detail, by advanced discussion with the Skilled Trades Representative. This will include the contractors' names, qualifications, and as much detail as is known of the work they will be assigned to.
 - (2) If it is work normally performed by Skilled Trades, it will be offered to the Skilled Trades first.
 - (3) Prior to the commencement of required in-plant Health and Safety Training, the contractors' names and qualifications will be supplied to the Skilled Trades Representative.

- (4) The Company will use outside contractors licensed in the trade they will be performing. (ie: if the contractor has a welding license, then he will only be used for the welding job(s) at hand). The Company and the Union recognize that, at times, the work in question may not require a licensed contractor. If this situation exists, it will be discussed with the Skilled Trades Representative prior to the Contractor being brought into the plant.
- (b) If the Company outsources any maintenance work within the scope of our Skilled Trades departments, no Skilled Trades employees shall be laid off, or continue on lay-off, or be deprived of any overtime opportunities.
- (c) Exceptions to the above would be basic services such as fire suppression testing, security guards, building locks and key systems, scale calibrations, groundskeeping, snow removal, and janitorial.

32.10 The Company will provide an adequate supply of laundered, maintained, and proper fitting clothing of employees preference. The Company will provide new such clothing bi-annually. Employees required to perform work outside will be supplied with suitable clothing, as required.

ARTICLE 33 – LUNCH BREAKS

33.01 A lunch period of twenty-five (25) minutes (paid) will be provided for all employees. Included in the twenty-five (25) minute lunch period is a five (5) minute wash-up.

An employee scheduled to work a twelve (12) hour shift will be granted two (2) twenty-five (25) minute paid lunch breaks.

33.02 The lunch periods are designated as follows;

	Foam	Line 1	Line 2
Days	11:00 to 11:25 am	11:30 to 11:55 am	11:45 to 12:10 pm
Afternoons	7:00 to 7:25 pm	7:30 to 7:55 pm	7:45 to 8:10 pm
Midnights	3:00 to 3:25 am	3:30 to 3:55 am	3:45 to 4:10 am

It is agreed that the Company will not vary these times by more than 10 minutes earlier or later.

ARTICLE 34 – REST PERIODS

34.01 A rest period of fifteen (15) minutes duration will be granted during each half shift.

The Company will grant all employees who work two (2) hours past their regular shift a paid fifteen (15) minute rest period either at the end of their regular shift or at the beginning of their overtime shift.

34.02 The rest periods are designated as follows;

1st Break

	Foam	Line 1	Line 2
Days	9:00 to 9:15 am	9:15 to 9:30 am	9:30 to 9:45 am
Afternoons	5:00 to 5:15 pm	5:15 to 5:30 pm	5:30 to 5:45 pm
Midnights	1:00 to 1:15 am	1:15 to 1:30 am	1:30 to 1:45 am

2nd Break

	Foam	Line 1	Line 2
Days	1:00 to 1:15 pm	1:15 to 1:30 pm	1:30 to 1:45 pm
Afternoons	9:00 to 9:15 pm	9:15 to 9:30 pm	9:30 to 9:45 pm
Midnights	5:00 to 5:15 am	5:15 to 5:30 am	5:30 to 5:45 am

It is agreed that the Company will not vary these times by more than 10 minutes earlier or later.

ARTICLE 35 - AGREEMENTS

35.01 The Union agrees that this Agreement constitutes the entire Agreement between the parties and that any and all previous Agreements, supplementary Agree-

ments, Letters of Intent, Understandings, etc., whenever made and whether or not reduced to writing, are in effect until May 31, 2005 Effective with ratification of this Agreement, until May 31, 2008 the Company's obligations respecting conditions and employee benefits are limited exclusively to those specifically stated in this Agreement.

ARTICLE 36 – PAID EDUCATION LEAVE/SOCIAL JUSTICE

36.01 The Company agrees to pay into a special fund three (\$.03) cents per hour per employee for each year of the Collective Agreement, for all compensated hours for the purpose of providing paid education leave.

Said paid education leave will be for the purpose of upgrading the employee's skills in all aspects of Trade Union functions. Such monies to be paid on a quarterly basis into a trust fund established by the National Union, CAW and sent by the Company to:

CAW Leadership Training Fund,
PO Box 897,
Port Elgin, Ontario
N0H2C0

The Company further agrees that members of the Bargaining Unit, selected by the Union to attend such courses, will be granted a leave of absence without pay for twenty (20) days of class time, plus travel time where necessary.

36.02 A Social Justice Fund is to be set up. The purpose is to provide financial assistance to such entities as food banks, registered Canadian charities and international relief measures to assist the innocent victims of droughts, famines, and other dislocations.

The Company will make quarterly contributions to such a fund equal to one-half (\$.005) cent for each straight

time hour worked in for a thirteen (13) week period and send such contributionsto:

CAW Social Justice Fund
205 Placer Court
Willowdale, Ontario
M2H 3H9

ARTICLE 37 – COST OF LIVING ALLOWANCE

37.01 All employees covered by this Agreement shall be eligible to receive a Cost-Of-Living Allowance paid on an hourly basis in accordance with the following:

37.02 The Cost of Living Allowance of \$.33 per hour in effect April 2005 shall be folded into the base wages effective May 31, 2005.

37.03 The Consumer Price Index for Canada (1986 = 100) shall be used to determine COLA adjustments. A one cent (1) per hour adjustment shall be made for each point zero, nine, five, eight (.0958) change in the appropriate three (3) month average of the Consumer Price Index over the comparison three (3) month average of the Consumer Price Index, as shown in 37.04 below.

37.04 Effective on the first complete pay period beginning in July 2005, and quarterly through April 2008, adjustments in the Cost-Of-Living Allowance shall be made as follows:

**Based on Comparison of the
Average of the Three Month**

Date of Adjustments	Consumer Price Indexes for:	Compared With:
July, 2005	March, April and May, 2005	Dec 2004, Jan, Feb, 2005
October, 2005	June, July, and August, 2005	March, April, May 2005
January, 2006	Sept, Oct, and Nov, 2005	June, July, and Aug, 2005
April 2006	Dec 2005, Jan, Feb, 2006	Sept, Oct, and Nov, 2005
July, 2006	March, April and May, 2006	Dec 2005, Jan, Feb, 2006
October, 2006	June, July, and August, 2006	March, April, May 2006
January, 2007	Sept, Oct, and Nov, 2006	June, July, and Aug, 2006
April 2007	Dec 2006, Jan, Feb, 2007	Sept, Oct, and Nov, 2006
July, 2007	March, April and May, 2007	Dec 2006, Jan, Feb, 2007
October, 2007	June, July, and August, 2007	March, April, May 2007
January, 2008	Sept, Oct, and Nov, 2007	June, July, and Aug, 2007
April 2008	Dec, 2007, Jan, Feb, 2008	Sept, Oct, and Nov, 2007

37.05 In determining the three (3) month average of the indexes for a specified period, the computed average shall be rounded to the nearest .1 index point - i.e. .05 and greater rounded upward and less than .05 rounded downward.

37.06 The amount of Cost of Living Allowance in effect on May 1, 2006 shall be folded into base wages effective May 25, 2006. The amount of Cost of Living Allowance in effect on May 1, 2007 shall be folded into base wages effective May 23, 2007.

37.07 The amount of Cost-Of-Living Allowance in effect shall be paid for each hour worked, and will not be included in any calculations of premiums or benefits, other than vacation pay and Paid Holidays.

No adjustment, retroactive or otherwise, shall be made due to any revision which may later be made in the published figures for the CPI Index for any base month.

37.08 Should the CPI in its present form (1986 = 100) become unavailable, the parties will attempt to adjust this Article, or, if agreement is not reached, request Statistics Canada to provide the appropriate conversion or adjustment.

ARTICLE 38 - SCHEDULE "A" WAGES

FOAM DIVISION

JOB CLASSIFICATION	EFFECTIVE	EFFECTIVE	EFFECTIVE
	31-May-05	31-May-06	31-May-07
LINE			
<i>Component Insert/Stock /Relief</i>	\$ 22.45	\$ 22.45	\$ 22.45
Mould Processor /Relief	\$ 22.45	\$ 22.45	\$ 22.45
FINISHING			
Inspect/Sort/Repair	\$ 21.60	\$ 21.60	\$ 21.60
P.Q.I.	\$ 22.45	\$ 22.45	\$ 22.45
QUALITY ASSURANCE			
Physical Properties Inspector	\$ 22.65	\$ 22.65	\$ 22.65
Inspector/Tester	\$ 22.65	\$ 22.65	\$ 22.65
Q.A. Dimensioner	\$ 22.65	\$ 22.65	\$ 22.65
MATERIAL HANDLING			
Fork Lift Driver Production	\$ 22.45	\$ 22.45	\$ 22.45
SHIPPING/RECEIVING			
Shipper/Receiver Driver	\$ 22.45	\$ 22.45	\$ 22.45
ENVIRONMENTAL			
Environmental Technician	\$ 23.45	\$ 23.45	\$ 23.45
SAMPLING			
Sample Maker	\$ 23.05	\$ 23.05	\$ 23.05
CHEMICAL			
Chemical Handler	\$ 22.95	\$ 22.95	\$ 22.95
HEALTH AND SAFETY			
Trainer	\$ 23.06	\$ 23.06	\$ 23.06
TOOLING			
Mould Mechanic	\$ 23.56	\$ 23.56	\$ 23.56
SKILLED TRADES			
Journeyman/Electrician	\$ 29.19	\$ 29.19	\$ 29.19
Journevman/Millwright	\$ 29.19	\$ 29.19	\$ 29.19

ENERFLEX DIVISION

JOB CLASSIFICATION	EFFECTIVE	EFFECTIVE	EFFECTIVE
PRODUCTION	31-May-05	31-May-06	31-May-07
Enerflex Operator	\$ 17.76	\$ 17.76	\$ 17.76
Box Builder/Kit Maker	\$ 18.26	\$ 18.26	\$ 18.26
QUALITY ASSURANCE			
Q.A. Technician	\$ 18.76	\$ 18.76	\$ 18.76
SHIPPING/RECEIVING			
Shipper/Receiver	\$ 18.76	\$ 18.76	\$ 18.76
Labeller/Material Handler	\$ 18.76	\$ 18.76	\$ 18.76
CHEMICAL			
Chemical Handler	\$ 19.76	\$ 19.76	\$ 19.76
TOOLING			
Mould Mechanic	\$ 20.01	\$ 20.01	\$ 20.01
SKILLED TRADES			
Journeyman/Electrician	\$ 29.19	\$ 29.19	\$ 29.19
Journeyman/Millwright	\$ 29.19	\$ 29.19	\$ 29.19

NOTE: All wage rates printed above are, subject to change in Years 2 and 3 Of the Collective Agreement, based on annual COLA fold-in amounts as described in Article 37.

Wage Progression For New Hires:

New Hire Start Rate: 70% of the Job Classification Rate
 After 12 months: 80% of the Job Classification Rate
 After 24 months: 90% of the Job Classification Rate
 After 36 months: 100% of the Job Classification Rate

Leadhands will be appointed by the Company and will be paid fifty (\$0.50)cents/hour actually worked as Leadhand above the highest rate of the classification super-

vised when performing Company assigned Leadhand duties.

Leadhands will not have the authority to recommend and administer discipline.

Skilled Trades employees in each Division will be maintained at 1.3 times the Foam Division line rate

In the Foam Division, Utility Operators will receive a base rate of fifty (\$0.50) cents above the line rate, or fifty (\$0.50) cents above the applicable rate of the vacancy being filled.

In the Enerflex Division, Utility Operators will receive a base rate of fifty (\$0.50) cents above the Box Builder/Kit Maker rate, or fifty (\$0.50) cents above the applicable rate of the vacancy being filled.

C.A.W. appointed full-time Health and Safety Representative will receive Foam Division Mould Mechanic rate.

The Plant Chairperson will receive the highest rate excluding premiums.

Employees will be paid on Thursdays.

ARTICLE 39 - SCHEDULE "B" EMPLOYEE BENEFITS

39.01 The Employee Benefits Section is designated as Schedule "B" of this Agreement, and by reference herein, are made part of this Agreement.

SCHEDULE "B" - EMPLOYEE BENEFITS

1. The Company agrees to pay one hundred (100 %) percent of the current monthly premium for regular employees and eligible dependants for the Ontario Health Insurance Plan

2. The Company agrees to pay one hundred (100 %) percent of the current monthly premiums to provide Employee Group Benefits for regular employees and eligible dependants, under the provisions of a Master Policy, for the duration of the Agreement, where the benefits will be extended to same sex spouses, and Coordination of Benefits are applicable for all benefits except drugs as follows:

- (a) a Group Life Insurance Benefit for regular employees in the amount of Forty Three Thousand Five Hundred (\$43,500) dollars.
- (b) An extended Health Care Benefit, for regular employees and eligible dependants, subject to the maximums of insured services described in the Master Policy, and those identified in items (1) to (9) below.
 - (1) A plan utilizing an Identification Drug Card, with a two (\$2.00) dollar deductible available only for prescriptions. Generic drugs only will be reimbursed, and there shall be a nine (\$9.00) dollar cap on dispensing fees.
 - (2) Vision Care for regular employees and their eligible dependants to a maximum of four hundred (\$400) dollars once every twenty-four (24) months, with no deductibles. The cost of eye examinations not payable by the Ontario Health Insurance Plan will be considered an eligible expense.
 - (3) Annual deductibles of \$25 single and \$50 family to be applicable to all eligible expenses except Drugs and Vision Care
 - (4) Hearing Aids expenses to be eligible for up to a maximum payment, every 24 months, of \$500

per eligible person. If two (2) hearing aids are required, there will be a maximum of \$1,000, every 36 months. The cost of batteries for hearing aids is included in the benefit.

- (5) Speech Therapy expenses to a maximum of \$400 per eligible person in a calendar year.
 - (6) Physiotherapist expenses up to a maximum of \$1,000.00 per person per calendar year.
 - (7) Paramedical practitioner services coverage limited to \$1,500 per calendar year for the combined services of Chiropractor, Osteopath, Podiatrist, Massage Therapist, Naturopath, Psychologist, Chiropodist, and Acupuncture.
 - (8) Occupational Therapy expenses to a maximum of \$500 per eligible person in a calendar year.
 - (9) Survivor Benefits - Upon the death of an active employee, the Company will continue the Dependent coverage for Health and Dental Benefits for a period of sixty (60) months.
- c) A Dental Benefit, for regular employees who have completed their Probationary Period, and their eligible dependents, subject to the maximums of insured services provided by the Master Policy, and those identified in items (1), (2), (3), and (4) below.
- (1) The amount of eligible dental expenses will be determined by use of the ODA schedule in effect with a one (1) year lag prior to the incurred claim.
 - (2) Routine dental check-up expenses for eligible employees and their dependents will only be eligible every nine (9) months, except six (6)

months for dependent children as defined by the Master Policy.

- (3) Major Restorative eligible services, as defined by the Master Policy, are subject to an annual maximum of three thousand (**\$3,000**) dollars, with a fifty (50%) deductible.
- (4) Orthodontic eligible expenses, as defined by the Master Policy, are subject to a lifetime maximum of four thousand (**\$4,000**) dollars, with a fifty (50%) deductible.

3. Weekly Indemnity

The Company will pay one hundred (100 %) percent of the monthly premiums for regular employees, to provide Weekly Indemnity Insurance Benefits, under the provisions of a Master Policy, coverage to provide benefits on a 1-1-4 basis, of a **66 2/3** % of basic weekly wage for a maximum of fifty-two (52) weeks.

4. It is agreed and understood by the Union, that the Group Benefit outlined in Schedule "B" will be suspended at the end of the month following the month of lay-off, and at the end of the month of the commencement of any Leave of Absence, and at the end of the Weekly Indemnity period when off due to non-occupational sickness or injury, and after one (1) year of absence on account of Worker's Compensation. Group Benefits will terminate at the date of termination of employment and retirement.

5. Pensions: Effective June 1, 1996, all pension benefits accruing to the employees will be determined in accordance with the Woodbridge Plant Hourly Employees Pension Plan.

-Statutory Spousal Benefit equal to 95% of the life only pension, provided spouse is within at least ten (10) years

of age of the member. If spouse is over ten (10) years of age of the member than spousal benefit equals 90% of the life pension.

- Provide that the date of entry into the Pension Plan equals date of hire and members credited service increased accordingly.
- The definition of spouse to include members of the same sex living in conjugal relation for at least twelve (12) months.
- Credited service will accrue to members on LTD for 18 months from the date of disability. Members having at least twenty (20) years of service on the date of disability will have their credited service accrue for the remainder of the disability.
- Members with twenty (20) years or more of credited service, and age 60 or more, may retire early with no reduction in benefit level. Members with age plus service totaling at least 85 points, with a minimum age of fifty-five (55), may retire early with no reduction in benefit level.
- The Provision regarding Disability Pension shall **be** removed from the Plan.

The Retirement Income formula will be **\$40.00** (\$46.00 Skilled Trades) per month per year of credited service effective January 1, 2006; **\$42.00** (\$48.00 Skilled Trades) per month per year of credited service effective June 1, 2007; and **\$44.00** (~~\$50.00~~ Skilled Trades) per month per year of credited service effective June 1, 2008.

Supplemental pension payable upon early retirement. The supplement shall be unreduced as per the unreduced early retirement conditions above. The supplement will equal **\$10** per month per year of credited service and continued **use** of the current drug card until age 65.

6. Long Term Disability(LTD): the Company will pay one hundred (100%) percent of the monthly premiums for Long Term Disability coverage for all regular employees. There is a 52 week qualifying period during which time you will be receiving Weekly Indemnity benefits.

Long Term Disability (LTD) will provide a benefit of 66-2/3% of the base salary in effect at the time the disability commenced. LTD benefit will be offset by any benefits received from Canada Pension Plan, Worker's Compensation Plan or other sources. The LTD benefit will continue until the earlier of being able to return to work or reaching age 65, subject to the provisions of the Master Policy.

ARTICLE 40 - DURATION OF AGREEMENT

40.01 This Agreement shall become effective the 31st day of May 2005 and shall remain in effect until the 31st day of May 2008 inclusive; and either party may give notice, in writing, to enter into negotiations for the purpose of amending any of the terms of the Collective Agreement within a period of not more than ninety (90) days prior to the date of termination.

IN WITNESS WHERE OF each of the parties hereto has caused this AGREEMENT to be signed by their duly authorised officials or representatives as of this 31st day of May 2005.

WOODBIDGE FOAM
CORPORATION
189 QUEEN STREET N.,
TILBURY, ONTARIO

NATIONAL AUTOMOBILE,
AEROSPACE, TRANSPORTATION
AND GENERAL
WORKERS UNION OF
CANADA (CAW-CANADA)

RON BARR
ANNETTE ASHLEY
TODD CRANSTON
LYNN NETTLETON

JOE McCABE
CHARLIE FORMOSA
RICK REAUME
CHRIS MARENTETTE
DAN JACKSON
RICK QUENNEVILLE
CHRIS BRANQUET
JEFFREY MARCHAND

LETTER OF UNDERSTANDING#1

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E TAG RELIEF

This letter of Understanding outlines the Company's current practice of "tag relief" for lunch and rest periods. The continuous "tag Relief" cycle provides a "tag-relief" person, up to fifteen (15) minutes relief time for breaks, and up to twenty-five (25) minutes relief time for lunch periods, for each person relieved.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING#2

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E REPAIRS AT CUSTOMER

The Company and the Union agree that there may be, on occasion, the need to repair parts at the Customer's request. The Company needs to ensure that the Customer's needs are met, and ensure the retention of current and future business. The Company will agree that if the Customer calls with a major problem, and a large amount of repairs have to be done, the Company will bring an hourly employee with them to the Customer, if such work is permitted in the Customer's plant. This agreement will not extend to regularly scheduled Customer visits.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING#3

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

RE: LEAVE OF ABSENCE FOR IMPRISONMENT

The Company agrees to grant a leave of absence for imprisonment under conviction arising from a motor vehicle, for employees, to serve a prison term, one time only, not to exceed six (6) months without pay, and all other benefits.

Imprisonment following conviction for an offence other than one arising out of the operation of a motor vehicle, and if the sentence is for one hundred and eighty (180) days or less and such offence does not negatively impact upon the employee/employer relationship the Company will grant a leave of absence.

Group insurance coverage such as E.H.T, E.H.C, Weekly Indemnity, Dental, Life Insurance and Pension will continue only for the first thirty (30) calendar days of such leave of absence.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING#4

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E UNION FACILITIES

The Company agrees to provide a secure designated area in a meeting room environment, with proper sized filing cabinets, desk, Computer and software approved and maintained by the Company, and access to a telephone and for use by the Union Representatives handling Union business, subject to clause 6.03.

The Company further agrees to provide the same type of facilities for the Full Time CAW Health and Safety Representative and shall include provision of a subscription to CCOHS.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING#5

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E TRAVEL ALLOWANCE

When the Company requires an employee to travel for Company business the employee will be paid for travel and time at the applicable rate. When an employee is required to use his personal vehicle for Company business he will be reimbursed at the corporate approved rate.

Yours Truly,

Annette Ashley
Human resource Manager

LETTER OF UNDERSTANDING#6

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E TIME CLOCKS

In the event an employee fails to punch his card, either when he enters the Plant or when he leaves the Plant, there will be one-half (1/2) hours pay deducted from the determined numbers of hours actually worked, unless approved by his supervisor. In the event an employee is late, six (6) minutes pay will be deducted for each tenth (1/10) of an hour, or fraction thereof, that the employee is late.

The Company will continue the practice of granting a three (3) minute grace period for employees clocking in at the start of their shift. It is understood that this practice is intended for unforeseen circumstances and if a pattern of abuse arises the employee involved will be considered late.

The Company will continue the current practice of allowing employees to punch out five (5) minutes prior to the end of their shift with no reduction in pay, provided they have been properly relieved from their work station.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING#7

Mr.Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E WSIB OR WI CLAIMANTS

The Company agrees, Clause 12.03 not withstanding, that in the event employees off on WSIB or WI at the signing date of the Collective Agreement will be granted an extension of their seniority until the ratification of the next subsequent Collective Agreement.

Any such employee will no longer retain Recall Rights to their former classification beyond three (3)years. After such time, the Company will post the position held by such employee. Upon eventual return to the workforce, such employee will be placed in an available job by the Company, and classified as such.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING# 8

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E EMPLOYEE ASSISTANCE PROGRAM

In addition to the serious consequences to the individual, both parties recognize that substance abuse contribute to absenteeism and turnover and other disruptions of the work force, and it can adversely affect safety, job performance and employee morale.

Woodbridge Foam Corporation, Tilbury, realized the importance of a continuous co-operative effort between its Management and the C.A.W. officials and members in this regard and it will be appropriate for the C.A.W. and Woodbridge Foam, Tilbury, to review and discuss these problems from time to time, with a view to providing assistance to affected employees, consistent with these employees' attitudes toward their problems.

Such assistance includes, but is not necessarily limited to, identifications of the problem at its earliest stages, motivating the individual to obtain help, referral of the individual to appropriate treatment and rehabilitation facilities, and a continuing education of members of Management and Union alike to recognize and deal constructively with such problems as they arise.

An employee undergoing medically authorized treatment for substance abuse in appropriate rehabilitation facilities may submit a claim for Weekly Indemnity benefits.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING# 9

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E NEW CLASSIFICATIONS

When the Company establishes a new job classification, the Union shall be notified of the duties involved therein, prior to the new classification being implemented. The rate for a new classification will be negotiated and failing agreement, in order to provide for appeal against the new rate:

- 1) The Union may lodge the grievance in writing to the Plant Manager or his representative within thirty (30) days. The grievance shall outline the reasons for disputing the wage rate.
- 2) Failing a satisfactory disposition for the grievance either party may refer the matter to arbitration.

Yours Truly,

Annette Ashley
Human Resources Manager

LETTER OF UNDERSTANDING# 10

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E PAY PERIOD CONTINUITY

The Company will forecast Skilled Trades overtime hours for the last workweek of the payroll year and will advance those earnings in that same week. Any hours advanced to the employee that are not worked will **be** repaid to the Company on the first pay period of the new payroll year.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING# 11

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

RE: TOOLING EMPLOYEES

The Company will continue the current practice of supplying clothing, tool allowance, safety shoe allowance and insurance for tooling department employees as per Skilled Trades. All other issues are as per the body of the Collective Agreement.

In order to effectively manage the business, it is necessary for the Company to decide how, and by whom, any work is to be performed, and this letter is not to be regarded as affecting that right. However, it is the intent of the Company, provided we have the necessary facilities and equipment, and can perform the work required with our own workforce, within projected time limits, without affecting quality, to keep such work within the Tooling department.

No Tooling employee shall be laid off, or continue to be on lay-off, or be deprived of overtime opportunities, if such work is available.

In addition, it is the intent of the Company, provided we have the necessary facilities and equipment, and can perform the work required with our own workforce, within projected time limits, without affecting quality, to keep normal tooling functions within the plant.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING # 12

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E PLANT RELOCATION

This will confirm the understanding between the Company and the Union that should the Company decide to move its Tilbury operation to another location, in Ontario, during the lifetime of the Collective Agreement, the Company will accept applications at the new location from former Tilbury employees. Such applications must be made within thirty (30) days of the employees' termination at Tilbury.

Employees who so apply will be given preferred consideration for jobs, provided they are qualified to perform the work available. It is clearly understood that all persons hired according to the above shall be hired under the rates of pay and the conditions of work existing or to be implemented at the new location.

Yours truly,

Annette Ashley
Human Resources Manager

LETTER OF UNDERSTANDING# 13

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E PLANT CLOSURE

Our objective at Woodbridge Foam is to operate a successful, competitive business at each of our plants. We recognize, however, that business conditions are constantly changing. In the interest of our relationship with the CAW and our employees, we believe it is useful to express our commitment in the event of a plant closure in the future.

Woodbridge undertakes to provide the Union six (6) months advance notice of an intended plant closure. Following notice, the Company would be prepared to meet with the Union for the purpose of negotiating a Plant Closure Agreement. Such discussions would occur immediately following the notice to the Union.

In the event of a full plant closure, employees will be given a severance based on two (2) weeks per year of service, which includes the ESA provisions.

Benefits will continue for the severance period.

Yours truly,

Annette Ashley
Human Resources Manager

LETTER OF UNDERSTANDING#14

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E OFF-SITE TREATMENT

For occupational accidents or illness that requires off-site treatment, appropriate transportation will be provided to the doctor, or hospital closest to the employee's residence, unless otherwise directed by a medical authority.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING#15

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E COMPANY APPROVED TOOL LIST

On an annual basis, each Skilled Trade person and Mould Shop employee will prepare an inventory of their tools, indicating personally owned and Company owned designations. The Skilled Trades Representative, along with the appropriate departmental Supervisor or Manager, and the employee will review such list. After review, they will jointly sign off on which personal tools are required, for purposes of coverage under Clause 32.05.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING # 16

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

RE: PHONE CONTACT OF EMPLOYEES

If the Company cannot reach an employee for the purpose of manpower requirements the Company will utilize a Union Representative, if at work in the plant, to confirm his non-availability.

This letter will be null and void upon the Company and the Union reaching an agreement on the type of telephone contact verification system to be implemented.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING# 17

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E MANULIFE CLAIMS INQUIRIES

During the 2002 negotiations, the Company and Union had discussions with regards to the Union Representative having access to the Manulife Representative for claims inquiries.

The company agrees that, when there is a need for such Union representative to be involved, the contact to the Manulife Representative will be done in conjunction with the Human Resources Manager or designate.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING# 18

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E WEEKLY INDEMNITY BENEFIT CLAIM DELAYS AND DENIALS

During 2005 Contract Negotiations, a discussion was held pertaining to Weekly Indemnity and LTD benefit claim delays.

In the event a regular employee of the Woodbridge Foam Corporation submits a properly completed Weekly Indemnity Benefit Claim form and the claim is delayed or denied by Manulife due to insufficient medical information, the Company hereby agrees, as standard practice, to instruct Manulife to begin paying the benefit, at the applicable rate, commencing with the 15th day beyond the submission date of the claim based on the following:

1. The form must be properly completed and signed by both the employee and the employee's physician.
2. This letter shall remain in effect for the life of this 2005 Contract Negotiations Agreement, or as long as Manulife remains the carrier of the Weekly Indemnity benefit, whichever comes first.
3. In the event the claim is denied by Manulife based upon an Independent Medical Examination (I.M.E.) as mutually arranged by both the Company and the Union, the employee must reimburse the Company, \$50.00 per pay withheld until all monies advanced to the employee in error are refunded. The employee must sign a waiver before the Company will advance any payment to the employee.

4. The parties agree that all claims entitlement disputes will be resolved by the application of the I.M.E. process. The I.M.E. decision will be final and binding on both parties and not subject to the grievance procedure.

5. The employee is required to attend all medical appointments scheduled for the IME process.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING # 19

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corporation

Dear Mr. Reaume

R E MONITORING OF ISOCYANATES

The Company will continue to follow existing Corporate Policy regarding monitoring of Isocyanates, and appropriate evacuation protocol. Inclusive of this policy is an instantaneous alarm level of 5 PPB for an appropriate monitoring device (which shall be of minimum standards equal to the MDA 7100) where they are required to be used.

Yours Truly,

Annette Ashley
Human Resources Manager

LETTER OF UNDERSTANDING # 20

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E HIRING OF STUDENTS

The Company may employ students on the following basis:

Students may be employed for the summer months, May to September. It is understood that students shall not be employed if regular employees of the Bargaining Unit ~~are~~ laid off.

The parties further agree that:

Students will not acquire seniority while working in this status, and further, will not be covered by the Seniority provisions contained in this Collective Agreement. Such students will not be required to pay Union dues per the provisions of Article 4. Such students will be paid at twelve (\$12) dollars per hour.

For full shift weekend overtime assignments, the Company will canvass as follows;

Regular employees in the Production Department (Including Utility Operators)

Students assigned to that shift for the week

Regular employees in all the other departments in the Division

Students assigned to other shifts that week.

Students shall mean a person attending school, college, or university on a full time basis, and who has indicated their intentionsto return to school at the end of the summer break, by signing a letter stating such.

Yours Truly,

**Annette Ashley
Human Resource Manager**

LETTER OF UNDERSTANDING# 21

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

RE: PURCHASED COMPONENTS QUALITY ISSUES

When a sort for defective purchased components is required, the Company will give Woodbridge Foam employees the opportunity to perform the work provided that :

- 1) The supplier will be able to carry out all the functions they deem necessary to investigate the quality concern.
- 2) The supplier's personnel have the right to manage Woodbridge Foam employees who are being utilized in the **sort**.

If this arrangement does not prove to be effective in addressing supplier quality issues or it affects our ability to meet Customer requirements, or it consumes management's time, discussions will be held with the Plant Chairperson to try to remedy the situation.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING # 22

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E HEALTH & SAFETY ISSUES

During the 2005 negotiations, the Company and Union came to agreement on the following issues. None of these items are in any way intended to replace any portion of Article 31 of this Collective Agreement.

1) The Company agrees to provide audiometric testing for all employees during the life of this Collective Agreement. Results of such tests will be made available to each employee.

2) The Company will complete Time Studies on all production and shipping jobs, using a certified, mutually agreed upon source on an as needed basis upon mutual agreement between the Plant Manager and the Full Time Health and Safety Representative.

3) In the event the Company asks for a second opinion regarding a worker's injury, the worker will **be** provided with a copy of such report.

4) The Company agrees to continue its current practice of allowing an appropriate number of Health and Safety representatives to the Corporate H S & E conference.

5) The Company commits to provide appropriate training, in order to ensure there continues to **be** one Safety Representative per shift per Division certified.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING# 23

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E HEAT DISCOMFORT

The Company will continue to abide by the Heat Stress Program dated June 21, 1996.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING# 24

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E DISCIPLINE STEPS

The Company values progressive discipline with the aim of correcting an employee's behaviour. Infractionsto Company Rules and Regulations or misbehaviour by an individual(s) will result in progressive discipline. Repeated misbehaviour is brought to one's attention through stronger discipline up to and including termination of employment.

Generally, progressive discipline occurs for continued acts of misconduct. However, in cases of severe actions of misconduct, some steps may be omitted. Some examples of severe misconduct (but not limited to these) would be theft, discrimination, harassment, AWOL, insubordination, sleeping at work, smoking in restricted areas, horseplay, defacing Company property.

Progressive Discipline Steps.

Counsel

Step 1 - Verbal Warning

Step 2 - Written Reprimand

Step 3 - One Day Suspension

Step 4 - Three Day Suspension

Step 5 - Five Day Suspension

Step 6 - Termination

The Company will not deviate from the "Progressive Discipline Steps" for the duration of the Collective Agreement.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING # 25

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E INDIVIDUAL VACATION DAYS

During the 2005 negotiations, the Company and the Union discussed the desire of Woodbridge Foam employees to be able to use a portion of their vacation on an individual day basis, rather than only on a full week basis.

This will be administered under the following terms;

1) Employees whose vacation entitlement allows them one (1) week vacation outside of the summer shutdown period, shall be allowed to designate this week to be used on an individual day basis.

Employees whose vacation entitlement allows them two (2) or more weeks vacation outside of the summer shutdown period, shall be allowed to designate two (2) of these weeks to be used on an individual day basis.

2) An employee may indicate to the Company their desire to use one of such vacation days on a specific day. Single day requests will be handled by the shift supervisor. Such days will be granted, at the discretion of the Company, on the following basis;

- a) first requested
- b) seniority

3) In the event such employee has not used all five (5) days of their designated week prior to April 1 of that vacation year, they will be required to schedule the balance of days remaining. In this case, the employee shall

inform the Company at least one (1) week in advance of April 1, which days they intend to use. The Company will grant such days where possible, or assign other days that may be available. If sufficient days are not available to grant all remaining entitlements, employees may lose their vacation days.

4) The Company will grant such vacations where possible, but failure to grant an individual day to any employee shall not be construed as discriminatory.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING # 26

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

RE: HEALTH AND SAFETY

In the event the employees' right to "work refuse" under the current Occupational Health and Safety Act is revoked, the Company agrees to meet with the Union to implement a mutually agreed upon alternate procedure.

If at any time, between the time the right to work refuse is revoked and the Company and the Union arrive at an alternate procedure, the Company will not act in a manner that is arbitrary, discriminatory, or in bad faith.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING# 27

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume:

RE : CANVASSING FOR WEEKEND OVERTIME

IF PRODUCTION IS RUNNING
BEFORE & AFTER THE SHIFT
NEEDING O.T.

CANVASS OPEN CLASSES FOR
4 HR EXTENSION

IF NOT ENOUGH THEN

CANVASS OPEN CLASSES
FOR 4 HR EXTENSION - UTILITY

IF NOT ENOUGH THEN

CANVASS OPEN CLASSES FOR 4 HR
EXTENSION - QUALIFIED

IF NOT ENOUGH THEN

CANVASS OPEN CLASSES FOR 4
HR EXTENSION - MOVE QUALIFIED
PEOPLE AROUND ON CURRENT SHIFT

IF NOT ENOUGH THEN

CANVASS OPEN CLASSES FOR 4 HR
EXTENSION - SUPPORT

NOTE:

THE COMPANY MAY DECIDE TO
CANCEL ALL OR PART OF THE
CANVASSING AT ANY TIME

IF PRODUCTION IS RUNNING AND
THERE IS EITHER NO SHIFT BEFORE
OR NO SHIFT AFTER

FOR ANY PERSON ALREADY WORKING,
EMPLOYEES WILL BE ASKED FOR
EXTENSION IN THEIR CLASS IF
WORK IS AVAILABLE

IF NOT ENOUGH THEN

CANVASS OPEN CLASSES OF THE SHIFT
THAT IS NOT RUNNING (PEOPLE WHO DID
NOT GET ASKED TO WORK THEIR OWN
SHIFT) FOR 8 HRS.

IF NOT ENOUGH THEN

CANVASS OPEN CLASSES FOR 4 HR
EXTENSION - UTILITY

IF NOT ENOUGH THEN

CANVASS OPEN CLASSES FOR 4 HR
EXTENSION - QUALIFIED

IF NOT ENOUGH THEN

CANVASS OPEN CLASSES FOR 4 HR
EXTENSION - MOVE QUALIFIED PEOPLE
AROUND ON CURRENT SHIFT

IF NOT ENOUGH THEN

CANVASS OPEN CLASSES FOR 4 HR
EXTENSION - SUPPORT

NOTE:

THE COMPANY MAY DECIDE TO
CANCEL ALL OR PART OF THE
CANVASSING AT ANY TIME

Yours Truly,

Annette Ashley
Human Resources Manager

LETTER OF UNDERSTANDING# 28

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

RE: **ISO** HOURS

The Company will continue to abide by the ISO hours distribution practices currently followed by the Skilled Trade workers. The ISO work is to be performed by lowest hours on shift in the trade required.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING# 29

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

RE: HEALTH AND SAFETY TRAINING

The Company commits to continue to provide all Health and Safety Training as agreed to during the 2005 negotiations. The Company also agrees that any further changes to this training will be agreed to through the Joint Health and Safety Committee.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING# 30

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E BUILDING MAINTENANCE

The following outlines the agreement made with respect to building maintenance responsibilities;

Foam	Enerflex
Foam Offices	Enerflex Offices
Training Room	Enerflex specific equipment
Accounting Offices	Bulk Wax Room common items
Electrical Room	Enerflex Warehouse
Plant Air Compressors	Enerflex Washrooms
Flammability Test Area	
Union Office	
Full Time H&S Rep Office	
Cafeteria	
Foam Warehouse	
Foam Washrooms	
Guard Shack	

Any additions, or modifications will be mutually agreed upon with the Skilled Trades Rep.

Yours Truly,

Annette Ashley
Human Resource Manager

LETTER OF UNDERSTANDING# 31

Mr. Rick Reaume
Plant Chairperson
Local 127, C.A.W.
Woodbridge Foam Corp.

Dear Mr. Reaume

R E SUMMER STUDENTS

During the 2005 negotiations, The Company and Union had lengthy discussions surrounding the employment of Summer Students as outlined in Letter of Understanding #20 of this Agreement.

On or before May 30 of each year, the Company will decide on an appropriate number of Students to employ, and on this basis will determine the maximum number of Foam Division employees who will be granted preferred vacation that summer.

Once this has been determined, the Company will post an appropriate number of Temporary Summer Replacement jobs in the Foam Division. It is agreed that only employees in the Enerflex Division will be eligible to bid on such job postings. Such postings will be for the period of June, July, and August. Employees successfully bidding into these jobs will be awarded these jobs on the basis of Divisional Seniority. It is agreed that a maximum of five (5) support group employees (Shipping, Quality, Utility Operators, Chemical Handler, Mould Mechanics) and a maximum of two (2) on any given shift will be allowed to fill such postings.

The training needs will be discussed with the Plant Chair, once the postings have been finalized.

Employees actually transferred will be trained first in the Finishing Department, and training in the Line Department will be offered by seniority on their assigned shift only if required. For purposes of this arrangement, the

provisions of Article 15.03 (b) regarding a ninety (90) day period will be waived. During their tenure in the Foam Division such employees will be paid at the applicable rate. These seniority Enerflex employees will become part of their assigned shift in the Foam Division.

If not enough employees from the Enerflex Division bid for these Temporary Summer Replacement **jobs**, the Company will hire an appropriate number of Students into the Foam Division under the terms outlined in Letter #20.

The Company will then fill the vacancies created in the Enerflex Division on the basis of Article 15.05, but the number of subsequent postings will be limited to one (1) for this purpose. The Company will place Students in the subsequent Production vacancies, under the conditions outlined in Letter #20

Any overtime opportunities that arise in the Foam Division during this period will be offered to the employees in these Temporary Postings only when the Company reaches the "qualified on shift" stage as outlined in Article 20. For purposes of overtime equalization, these employees will be assigned hours on the basis of the average of the class with the lowest hours in the Foam Production Department.

If it becomes necessary to hire any subsequent students in the Enerflex Division, the Company will do so under the provisions of Letter #20.

The Company will offer voluntary layoff to seniority employees on the shift per Article 13.01, prior to sending Summer Students home.

Yours Truly,

Annette Ashley
Human Resource Manager

MEMORANDUM OF AGREEMENT ITEMS

(1) Within three (3) months of the effective date of the Agreement, a booklet form of the Collective Agreement will be provided, one (1) for each current employee, and one (1) for each new hire. Additional copies will be provided to the Plant Chairperson when requested.

(2) The Company agrees to establish with the Company's insurance carrier; a procedure for assignment for the reclaim of paid benefits.

(3) The Union may appoint, one of the worker Health and Safety Committee members, on a temporary basis, when it is known that the full time CAW appointed Health and Safety Representative, will be absent for one (1) normal work week or more. Such employee will be paid at the applicable rate.

(4) Employees absent from the plant on authorized Union business of ten (10) consecutive working days or less will have their loss of earnings supplemented by the Company upon notification of names and hours by the Plant Chairperson. The Company will be reimbursed by the Union upon the Company's submission of its' invoice statement.

(5) Should a mistake by the Company result in any shortfall of an employee's regular hours actually worked pay entitlement for the week, or if a Company mistake in calculation of overtime pay, or if any other monies owed to an employee exceeds thirty (\$30) dollars, a manual cheque when requested by the employee will be processed and available to the employee on the day of the request. Grievance awards made by the Company which result in monetary compensation, shall be paid by the following regular pay period.

(6) Overtime will normally be posted on Wednesday subject to the Customer's production and/or delivery demands.

(7) An employee whose job is eliminated as a result of technological change shall retain his previous classification rate for a period of nine (9) weeks.

(8) If a dispute arises disclaiming an employee's WSIB claim, the employee will receive W.I. Benefits per Letter of Understanding #18.

(9) Appointments made by the attending physician for the ISO Control Program will be reimbursed at the applicable rate.

(10) The Company agrees to put the newly negotiated rates of pay and fold in C.O.L.A. float commencing May 31, 2005 upon ratification of the Collective Agreement. All other aspects of the Collective Agreement will be subject to Article 35.

(11) Vacation entitlement to be the anniversary date if between June 30 and December 31.