

COLLECTIVE LABOUR AGREEMENT

BETWEEN:

EXELTOR INC.

hereinafter called the "Company"

AND:

NATIONAL AUTOMOBILE, AEROSPACE TRANSPORTATION
AND GENERAL WORKERS UNION
OF CANADA (CAW-CANADA)
AND ITS LOCAL 956

hereinafter called the "Union"

Effective as of May 3, 1998
to and including May 2, 2001

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SECTION 1 - RECOGNITION

- 1.01 For the duration of this Agreement, the Company shall recognize the Union as the sole representative for the production and maintenance employees at its knitting needles plant located at 110 River Street, Bedford, Quebec; however, it shall not represent time keepers, management employees, guards, supervisors, clerks, clerical workers nor employees paid on a weekly or monthly basis.
- 1.02 Except through mutual agreement between the parties, the tasks, duties, jobs or work assigned to the bargaining unit shall not, for the duration of this Agreement, be carried out by one or more employees outside of the bargaining unit.
- 1.03 The provisions of clause 1.02 shall not be interpreted as to prevent the employees outside of the bargaining unit from being occasionally assigned to tasks assigned to the bargaining unit in the following instances:
- a) training of employees or their initiation into the bargaining unit;
 - b) unpredictable emergency situations where immediate action is required or whenever no employee from the bargaining unit is available;
 - c) experimentation. In the case of long-term experimentation, the Union shall receive prior notice thereof.
 - d) training, familiarization or process verification by supervisors or assistant supervisors regarding any task which they supervise.
- 1.04 Any work given to subcontractors by the Company and which is normally carried out by the employees cannot result in the lay-off of any employee covered by the Collective Agreement.

SECTION 2 - MANAGEMENT RIGHTS

- 2.01 Subject to the provisions and conditions specifically set forth in this Agreement, the Company shall manage the labour force, including, without in any way restricting the generality of the following, the right to hire, suspend and dismiss employees on sufficient and just grounds, the right to transfer and lay off employees due to lack of work, or for any other justifiable reason, and the right to determine the running and the operating method of the plant, the Company being exclusively entitled to such rights.

SECTION 3 - NON DISCRIMINATION

- 3.01 No intimidation, threat, coercion or discrimination may be attempted or carried out by Management or the Union against any employee on account of his Union membership or of his duties as a representative or officer or member of a Union

committee or of his taking part in Union activities or of his role in a grievance or of his race, nationality, language, social origin, beliefs, colour, sex, pregnancy, sexual orientation, age, handicap, marital status, political opinions or HIV-positive condition.

3.02 It is agreed that the use of the masculine in this Agreement includes the feminine or neutral, as the case may be.

SECTION 4 - UNION SECURITY

4.01 As a condition to continued employment, all present Union members must remain members in good standing of the Union and all new employees hired after this Agreement becomes effective must, at the time of hiring, become and remain Union members in good standing.

4.02 The Company shall deduct from the paycheque of each employee governed by this agreement the weekly union dues and the membership fee stipulated in the rules and regulations of the national union.

4.03 Every week, the Company shall forward to the Union by cheque or direct deposit 90% of the amounts so deducted, including those of the membership fees. The amount collected from each employee, his name and the 10% of amounts due, after adjustments made during the month of reference, shall be forwarded no later than the seventh day following the month of reference. The Union shall notify Management in writing of the amount set for Union dues and membership fees. Any change shall be applied sixty (60) days after due notice.

4.04 For new employees, clause 4.01 shall apply only after their probation period has expired, except for Union dues which shall be deducted as of the first month of hiring.

4.05 The Company shall not be liable in any way regarding the use of moneys collected by the Union representative, and for errors made while computing such a deduction. If the Company should make an incorrect deduction, it shall reimburse the employee involved with the same amount deducted and it shall deduct such reimbursement from the next monthly cheque or from the direct deposit, sent to the Union. In the event that the Company does not make the necessary deduction, it shall deduct the double amount from the employee's following paycheque, until the amount owed to the Union shall have been paid in full. In order to determine whether a deduction has been correctly made or not, the grievance procedure may be applied.

4.06 The Company shall not be responsible for collecting fines, penalty dues or any other amount whatsoever which the Union requires of its members, over the above-mentioned monthly dues and it shall not be involved in any other manner whatsoever in the internal affairs of the Union.

- 4.07 The Company will enter the regular deductions for Union dues on the paycheque slip of each employee and it shall enter on the individual T4 and "Relevé 1" the total amount of Union dues deducted during that taxation year.

SECTION 5 - UNION ACTIVITIES

- 5.01 The Company hereby recognizes that the plant Union committee shall be delegated in the name of its employees to deal with any question regarding this agreement or its application or interpretation, including negotiations for the renewal of this agreement.

The plant's Union committee is made up of five (5) employees appointed by the Union, including a chairman who is assigned to the day shift. The other members of the Union committee shall be assigned together every two (2) weeks to the day shift, either on schedule 1 or on schedule 2.

However, it is agreed between the Company and the Union that for Management/Union meetings regarding grievance procedures or for purposes of discussions or information gathering that do not concern the plant workers as a whole, the participation of the Union committee shall be limited to a maximum of three (3) members.

- 5.02 The Company recognizes that the Union shall have the right to appoint delegates to handle grievances in their respective areas. The number of delegates shall not be higher than nine (9) and the Union shall provide the Company with the names of the representatives, one of which shall work on schedule #4.

For the purposes of this clause, the areas shall be determined by mutual agreement between the parties, shall be listed in Appendix C of this agreement and shall form an integral part thereof.

- 5.03 The members of the plant's Union Committee and the representatives shall be authorized, after having received the approval of their department heads, to leave their work station without any loss of salary, for a reasonable length of time, to fulfill their obligations as provided for in this Agreement or to attend meetings with the Company's representatives. Such an authorization shall not be withheld, unless excessive use is made of it.

Within the framework of his job, any member of the Union Committee or a representative who shall enter a department other than his own, must make his presence known ahead of time to the head of the department concerned.

- 5.04 The national representatives and/or the president of the local section shall have the right to attend all joint meetings taking place on the Company's premises, but they shall not have the right to enter the said premises during working hours to meet with employees without specific permission by Management. Such permission shall not be unreasonably withheld.

- 5.05 The Company shall allow the Union to post Union notices on the orange bulletin boards of the Company, provided that they be previously approved by the Human Resources office and that they be signed by the Union's appropriate representative.
- 5.06 The Union may appoint an alternate member to substitute for an absent member of the Union Committee or an absent representative. The Company will not recognize the alternate member unless it has been previously informed of his name by the Union.
- 5.07 A temporary leave of absence permit (without pay) for a maximum of two (2) weeks shall be granted to five (5) employees, at the most, to take part in Union conventions as well as other Union activities. Any request for such a leave must be made by the Union, in writing, at least five (5) days in advance.

The Company may grant to only one employee at a time a leave of absence permit without pay for an undetermined period to take part in Union activities or to represent the Union. Any request for such a leave must be made by the Union, in writing, at least two (2) weeks in advance. Any such request shall not be refused unreasonably.

The Company shall authorize the Union Committee and the shop representatives to meet once a month for one hour to discuss Union matters. The Company shall bear all costs incurred in connection therewith and pay the employees their respective regular hourly rate when the meeting is held during regular work schedules. A longer meeting may be authorized upon prior agreement between both parties.

- 5.08 Upon written request by the Union, the Company shall grant an employee a leave of absence permit without pay and for an unlimited length of time in order to allow him to fulfill his tasks as the Union's national representative. During this leave of absence, the employee shall not lose any acquired seniority nor his retirement credits nor his eligibility to holidays and vacation, but he shall continue to accumulate seniority only. In the event that the employee fails to return to his job with the Company within sixty (60) days once his services are no longer required with the national Union, this default shall be deemed a complete termination of any and all employment relations with the Company and of any rights to rehiring for the employee. If within the above-mentioned period, the employee gives prior written notice of at least two (2) weeks, he shall be entitled to exercise his seniority rights for rehiring purposes. Not more than two (2) employees at any one time shall be entitled to a leave of absence pursuant to this clause.
- 5.09 The Company agrees to contribute to a special fund one cent (1¢) per hour per employee for all hours worked in order to provide for paid improvement leaves of absence. The said improvement leaves of absence aim at improving the employee's proficiency in the various aspects of Union activities. The said amounts shall be deposited every three months as of November 7, 1980 in a trust fund created by the TCA National Union, and they shall be sent by the Company to:

TCA Family Education Centre
CEP Training Fund
R.R. #1
Port Elgin, Ontario
N0H 2C5

Cheques must bear the mention:

TRAINING FUND FOR TCA DIRECTORS

Furthermore, the Company agrees to grant the members of the bargaining unit chosen by the Union to attend the above-mentioned improvement course, a leave of absence without pay for the twenty (20) days of the course, in addition to travelling time, if any; the said leave of absence shall take place over a period of twelve (12) months as of the first day of the leave. The employees to whom this leave shall be granted shall continue to acquire seniority and other benefits.

- 5.10 In the case of leaves of absence authorized in writing for Union activities, granted pursuant to this clause 5, the Company shall pay the employees their respective regular hourly rate for each hour of the said leaves of absence, and the Union shall reimburse the full amount to the Company upon being billed by the Company. In the cases provided for in the second paragraph of 5.07 and in clause 5.08, the Union shall reimburse the full amount, including the cost of the benefits.
- 5.11 The Company shall provide the Union president with a closed office where a desk, chairs, filing cabinets and a telephone can be installed, pursuant to a letter of agreement.

SECTION 6 - STRIKE OR LOCK-OUT

- 6.01 The Union agrees not to condone nor to authorize any strike, slow-down or other work stoppage by employees for the duration of this Agreement. The Company agrees not to authorize any lock-out against the employees for the duration of this Agreement.
- 6.02 The provisions of clause 6.01 shall not be interpreted as to limit the rights of the parties, as such rights are defined in the applicable sections of the Labour Code.
- 6.03 Whenever an employee or a group of employees shall refuse to enter the premises of any other employer involved in a work stoppage authorized by an accredited union, if a legal picket line is in place, it shall not be considered as a violation of this Agreement and shall not result in any dismissal or disciplinary action.

SECTION 7 - GRIEVANCES

- 7.01 A grievance shall mean any difference of opinion arising from the interpretation or the application of this labour agreement, including any disciplinary action.

All grievances must be filed within ten (10) working days from the moment when one or more employees or the Union and/or Management become aware of the event on which the grievance is based.

- 7.02 It is desirable to settle grievances as quickly as possible. Any employee who believes that his rights have been denied, may, after having discussed the matter with his immediate supervisor, whether by himself or with his Union representative, submit his grievance for an inquiry and settlement, during working hours, in accordance with the procedure described below.

- 7.03 **First step:** A grievance signed by the employee shall be submitted in writing to the immediate supervisor or his delegate by the employee's representative or by a member of the Union Committee in the presence of the plaintiff(s) or not.

The decision taken by the immediate supervisor or by his delegate shall be rendered in writing to the representative or to the Union Committee member within five (5) working days following the submission of the grievance.

- 7.04 **Second step:** If the immediate supervisor or his delegate fails to render his decision within the time allowed or if the reply is not acceptable, the Union Committee must, within the next five (5) working days, request in writing a meeting with a Management representative for the Company to try to settle the grievance, and the Company must, within the next ten (10) working days, meet with the Union Committee.

The Management representative's decision must be rendered in writing to the Union Committee within ten (10) working days following the above-mentioned meeting.

The plaintiff, or one of the plaintiff(s) if the grievance involves more than one employee, may attend the above-mentioned meeting in order to settle the grievance. The plaintiff shall not incur any loss of salary if such meeting is held during his regular work schedule.

- 7.05 A collective grievance shall mean an allegation made by the Union or by the Company to the effect that one party or the other has violated or misinterpreted this Labour Agreement. Such a grievance shall be submitted at the second step of the grievance procedure to a Management representative or to the Union Committee, as applicable. Failing a satisfactory settlement in either case, the grievance shall be submitted to an arbitrator in accordance with Section 8.

Both parties shall reply within the next five (5) days following the submission of the

grievance.

- 7.06 Whenever a grievance shall involve several employees, the Union Committee shall proceed directly to the second step.
- 7.07 A technical error in the submission of a grievance shall not make it void.
- 7.08 Any agreement in the settlement of a grievance shall be in writing and signed by the parties.
- 7.09 The time limits set forth in Sections 7 and 8 shall be strictly enforced and failure to comply therewith shall make the grievance void unless the parties agree in writing to extend them.

In the case that Management has failed to respond to the grievance submitted within the time limits set forth in this clause, the grievance shall be considered settled without prejudice as regards to the settlement sought by the grievance.

- 7.10 Except for disagreements regarding the hourly rate or the team bonus of an employee, any settlement of a grievance including the payment of an amount of money shall not be retroactive beyond thirty (30) working days preceding the date of the submission of the grievance.
- 7.11 Whenever, in the course of the inquiry on a formal grievance, Management shall question an employee who has signed the grievance, the said employee must be accompanied by a representative or by a member of the Union Committee.

SECTION 8 - ARBITRATION

- 8.01 In the event that the grievance is not settled within the time limit set forth in clauses 7.04, 7.05 and 7.06 one party may then, within thirty (30) working days following the end of the time limits mentioned above, notify the other party that it intends to refer the grievance to arbitration.
- 8.02 The following arbitrators, selected by the parties, shall take turns to act as arbitrators whenever grievances are referred to arbitration:
- Mr. Jean-Yves Durand
 - Mr. Bernard Brody
 - Mr. André Sylvestre

If the appropriate arbitrator is unable to hear the grievance for any reason whatsoever, the said grievance shall be referred to the next arbitrator appearing on the list and so on.

If none of the three (3) arbitrators is able to hear the grievance, the parties shall make every effort to agree upon another arbitrator and failing agreement within the next ten

(10) working days, the Union or the Company, as applicable, must request that the Ministère du Travail et de la Main-d'oeuvre appoint another one instead.

Only one single grievance shall be submitted to arbitration at any one arbitration hearing.

- 8.03 The arbitrator shall be bound by and comply with all the terms of this Agreement and he shall not be empowered under any circumstances to arbitrate if he fails to apply any part of this Agreement, or by adding, deleting, or changing in any way whatsoever, any one of the provisions herein.
- 8.04 The arbitrator's fees and expenses shall be borne equally by the Company and by the Union. Beyond these costs, the Company shall be under no obligation to pay anyone for time spent attending a grievance hearing.
- 8.05 Subject to the restrictions set forth in this Agreement, the arbitrator's ruling shall bind the Company and the Union for the duration of this Agreement, unless the ruling, in some manner or other, violates the Law.
- 8.06 If the event giving rise to a grievance results in a loss of salary and/or other benefits, the arbitrator may order that such a loss, in whole or in part, be reimbursed or restored. In any disciplinary matter, the arbitrator may maintain, cancel or reduce the penalty, as he deems fair and equitable.
- 8.07 In the case of a grievance dealing with disciplinary action, including dismissal, the burden of the proof shall lie with the Company.

SECTION 9 - SENIORITY

- 9.01 Seniority shall mean the length of continuous service within the bargaining unit.
- 9.02 Management shall make a seniority and recall list. The said list shall include the names of all employees entitled to seniority who are on the job or laid off. The said list shall be posted for three (3) days every six months. A copy of the said list shall be provided by Management to each member of the Union Committee.
- 9.03 a) An employee's seniority shall not count until he has completed an accrued period of sixty (60) days' work, either successively or unsuccessfully, within the bargaining unit, and thereafter, his seniority shall start as of the beginning of his present job.
- b) The employee who accepts a position outside the bargaining unit is subject to a probation period of 12 weeks during which he shall continue to accumulate seniority. The employee may, during this period, return to the bargaining unit if he so chooses or if the Company judges him unsatisfactory.
- c) The employee who accepts a position of supervisor or assistant-supervisor outside

the bargaining unit is subject to a probation period of eighteen (18) months, during which he shall not accumulate any seniority. The employee may, during this period, return to the bargaining unit if he so chooses or if the Company judges him unsatisfactory.

- 9.04 Whenever an employee with acquired seniority rights shall be away from work on account of an authorized leave or of disciplinary suspension, his seniority shall continue to accrue while he is away.
- 9.05 Whenever he shall be away from work on account of illness or accident dealt with by the Commission de Santé et de Sécurité au Travail (CSST), his seniority shall continue to accrue while he is away. However, he must return to work when the physician(s) authorize(s) such a return.
- 9.06 A laid off employee's seniority shall continue to accrue for a period of twelve (12) months, or for an uninterrupted period of twenty-four (24) months provided that he has three (3) years seniority or more, or for an uninterrupted period of thirty-six (36) months provided that he has five (5) years seniority or more.
- 9.07 An employee shall lose his seniority and his job whenever:
- a) He is fired on just and sufficient grounds and the decision is not amended or cancelled by the arbitrator;
 - b) He voluntarily quits his job or resigns;
 - c) He is absent from work for three (3) consecutive work days without notifying the Company, unless it is impossible for him to do so;
 - d) He has been laid off by the Company for an uninterrupted period of over twelve (12) months, or for an uninterrupted period of over twenty-four (24) months provided that he has three (3) years seniority or more, or for an uninterrupted period of over thirty- six (36) months provided that he has five (5) years seniority or more, except as set forth in clauses 9.04 and 9.05;
 - e) He refuses the recall to his former job or to any similar job or fails to give a reasonable and valid explanation for not returning to work within six (6) work days after the Company has sent a written notice by registered mail to this effect to the employee and to the Union.

This shall not allow the employee a week's time to decide whether to return to work or not. The employee must, within twenty-four (24) hours of being notified in writing, by registered mail, by the Company, either accept or refuse to return to his job so that the Company may be able to recall the other employees on the recall list, if necessary.

9.08 Seniority is the determining factor in cases of lay-off or recall, provided that the senior employee is qualified to perform the work involved, except as otherwise indicated in this collective agreement.

9.09 A class 4, 5 or 6 position left vacant due to illness or accident shall be filled by the Manpower Assignment Committee either by an employee from the bargaining unit or by an employee hired on a temporary basis, for the duration of the absence. Upon his return, the assigned employee shall return to his job and/or the temporary employee shall be laid-off.

At no time shall there be more than ten (10) temporary employees. Each such employee shall be assigned to a specific replacement.

9.10 Notwithstanding paragraph 9.03 a), the temporary status of an employee may not exceed two hundred and thirty (230) days worked consecutively or intermittently within the bargaining unit, otherwise the seniority shall be backdated to the beginning of his current employment.

SECTION 10 - CURTAILMENT OF THE LABOUR FORCE

10.01 Before being laid off, an employee who has acquired seniority rights pursuant to the terms of this Agreement must receive advance notice of one week if he has less than one (1) year seniority. If he has one (1) year or more of service the employee must receive an advance notice of one (1) week per year of service up to a maximum of twenty-six (26) weeks or instead of an advance notice, the regular salary for a period equal to the advance notice.

10.02 a) Any employee whose occupation is modified or abolished following a technological change, meaning a change of equipment or machinery, or if a new occupation is created following such a change, shall be assigned to the new occupation or to another occupation that the Manpower Assignment Committee believes he can hold, but that shall match as closely as possible the salary rate of his current occupation. The occupation so secured shall immediately become the regular occupation of the employee.

b) Any employee affected by section 10.02 a) shall keep his current salary rate for a period of twelve (12) months, even if his new occupation warrants a lower hourly rate. The employee who is transferred to an occupation with a higher hourly rate shall immediately receive the maximum hourly rate for the new job, upon qualification.

c) An employee whose total of years of service and age is greater than 85 when he is transferred to another occupation under the provisions of section 10.02 a) shall keep his current hourly rate until retirement if the hourly rate of the new occupation is lower than that of his previous one.

- d) It is agreed by the Company and the Union that there shall be no lay-offs due to technological changes, meaning a change in equipment or machinery.
- e) Any modified occupation or any new occupation replacing an abolished occupation is part of the bargaining unit.
- f) The Company shall notify and hold discussions with the Union as soon as possible and before implementing any of the measures surrounding the said technological changes.

10.03 When it becomes necessary to curtail the labour force assigned to an occupation, the following procedure shall apply:

- a) The transferred employee shall be assigned to another occupation that the Manpower Assignment Committee believes he can perform, but it must correspond as closely as possible to his current salary rate. The occupation so secured immediately becomes the regular occupation of the employee.
- b) The employee who has been transferred under paragraph a) keeps his right of recall for a period of twelve (12) months for the regular occupation he had when he was transferred.
- c) An employee who is transferred under the procedure described above shall keep the salary rate of his previous occupation for a period of twelve (12) months, even if he is transferred to an occupation with a lower hourly rate. If he is transferred to an occupation with a higher hourly rate, he shall benefit immediately from the maximum hourly rate for his new occupation.
- d) An employee whose total years of service and age is greater than 85 when he is transferred to another job under the provisions of section 10.03 a) shall keep his current hourly rate until retirement if the hourly rate of the new position is lower than that of his previous one.

10.04 When it becomes necessary to lay-off employees, the following procedure shall apply:

- a) The Company shall offer employees who are 60 years of age and over, and in equal proportion to the number of employees to be laid-off, the option of pre-retirement without penalty.
- b) If a lay-off becomes necessary, temporary employees and/or trainees shall be the first to be laid-off, followed by the employee with the least seniority.
- c) If it becomes necessary to fill some occupations left vacant under paragraph 10.04 a), they will be posted according to the posting procedure.
- d) An employee who cannot be laid-off because of his seniority shall be assigned to

another occupation that the Manpower Assignment Committee believes he can perform, but that must match as closely as possible the hourly rate of his preceding occupation. The occupation so secured immediately becomes the regular occupation of the employee.

- e) The employee who has been transferred under the paragraph d) above shall keep his right of recall for a period of twelve (12) months on the basis of his seniority in the regular occupation he had when he was transferred.
 - f) Any employee transferred through the procedure described above shall keep the salary rate of his previous occupation for a period of twelve (12) months, even if he is transferred to an occupation with a lower hourly rate. If he is transferred to an occupation with a higher hourly rate, he shall benefit immediately from the maximum hourly rate for his new occupation.
 - g) An employee whose total years of service and age is greater than 85 when he is transferred to another job under the provisions of section 10.04 d) shall keep his current hourly rate until retirement if the hourly rate of the new position is lower than that of his previous one.
- 10.05
- a) In order to ensure continuous operations, the Company may temporarily transfer a qualified employee to another occupation without affecting his hourly rate and without resorting to the provisions of Sections 10 or 12.
 - b) Any employee transferred under paragraph a) above to an occupation where the hourly rate is inferior to that of his regular occupation shall keep his hourly rate, meaning that of his regular occupation.
 - c) Any employee transferred under paragraph a) above to an occupation where the hourly rate is greater than that of his regular occupation shall immediately receive the maximum set for this occupation.
- 10.06
- When lay-offs occur, only those Union Committee members whose names are provided to the Company by their Union benefit from preferential seniority status and remain employed in the plant as long as there are occupations that they can perform.

SECTION 11 - INCREASE OF THE LABOUR FORCE AND RECALL

- 11.01 In the event of an increase in the labour force or recall, and before a vacant position is posted, the employees transferred under clause 10 who are within the plant and who maintain their right to be recalled to the available position for a period of twelve (12) months, return to their former occupation according to seniority.
- 11.02 In the event of an increase in labour force and before a vacant position is posted, the laid off employees whose names appear on the recall list must be recalled according to seniority by the Manpower Assignment Committee to fill the said position before posting it in classes 5 and 6.
- 11.03 In the event of recall of laid-off employees whose names appear on the recall list, the Manpower Assignment Committee shall take seniority into account, provided the employees meet the job requirements to qualify and be selected in production classes 1 to 4 or in the skilled labour classes. The occupation thus secured immediately becomes the regular occupation of the employee.
- 11.04 Any employee whose name shall be on the recall list may refuse, without losing his seniority rights, to return to work temporarily if the period does not exceed thirty (30) days, or if he is sick or injured; in this latter event, he must provide the Company with proof of illness or injury in the form of a medical certificate and the Company reserves the right to make inquiries regarding such certificate.
- 11.05 An employee who is recalled to a lower-paid occupation than that which he held prior to being laid off maintains his right to be recalled to the said occupation for a period of twelve (12) months.
- 11.06 The Company must establish and maintain an up-to-date recall list. This list includes the names of all employees laid off with seniority recall rights. A copy of this list will be sent to the Union by the Company on a monthly basis. The names of employees laid off before the signing of this Agreement and that would be entitled under other clauses of this Agreement must be registered on the recall list.
- 11.07 For the purposes of this clause, all parties agree that the Union Committee members and shop representatives have preferential seniority pursuant to the provisions set forth in clause 10.06.

SECTION 12 - JOB POSTING

- 12.01 A job posting is made when the Company wishes to fill an employee's permanent departure and when no employee of higher or equal classification is available.

The occupation of an employee who has been chosen following a posting is not considered vacant, thus is not posted.

Class 6 occupations shall not be posted. Nevertheless, the Manpower Assignment Committee shall be advised.

- 12.02 An employee may, at any time, apply for a vacant position, provided the latter is superior to the position already held. During the posting time period of three (3) working days, the employee who wishes to apply must write his name on the posting notice which is on the boards reserved for that purpose.

A copy of the posting shall be forwarded to the Union committee.

For setter positions on the Exeltor process, only operators in the same occupation may apply for the vacant position.

- 12.03 All eligible employees who have written their names on the posting shall be considered by the Manpower Assignment Committee which will select the candidate.

When an employee has never held a job in the classification referred to in the posting, a test of his mechanical aptitudes shall determine if he has the required qualifications.

- 12.04 The selected candidate shall be notified of his selection by the Manpower Assignment Committee.

The selected candidate shall undergo a training period as required on the basis of his classification.

Classification	Training period with direct or indirect supervision	Learning period	Evaluation every
1	18 months	18 months	2 months
2	9 months	9 months	month
3	3 months	3 months	month
4	2 months	1 month	2 weeks
5	1 month	2 months	2 weeks, then monthly
6	1 week	11 weeks	week, then monthly

After three negative evaluations, the candidate shall be assigned to another position by the Manpower Assignment Committee.

12.05 Should an employee wish to change from his position to one that is equal or inferior to his own, he must send a written request to the Manpower Assignment Committee which shall assess the motives and the possibilities of such a change.

12.06 The Manpower Assignment Committee is made up of six (6) members, three (3) which are named by the Union committee. The Manpower Assignment Committee will try in considering the following criteria by decreasing order of importance: qualifications, experience and seniority. Should there not be a majority regarding a given placement, the president of the Company shall have the final say.

12.07 The Manpower Assignment Committee shall supervise all manpower transfers.

SECTION 13 - DISCIPLINE

13.01 No complaint may be registered against an employee nor be used against him at any time unless the said employee or the Union has been notified thereof in writing within ten (10) working days of the date at which the Company gains knowledge of the incident or of the event giving rise to the complaint. Whenever an employee is subject to a disciplinary action, the Company shall notify him of his right to be accompanied by a representative or a committee member if he so wishes.

13.02 Any disciplinary action against an employee shall automatically be voided after two (2) years and may not be referred to against such employee thereafter.

13.03 If any employee who has been or is on the point of being dismissed, suspended, laid off or otherwise the subject of disciplinary action taken by the Company, desires to lodge a complaint regarding that dismissal, suspension, lay-off or disciplinary action, he shall be authorized to do so through his representative or a committee member before being asked to leave the plant.

13.04 If any employee signs a document involving a disciplinary matter, he does it only to acknowledge the fact that he has thus been informed.

SECTION 14 - HEALTH AND SAFETY

14.01 The Company acknowledges its obligation to provide the employees with a healthy and clean working environment and to take any measures necessary to preserve the health and ensure the safety and physical integrity of all its employees during working hours. The Union agrees for its part to cooperate with the Company to that end and to promote sound health, safety and hygiene practices with the employees of the bargaining unit. The employee must comply with measures taken in this respect, or be subject to disciplinary action.

14.02 Unless specifically provided for in the Collective Agreement, the Company shall continue to

supply and maintain free of charge the equipment, apparatus and the clothing which it provided to employees at the date of the signing of the Collective Agreement.

The same goes for any other equipment, apparatus or clothing which the Company or the Health and Safety Committee deems necessary thereafter.

14.03 The Company shall provide free of charge one pair of safety shoes per contract year to machinists, millwrights, maintenance employees and any other employee as deemed necessary by the Company or the Health and Safety Committee. The type of safety shoes shall be selected by the Company after consultation with the Health and Safety Committee.

14.04 Whenever the Company shall require wearing safety glasses (non-prescription or prescription lenses), the first pair shall be provided without charge to the employees.

If an employee damages or breaks his safety glasses in the ordinary course of duty in the plant, the Company shall contribute an amount equal to one hundred percent (100%) of the replacement cost, including, if any, the shade prescribed by the attending physician.

The employee whose prescription lens glasses must be replaced on account of failing eyesight shall be granted one hundred percent (100%) of the replacement cost, including, if any, the shade prescribed by the attending physician, for the duration of this Agreement.

An employee who refuses the safety frames provided by the Company shall receive compensation in the amount of twenty-five dollars (\$25.00).

An employee who refuses the security lenses provided by the Company shall receive compensation for a maximum amount of one hundred and twenty-five dollars (\$125.00).

Health and Safety Committee and its Duties

14.05 The Company and the Union agree to set up a Health and Safety Committee made up of four (4) representatives appointed by the Company and of four (4) representatives appointed by the Union.

14.06 The Health and Safety Committee's responsibilities shall include, among other things:

- a) To ensure compliance with health and safety laws and regulations as well as any other health and safety rule prevailing in the plant.
- b) To hold meetings on a monthly basis or whenever necessary to discuss accidents which have occurred recently, or potential health and safety hazards, as well as the causes and means of prevention thereof, as well as to review environmental health conditions and to submit to the Company recommendations deemed appropriate.
- c) To be notified of fatal accidents or of serious injuries and to inspect the scene of the

accident and the equipment used wherever an industrial accident has occurred. The inspection shall be carried out by one Company representative and one Union representative who is on the Health and Safety Committee.

- d) To receive from the Company all information on the nature of hazards related to hazardous materials (SIMDUT) used in the work place as well as the safety measures to be taken and the appropriate antidotes and treatments.
- e) To appoint a Committee member to accompany the TCA health and safety representatives on inspection rounds.
- f) To receive from the Company a copy of the literature relevant to the employees of the bargaining unit as to their health and safety as required by the CSST or by the inspection department of the ministre du Travail et de la Main-d'oeuvre du Québec.
- g) To promote, and participate in, the education and training pertaining to health, safety and hazardous materials used at work.
- h) To receive and process complaint related to health and safety within the plant according to a procedure to be established by the Health and Safety Committee.

14.07 The Union representative(s) on the Health and Safety Committee shall be authorized, after having been approved by their Department Head, to leave his work station, without loss of salary, for a reasonable length of time, to fulfill his obligations pursuant to paragraphs 14.06.

Industrial Accidents

14.08 Whenever an employee is hurt in an accident on the job, he shall not suffer any loss in salary for the day of the accident. If he is sent home, to the hospital or to the doctor's the Company shall bear the additional travelling expenses.

14.09 Whenever an employee who has been hurt on the job must, after returning to work, return to see the doctor or to the hospital, either for a check-up or for treatment, the Company shall provide, without charge, the necessary means of travel and that, without any loss of salary to the employee concerned.

14.10 Whenever an employee suffers an industrial accident in accordance with the Law on Industrial Accidents, he is entitled to an advance in salary equivalent to the benefits paid by the C.S.S.T. from the time of the incident and until he receives the benefits from the C.S.S.T. on a regular basis.

Prevention Representative

14.11 The Company recognizes a prevention representative to take charge of prevention for the whole plant. The prevention representative is assigned to the day shift and is chosen from among the four (4) members of the Health and Safety Committee designated by

the Union.

SECTION 15 - SALARY RATES AND JOBS

15.01 All jobs and their corresponding salary rates on which the parties hereto have agreed shall be listed in Appendixes A and B which shall form part of these present.

15.02 Each employee must be paid the salary rate provided in Appendix "A" for his occupation.

15.03 The Company shall pay no employee at a rate which is higher than the maximum rate set forth for the classification to which he belongs, unless stated otherwise in the collective agreement.

15.04 If an employee comes to work without having received prior notice not to come and if there is no work or less than four (4) work hours at his regular job, he shall be offered replacement work for at least four (4) hours. If production is interrupted on account of a power failure, the employees who shall have worked for at least four (4) hours shall be remunerated at the said regular rate as of the beginning of the power failure until the time they are sent home.

However, the provisions of this clause shall not apply in the event of a complete work stoppage in the plant or in a department in all cases of force majeure. A snowstorm is not considered a force majeure.

15.05 The following details described by the Law on Labour Standards will appear on the paycheque slips:

- 1) name of Company
- 2) name and surname of employee
- 3) identification of employee's job
- 4) date of payment and corresponding working period
- 5) number of hours paid at the regular rate
- 6) number of hours of overtime paid with applicable premium
- 7) salary rate
- 8) nature and amount of bonuses and premiums
- 9) amount of gross salary
- 10) nature and amount of deductions
- 11) amount of net salary paid to employee

15.06 An employee that is laid off, dismissed or leaves of his own free will must receive money owing him and his personal items during the week following his departure. Correction of errors on any employee's pay shall be done the week following the error notice.

15.07 Wages are paid each Thursday morning by direct deposit. When there is a statutory holiday during a given week, the direct deposits shall be made as soon as available or at the

latest by Friday morning at 10:00 a.m.

SECTION 16 - WORK SCHEDULES, WORK SHIFT AND OVERTIME

16.01 The regular work week is forty (40) hours, that is eight (8) hours per day, from Monday to Friday inclusively.

FIXED SCHEDULE FOR ONE (1) SHIFT

Schedule #1 - Day shift

Monday 7:00 a.m. to 4:00 p.m.
Tuesday 7:00 a.m. to 4:00 p.m.
Wednesday 7:00 a.m. to 4:00 p.m.
Thursday 7:00 a.m. to 4:00 p.m.
Friday 7:00 a.m. to 4:00 p.m.

SCHEDULES FOR TWO (2) OR THREE (3) SHIFTS

Schedule # 2 - Day shift with rotating schedule

Monday 7:00 a.m. to 3:30 p.m.
Tuesday 7:00 a.m. to 3:30 p.m.
Wednesday 7:00 a.m. to 3:30 p.m.
Thursday 7:00 a.m. to 3:30 p.m.
Friday 7:00 a.m. to 3:30 p.m.

Schedule # 3 - Evening shift with rotating schedule

Monday 3:30 p.m. to 11:30 p.m.
Tuesday 3:30 p.m. to 11:30 p.m.
Wednesday 3:30 p.m. to 11:30 p.m.
Thursday 3:30 p.m. to 11:30 p.m.
Friday 3:30 p.m. to 11:30 p.m.

Schedule # 4 - Night shift with fixed schedule

Sunday 11:30 p.m. to 7:00 a.m.
Monday 11:30 p.m. to 7:00 a.m.
Tuesday 11:30 p.m. to 7:00 a.m.
Wednesday 11:30 p.m. to 7:00 a.m.
Thursday 11:30 p.m. to 7:00 a.m.

The employee on schedule #4 shall be paid for eight (8) hours when he works seven and a half (7.5) hours per shift.

The employee is expected to be at his work station as per the schedules detailed under 16.01.

An employee working under schedules 2, 3 or 4 shall leave his work station upon the arrival of his replacement or when his supervisor tells him it is time to leave.

Employees working under schedule #1 are entitled to a one-hour unpaid meal break. Those working under schedule #2 are entitled to a half-hour unpaid meal break.

Employees working under schedules #3 and #4 are entitled to one half-hour paid meal break, but must remain on Company premises.

Schedule #2 and #3 alternate shifts each week. This rotation may vary depending on the occupations, but it must be equitable.

An employee may for a limited period of time be exempted from shift rotation, but only for exceptional reasons, if he can come to an agreement with another employee and if the equilibrium of the shift team is not affected.

The employee shall file a request to this effect with the Manpower Assignment Committee which shall evaluate the reasons and the possibilities.

The regular work schedule mentioned above is not subject to change, except after mutual agreement between the parties.

Notwithstanding Section 16.01, the regular work week is forty (40) hours for positions of maintenance mechanics, that is eight (8) hours per day as follows:

Monday to Friday inclusively
or Tuesday to Saturday inclusively

All hours worked on Saturdays are paid at regular hourly rates plus fifty (50) percent.

Employees who need to leave the premises to have a meal shall punch their time card before leaving the plant.

16.02 Subject to prior agreement with the Union, if it is avoidable to lay-off employees by cutting working hours to less than forty (40) hours, without falling below thirty-two (32) hours per week, for a maximum period of five (5) work days during the course of a three (3) month period, or by transferring employees to other similar jobs, it shall be possible to cut down working hours or transfer employees. If employees are thus transferred, said transfers shall be made through the Manpower Assignment Committee.

When a job has been the object of lay-offs, bumpings or transfers, as opposed to lay-offs only, the working hours may not be extended beyond forty (40) hours per week as long as an employee still holds recall or retransfer rights to that job, except in those instances where:

- a) Temporary leaves granted to employees in that job on account of vacation or illness shall result in emergency overtime of a maximum duration of eight (8) hours per week;
- b) A total of less than four (4) hours per day is occasionally required in the occupation affected for overtime requirements essential to the operations. However, under no circumstances shall overtime exceed eight (8) hours per week.

16.03 An employee who is asked by the Company to change shifts must be notified forty-eight (48) hours prior to the start of his new shift; otherwise, the employee shall be paid at the overtime rate for the first shift of his new schedule. (This provision shall not apply to voluntary shift changes agreed upon between two employees after having received approval from the supervisor).

16.04 A bonus of eighty cents (80¢) per hour shall be paid to employees working on the evening shift and a bonus of one dollar (\$1.00) per hour shall be paid to employees working on the night shift.

16.05 a) Employees shall be entitled to their regular salary rates increased by one-half for all hours worked beyond eight (8) hours per day from Monday to Friday.

Employees shall also be entitled to that bonus for all hours worked on Saturdays.

Any hours worked on Sundays must be paid at twice the regular salary rates.

- b) Notwithstanding Section 16.05 a), maintenance mechanics shall be entitled to their regular salary rates plus one-half for all hours worked beyond eight (8) hours per day from Monday to Friday or from Tuesday to Saturday.

These employees shall also be entitled to that bonus for all hours worked on the second (2nd) day off after the work week, meaning on Mondays.

16.06 At first, overtime work shall be offered on a voluntary and fair basis to employees available within the occupation or who have been assigned to it for at least one complete day

according to seniority and provided there are enough voluntary employees available. Whenever the required number is not available and additional employees are required, overtime work shall be offered to the qualified employees available in the plant on a voluntary and fair basis, according to seniority and as long as the required number of qualified employees volunteer. Whenever the required number is not available and additional employees are required, overtime work shall be assigned in the reverse order of seniority to employees in the plant who are qualified to carry out the required overtime work. However, no employee shall be required to work more than a total number of ten (10) hours of overtime over any consecutive four-week (4) period.

Employees have to carry out the overtime work first in their occupations if there is such requirement and it is offered to them, before accepting or requesting any other overtime work.

The Company shall update monthly a list of employees who volunteer for the overtime work required for maintenance. The overtime work required for maintenance shall be offered to employees who put their names on the list according to seniority and on a fair basis. Any employee whose name is on the list and who refuses to carry out the overtime work required for maintenance shall wait until all other listed employees have been solicited before being offered further overtime work.

Should the Company fail to take into account seniority and qualifications in distributing overtime work, it shall give the employee affected the opportunity to carry out further overtime work. Whenever a second mistake affecting the same employee is made within a six-month (6) period, the Company shall pay such employee for the overtime he would normally have done had it not been for such a mistake.

16.07 The employee who is called back to work after his regular work day and who has left the plant shall be paid for that emergency recall for at least three (3) hours at time and one-half (1 1/2) of his rate; or on Sundays, at twice the rate.

SECTION 17 - HOLIDAYS

17.01 The Company binds itself to recognize the following days as paid holidays: Good Friday, Victoria Day, St-Jean-Baptiste Day, Confederation Day, Labour Day, Thanksgiving, Christmas Eve, Christmas Day, the three (3) days after Christmas, New Year's Eve and New Year's Day.

17.02 Any work carried out during one of the holidays (except if the work is normally included in the shift immediately preceding or following the holiday) shall be remunerated at twice the average regular hourly rate of each employee, in addition to the holiday pay to which the employee is entitled.

17.03 The holidays mentioned above shall be deemed paid holidays under the following conditions:

- 1) The employee must have worked at least seven (7) hours on the work day immediately preceding the holiday or at least seven (7) hours on the day following the holiday, unless he has been authorized to be absent by the Company or unless he provides a valid explanation for his absence, or unless he has been prevented from working his whole shift because his hours scheduled were shorter or unless he has been laid off as of the work day immediately following the holiday, according to schedule.
- 2) The pay for each holiday shall be the regular salary rate multiplied by the number of regular hours scheduled for the day on which the holiday is celebrated.
- 3) If one of the holidays falls on a Saturday or Sunday, the holiday shall be postponed, for the purposes of this Agreement, to the following Monday or the following day as the case may be.
- 4) In case a premature closing of the plant should occur before the Christmas holidays or even following a mass lay off, the remuneration for the said holidays will be 2.8% of earnings from January 1st, of the current year to date of premature closing of the plant. Employees at work at the time of the mass lay off or premature closing of the plant will be eligible for the payment of the Christmas holidays on the first week following said holidays.

17.04 This clause shall not be applied in such a way as to provide an employee with a higher pay than he would normally have received under other private or governmental schemes.

SECTION 18 - PAID VACATIONS

18.01 The plant shall be closed for annual vacation for three (3) consecutive weeks as follows: in 1998, the plant will shut-down from July 18 to August 9, 1998, inclusively; in 1999, the plant will shut- down between July 17 and August 8, 1999, inclusively; in 2000, the plant will shut-down between July 15 and August 6, 2000, inclusively.

18.02 Employees who, on June 1st, of the year in progress, shall have completed less than one (1) year of uninterrupted service with the Company shall receive a vacation allowance as provided for in the appropriate regulations of the Province of Québec.

18.03 Employees who, on June 1st, of the year in progress, shall have completed one (1) year of uninterrupted service with the Company shall be granted a two (2) weeks paid vacation per year. The payment of the said vacation shall be equal to two (2) weeks salary or four percent (4%) of their gross earnings during the preceding twelve (12) months prior to June 1st, of the year in progress, if the later amount is higher than the former.

18.04 Employees who, on June 1st, of the year in progress, shall have completed five (5) years of uninterrupted service with the Company, shall be granted a three (3) weeks vacation per year. The payment of the said vacation shall be equal to three (3) weeks salary

or six percent (6%) of their gross earnings during the preceding twelve (12) months prior to June 1st, of the year in progress, if the latter amount is higher than the former.

18.05 Employees who, on June 1st, of the year in progress, shall have completed ten (10) years of uninterrupted service with the Company shall be granted a four (4) weeks vacation per year. The payment of the said vacation shall be equal to four (4) weeks salary or eight percent (8%) of their gross earnings during the preceding twelve (12) months prior to June 1st, of the year in progress, if the latter amount is higher than the former.

18.06 Employees who, on June 1st, of the year in progress, shall have completed twenty (20) years of uninterrupted service with the Company shall be granted a five (5) weeks vacation per year. The payment of the said vacation shall be equal to five (5) weeks salary or ten percent (10%) of their gross earnings during the preceding twelve (12) months prior to June 1st, of the year in progress, if the latter amount is higher than the former.

18.07 Employees who, on June 1st, of the year in progress, shall have completed thirty-five (35) years of uninterrupted service with the Company shall be granted a six (6) weeks vacation per year. The payment of the said vacation shall be equal to six (6) weeks salary or twelve percent (12%) of their gross earnings during the preceding twelve (12) months prior to June 1st, of the year in progress, if the latter amount is higher than the former.

18.08 a) The vacation pay for an employee shall be computed as straight time on the basis of his regular hourly rate on June 1st, of the year in progress.

b) An employee who is entitled to more than three (3) weeks of vacation may take his remaining weeks of vacation as days off. The employee shall obtain prior authorization from his superior.

18.09 As far as vacations are concerned, one (1) week shall comprise forty (40) hours.

18.10 An employee who has left the Company, or who has been dismissed or laid off after having completed less than one (1) year of uninterrupted service but more than one (1) month with the Company shall be entitled to four percent (4%) of the salary earned. An employee who has one (1) year of uninterrupted service shall be entitled to four percent (4%) of the salary earned; he shall be entitled to six percent (6%) if he has more than five (5) years of service; eight percent (8%) if he has more than ten (10) years of service; ten percent (10%) if he has more than twenty (20) years of service; and twelve percent (12%) if he has more than thirty-five (35) years of service. The payment shall be made upon termination of employment.

18.11 Vacations that are not taken as set forth in clause 18.01 above must be taken between June 1st, of the year in progress and May 31st, of the following year. The choice of

vacation periods shall be made on the basis of seniority ranking within each occupation providing that no more than five percent (5%) of employees are absent for holidays per occupation (1 person minimum). In addition, an advance notice of one (1) month is required for holiday planning.

- 18.12 The employee must receive his vacation pay before leaving on vacation, in the amount due for the vacation he is taking immediately. The vacation pay shall be paid by a direct deposit separate from that of his regular pay.
- 18.13 If one or another of the holidays mentioned in clause 17 should occur during an employee's vacation, the said employee shall be entitled to an additional vacation day paid at his regular salary rate.
- 18.14 An employee who is absent on account of illness or accident while he planned to be on vacation may take his vacation immediately after said absence, or in accordance with clause 18.11.
- 18.15 An employee who retires during the current year shall receive the higher of the two amounts, be it the percentage accruing to the salary earned during the current year or the vacation pay based on the amount of uninterrupted service during the current year.
- 18.16 This clause shall not be applied in such a way as to provide an employee with a higher pay than he would normally have received under other private or governmental schemes.

SECTION 19 - FURTHER LEAVES

- 19.01 Any employee shall be granted a funeral leave of five (5) calendar days without loss of salary in the event of the death of a spouse or a child to whom the employee is the genetic parent or the legally adoptive parent, or a child of his spouse.

Any employee shall be granted a funeral leave of three (3) calendar days without loss of salary in the event of the death of his father, mother, brother, sister, father-in-law (father of his spouse), mother-in-law (mother of his spouse), brother-in-law, sister-in-law, a grandparent, a grandchild, or any other relative residing in the employee's home.

The days shall be applied as follows:

- 1) If the employee learns of the death prior to his work shift, the days are calculated from the date of death.
- 2) If the employee learns of the death during or after his work shift, the days are calculated from the day following the death. In the case where the employee learns of the death during his work shift, he may leave work immediately without any loss of salary for the remainder of that work shift.

- 3) The work days of the said leave may be split after notifying the Company. Such splitting shall be applicable until the day of burial.

Any employee shall be granted a one-day (1) leave without loss of salary, on the day of the funeral, in the event of the death of a son-in-law, daughter-in-law, stepfather (his mother's second husband), stepmother (his father's second wife), or a grandparent of his spouse.

This provision must not be applied so as to grant the employee a higher pay than that which his regular work schedule would have allowed him to earn.

19.02 Whenever an employee is called for jury duty during his regular work hours, the duration of his absence shall be considered as worked hours and he shall be remunerated for that time, his jury duty remuneration being deducted from his regular salary.

19.03 In the event that an employee should be called by the Company to appear before a law court, the time spent for that purpose shall be considered as hours worked in as much as he would have worked if he had not had to appear in court. Consequently, he shall be paid at the appropriate rate.

19.04 Upon written request, an employee may obtain an unpaid leave of absence permit without loss of seniority for a period not exceeding three (3) months, provided such a request is made for a reasonable motive five (5) days in advance. When circumstances so justify, a leave of absence permit may also be granted retroactively. Such a request shall not be refused without a reasonable motive, the burden of proof thereof lying with the Company.

19.05 The Company shall grant a physical disability leave of absence upon presentation of a disability certificate signed by a physician. The said certificates are granted for a maximum period of thirty-six (36) consecutive months. However, the Company reserves the right to verify every six (6) months the legitimacy of the absence.

The Company may occasionally require a disability extension certificate during the leave. The physical disability certificates shall expire automatically at the end of the first week following the termination of the disability. Nothing in this clause shall in any way whatsoever limit the right of the Company, subject to the grievance settlement procedure, to take all measures it deems necessary with regards to an employee whose physical condition or repeated sickness leaves prevent him from maintaining regular attendance or from performing satisfactorily all the tasks of his job. Upon returning from the said leave, the employee shall be reinstated in his former job if he is able to perform it adequately. If he cannot do the work, the Company shall notify the Union of any new assignment.

19.06 An employee who fails to return to work immediately upon the expiry of his leave of absence without pay shall be deemed to have voluntarily quit his job, unless he gives a satisfactory explanation to justify his failure to return to work.

19.07 1) In case of pregnancy, the employee shall be granted a leave of absence without pay; if she so requests, the leave of absence may begin at the sixth (6th) month of

pregnancy and may expire three (3) months after she has given birth.

- 2) From the sixth (6th) week preceding the scheduled birth date, the Company may require in writing from the pregnant employee who is still at work a medical certificate certifying that she is able to work. Should the employee refuse or omit to provide the said certificate within eight (8) days, the Company may force her to start her maternity leave immediately upon a written notice, with grounds, to that effect.
- 3) When there is a risk of miscarriage or a risk to the health of the mother or the baby which is attributable to the pregnancy and requires the mother to stop working, the employee shall be entitled to a special maternity leave if prescribed by a medical certificate certifying the existence of the risk. The maternity leave may then start before the sixth (6th) month of pregnancy without affecting the date of return to work.
- 4) In cases of natural or induced miscarriage, the employee shall be entitled to a maternity leave not exceeding three (3) weeks.
- 5) The employee who sends to the Company, before the expiry date of her maternity leave, a notice accompanied by a medical certificate certifying that her health or the health of her baby requires an extension of her maternity leave, shall be entitled to extend her maternity leave for up to six (6) weeks after the third (3rd) month following the birth.
- 6) The Company may require the employee who returns to work within two (2) weeks following the birth to provide a medical certificate certifying that she is well enough to go back to work.
- 7) Upon expiry of the maternity leave, the Company shall reinstate the employee in her regular position with all the benefits which would have been granted to her had she been at work.
- 8) The right of the employee to the social benefits recognized in her workplace shall not be affected by her maternity leave, subject to the regular payment of any applicable contributions of which the Company pays its share.
- 9) If the regular position of the employee no longer exists upon her return, the Company shall grant her all the rights and privileges to which she would have been entitled had she been at work when her position was abolished.
- 10) Whenever the Company shall make any lay-off which would have included the employee had she been at work, such employee shall have the same rights, with respect, among other things to a recall, as the other laid-off employees.
- 11) This section is not intended to grant an employee a benefit which would not have been granted to her had she been at work.

19.08 Upon termination of a maternity leave, the Company shall reinstate the employee as provided for in the Collective Agreement with all the privileges and benefits as set forth in the Collective Agreement including the salary to which she would have been entitled had she been at work.

SECTION 20 - INSURANCE

20.01 The group insurance plan, the benefits of which are set forth in Appendix E, shall remain in effect for the duration of this Agreement. The said plan forms an integral part of this Agreement and shall not be modified without the consent of both parties. Within thirty (30) days following the signing of this Labour Agreement, the Company shall remit a copy of the master group insurance policy to the Union.

20.02 Whenever the insurer has not paid accident-sickness benefits within two (2) weeks of the date on which a medical certificate has been presented, the Company, at the employee's request, shall advance him the weekly benefits he is entitled to until he is regularly paid such benefits.

20.03 The Company shall not be bound to take part, in any way whatsoever, to protests bearing on claims made by employees with regard to the insurance plans set forth above. Such protests shall be argued and settled between the employee and the insurer and they shall not be submitted to the grievance and arbitration procedure as provided for in this Agreement between the Company and the Union. However, the Company shall put forth its best efforts to see that the insurer fulfills his obligations completely.

20.04 The Company shall not be bound to subscribe in any way whatsoever, to any part of the insurance plans mentioned above on behalf of employees who have not yet completed their probation period.

20.05 The Company shall not be bound to provide any type of insurance whatsoever for anyone who has ceased or who, eventually ceases to be actively employed by the Company, except for retired Company employees for whom the Company subscribes to and pays for a life insurance according to Annex E.

20.06 The insurance plans mentioned above shall be maintained, the Company bearing the full cost, in the case of any employee who is away from work as a result of illness or accident, or in the case of a laid-off employee; however, it is understood that the Company's contribution shall cease in the event that the lay-off extends beyond thirty (30) days.

20.07 The Company shall provide a long-term total disability insurance plan granting an employee sixty percent (60%) of his salary, effective at the expiry of sickness and accident benefits, the payments thereof continuing for the entire duration of the total disability.

SECTION 21 - PENSION PLAN

21.01 For service accumulated before May 2, 1997, the plan shall ensure the payment of a monthly retirement pension of eighteen dollars (\$18) per month, multiplied by the number of years of service credited to the employee, the maximum thereof being unlimited. Eligible employees shall be those who have reached the age of sixty-five (65) and who have ten (10) years of credited service or more and whose employment with the Company has terminated.

For service accumulated after May 3, 1997, the pension payable shall be \$20.00 per month.

21.02 Any employee shall also be entitled to take early retirement at the age of fifty-five (55) provided that he has at least ten (10) years of credited service but his pension shall be reduced by six-tenths (6/10) of one percent (1%) for each month of difference between his age and the age of sixty-five (65) or, at his discretion, he may defer his pension and start receiving it at the age of sixty-five (65).

An employee who takes early retirement and who is sixty (60) years old or older shall have his pension reduced by four percent (4%) for each complete year of difference between his age and the age of sixty-five (65). Any fraction of a year shall be prorated.

21.03 Furthermore, an employee with fifteen (15) years of credited service or more with the Company and who is totally and permanently disabled may retire, provided that he has reached the age of fifty (50), but the pension, in such a case, shall be deducted from the amount of any occupational accident benefits which are payable to him.

21.04 An employee with ten (10) years of service and whose employ terminates shall become eligible to a deferred retirement pension payable at the age of sixty-five (65).

21.05 A joint committee shall be established by the Company and the Union to determine an employee's rights to receive a pension, to decide on applications for pensions, to revise and communicate relevant information pertaining to the pension plan system; otherwise, the Company shall be solely in charge of the plan, its control and administration, and it shall set forth the rules and regulations which it deems necessary to operate and manage the plan efficiently.

The pension plan shall be negotiable concurrently with this Agreement, shall form part hereof and shall expire concurrently herewith.

21.06 The pension plan signed on March 11, 1965 must be reviewed and renewed for a duration similar to that of the Labour Agreement.

21.07 The terms of the general pension plan shall be simultaneously set forth in the French and English languages.

SECTION 22 - MISCELLANEOUS

22.01 Each employee shall be given a copy of this Agreement in French and in English, as soon as

possible after the signing thereof. Only the French version shall be deemed official. The Company shall provide the Union with fifty (50) copies of this Agreement.

22.02 At the signing of this Agreement, the Company shall provide the Union with a list of all the bargaining unit employees, including their names, dates of birth, punch card numbers, dates of seniority, occupations and salary rates. The Union shall be notified on a monthly basis of any changes made to the said list and shall be provided with a complete revised version thereof every six (6) months.

22.03 The Company shall provide the Union with a list of supervisors and it shall notify the same of any changes to occur thereafter.

22.04 The lateness record in terms of minutes shall accrue on a weekly basis and the employee's paycheque shall be adjusted to the nearest fifteen (15) minutes. Whenever an employee shall have accrued more than seven (7) minutes lateness, the employee shall be penalized for fifteen (15) minutes on his paycheque; however, these seven (7) minutes may be spread out on the employee's weekly paycheque period. Whenever an employee is twenty-three (23) minutes late after the beginning of his shift, he shall be penalized for thirty (30) minutes. The following chart explains the method set forth above:

A total of:

01 to 07 minutes late per week
08 to 22 minutes late per week	- 15 minutes
23 to 37 minutes late per week	- 30 minutes
38 to 52 minutes late per week	- 45 minutes
53 to 67 minutes late per week	- 1 hour

This chart shall not be construed as an excuse or a permission for late arrivals. Employees who are repeatedly or excessively late shall be subject to disciplinary action.

22.05 Rest period

The Company grants two (2) ten-minute (10) rest periods during each shift. On agreement between the parties, the two ten-minute (10) rest periods may be combined into a single twenty- minute (20) rest period.

SECTION 23 - DURATION

23.01 This Agreement shall be effective as of May 3, 1998, and shall remain fully effective until May 2, 2001, inclusively.

23.02 Within ninety (90) days prior to the expiry of this Agreement, either party hereto may notify the other of its intention to amend the Agreement, to terminate it or to negotiate a new agreement.

23.03 This Agreement remains effective until one or the other party exercises its right to strike or lock out, or until the signing of a new Collective Labour Agreement.

SECTION 24 - QUEBEC WORKERS SOLIDARITY FUND (QWF)

24.01 The Company agrees to cooperate with the Union to allow all employees wishing to subscribe, by savings method on their salary, to the Quebec Workers Solidarity Fund savings plan.

24.02 Whatever number of employees makes the request, the Company agrees to deduct from each employee's paycheque, that wish to subscribe and have signed the application form, the amount specified by the employee for the term he has set or until further notice.

24.03 An employee may modify six (6) times a year the amount of his instalments, or at any time cease to subscribe, by forwarding a notice to this effect to the Fund and the Company.

24.04 The Company commits itself to forward to the Fund by cheque, each month (at the latest the 15th day of the month following the appropriation) the amounts deducted under section 24.02. This remittance must be accompanied by a list indicating the name, the social insurance number and reference number (supplied by the Fund) for each employee, and the amount drawn for each.

SECTION 25 - SEXUAL HARASSMENT

- 25.01 a) The Union and the Company recognize the right of all employees to work in an environment free of any sexual harassment.
- b) Any employee who is the victim of sexual harassment may file a complaint with the Human Resources Director or a member of the Union Committee. The complaint shall be dealt with promptly and in confidentiality by either of the parties.
- c) Within ten (10) days following the filing of the complaint, the Union and the Company shall form a special committee to study and investigate the complaint. The committee shall submit its recommendations to the Company as soon as possible. If warranted, the Company shall take any steps it deems necessary within five (5) days following the recommendations of the committee.
- d) The above provisions do not prevent any employee involved in a complaint from using the grievance settlement procedure.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement through their duly authorized representatives, this 2nd day of April 1998.

FOR THE UNION

FOR THE COMPANY

Michel Dupont

Sylvain Lapointe

Jacques Plouffe

Réjean Roy

Michel Vermette

Serge Portelance

Marc Chartré

Michel Drapeau

Rolf Templin

APPENDIX A - SALARY RATES

As of the signing of this Agreement, the minimum rates at hiring shall be the following:

	May 3, 1998	May 3, 1999	May 3, 2000
At the time of hiring	11.78	12.28	12.78
After 3 months service	12.03	12.53	13.03
After 6 month service	12.28	12.78	13.28

Nine (9) months after the date of hiring, the new employee's hourly rate shall increase by one-half of the difference between the rate he shall be paid at that point and the minimum rate of the scale which applies to his classification.

Twelve (12) months after the date of hiring, the new employee's hourly rate shall increase by the difference between the rate he shall be paid at that point and the minimum rate of the scale which applies to his classification.

Fifteen (15) months after the date of hiring, the employee's hourly rate becomes the average between the minimum and maximum rate of the scale which applies to his classification.

Eighteen (18) months after the date of hiring, the employee's hourly rate becomes the maximum rate of the scale which applies to his classification.

As soon as this Agreement becomes effective, the complete list of classifications and the salary scales for each shall be the following, with the exception of new jobs which may be created by the Company and for which there would be neither classification nor salary scale applicable.

Salary rates shall be increased by:

- 1,30\$ as of May 3, 1998
- 0,50\$ as of May 3, 1999
- 0,50\$ as of May 3, 2000

Production jobs

Class	May 3, 1998	May 3, 1999	May 3, 2000
1	17.66 - 18.12	18.15 - 18.62	18.64 - 19.12
2	16.66 - 17.10	17.15 - 17.60	17.64 - 18.10
3	15.76 - 16.16	16.24 - 16.66	16.73 - 17.16
4	15.62 - 16.02	16.11 - 16.52	16.59 - 17.02
5	15.41 - 15.80	15.89 - 16.30	16.38 - 16.80
6	15.13 - 15.52	15.62 - 16.02	16.11 - 16.52

Skilled labour jobs

Class	May 3, 1998	May 3, 1999	May 3, 2000
1	17.68 - 18.13	18.16 - 18.68	18.65 - 19.13
2	16.90 - 17.33	17.38 - 17.83	17.87 - 18.33
3	16.27 - 16.70	16.76 - 17.20	17.25 - 17.70
4	15.71 - 16.11	16.19 - 16.61	16.68 - 17.11
5	15.26 - 15.65	15.75 - 16.15	16.23 - 16.65

APPENDIX B - CLASSIFICATIONS AND OCCUPATIONS

Class 1

- 1-A Auto flatstock setter
- 1-B Auto latch roll feed setter
- 1-C Auto press setter
- 1-D Experimental projects
- 1-E Maker dimples punches & swaging dies
- 1-F Press room tool maker
- 1-G Swage 4-in-lines setter
- 1-H Auto latch roll feed setter (G.B.)
- 1-I Auto flatstock setter (G.B.)
- 1-J Numerical control grinder setter

Class 2

- 2-A Auto latch roll feed set operator
- 2-B Auto press set operator
- 2-C Automatic flatstock set operator
- 2-D Grind bevel butt setter
- 2-E Straightening machines setter
- 2-F Swage 4-in-lines set operator
- 2-G Automatic flatstock set operator (G.B.)
- 2-H Auto latch roll feed set operator (G.B.)
- 2-I Latch loosen & hook polishing setter
- 2-J Hand straightening leader
- 2-K Raise hook, snubbing & clipping setter
- 2-L Shaving machine setter
- 2-M Side mill setter

Class 3

- 3-A Buff head burr control man
- 3-B Count & pack helper

Class 4

- 4-A Automatic flatstock blanking set oper.
- 4-B Bend blades set operator
- 4-C Blanking set operator
- 4-D Buff head set operator
- 4-E Burr off new way operator
- 4-F Clipping set operator
- 4-G Checker K.N. final inspect
- 4-H Checker K.N. heat treat

- 4-I Checker K.N. special
- 4-J Expedite K.N.
- 4-K Glaze hook machine set operator
- 4-L Checker K.N. burr off
- 4-M Hand straightening
- 4-N Harden hevi-duty K.N.
- 4-O Heat treat placer lydon furnace
- 4-P Heat treat tool hardening
- 4-Q Inspect final K.N.
- 4-R Machine select operator
- 4-S New way inspect final K.N.
- 4-T Polish operator
- 4-U Raise hook, snubbing & clipping operator
- 4-V Shaving machine operator
- 4-W Side mill set operator
- 4-X Straightening machine operator (G.B.)
- 4-Y Stringing machine operator
- 4-Z Tight latch loosen operator
- 4-AA Checker K.N. before heat treat
- 4-BB Machine select & repair set operator (G.B.)

Class 5

- 5-A Clamp K.N.
- 5-B Degreaser operator
- 5-C Janitor
- 5-D Pan carrier
- 5-E Count & pack
- 5-F Scale

Class 6

- 6-A Buff head placer
- 6-B Feeder K.N. heat treat
- 6-C Grind bevel butt feeder
- 6-D Stringer

LIST OF OCCUPATIONS FOR ELECTRICIAN, ELECTRICIAN-APPRENTICE, MACHINIST, FLATSTOCK BLANKING MACHINIST AND MILLWRIGHT

Class 1

- 10-A Machinist I (auto flatstock - day)
- 10-B Machinist I (auto latch roll feed)
- 10-C Electrician
- 10-D Machinist I (flatstock blanking - day)
- 10-E Machinist I
- 10-F Machinist I (press room)
- 10-G Electronic technician

Class 2

- 20-A Machinist II (auto flatstock - day)
- 20-B Machinist II (auto latch roll feed)
- 20-C Electrician-apprentice (4th year)
- 20-D Machinist II (flatstock blanking - day)
- 20-E Machinist II
- 20-F Millwright I
- 20-G Machinist II (press room)
- 20-H Electronic technician (4th year)

Class 3

- 30-A Machinist III (auto flatstock - day)
- 30-B Machinist III (auto latch roll feed)
- 30-C Electrician-apprentice (3rd year)
- 30-D Machinist III (flatstock blanking - day)
- 30-E Machinist III
- 30-F Millwright II
- 30-G Machinist III (press room)
- 30-H Electronic technician (3rd year)

Class 4

- 40-A Machinist IV (auto flatstock - day)
- 40-B Machinist IV (auto latch roll feed)
- 40-C Electrician-apprentice (2nd year)
- 40-D Machinist IV (flatstock blanking - day)
- 40-E Machinist IV
- 40-F Millwright III
- 40-G Machinist IV (press room)
- 40-H Electronic technician (2nd year)

Class 5

50-A Electrician-apprentice (1st year)

50-B Millwright IV

50-C Electronic technician (1st year)

APPENDIX C - LIST OF ZONES WITH CORRESPONDING DEPARTMENTS

ZONE I

Dept. no. 10 Flatstock blanking
Dept. no. 12 4-in-lines, die repairs
Dept. no. 16 Presses
Dept. no. 19 Auto flatstock

ZONE II

Dept. no. 17 Straightening, auto flatstock
Dept. No. 20 Auto latch roll feed (G.B.)

ZONE III

Dept. no. 34 Glaze hook, loose latch
Polish, grind butt

ZONE IV

Dept. no. 8 Production control
Dept. no. 9 Quality control
Dept. no. 40 Inspection
Count & pack

ZONE V

Dept. no. 18 Burr off
Dept. no. 19 Side mill
Dept. no. 24 Degreaser 2nd floor
Latching

ZONE VI

Dept. no. 3 Electrician
Dept. no. 6 Machine shop
Dept. no. 7 Maintenance
Dept. no. 11 Shaving
Dept. no. 39 Degreaser 1st floor
Heat treat

APPENDIX D - JOB DESCRIPTION

1. New or Changed Jobs

When a new job is created or that an existing job is modified, or amalgamated, the Company writes the job description and establishes the classification after discussion with the Union. The pay will be computed on that classification. Any dispute as to the proper classification of a job may be processed through the grievance and arbitration procedures of the contract.

APPENDIX E - SYNTHESIS TABLE OF THE COLLECTIVE INSURANCE PLAN. THE TERMS AND CONDITIONS ARE DETAILED IN THE UMBRELLA POLICY

Life Insurance

Employee: 30,000\$ (in addition to death, mutilation and accident benefits)
 Retiree: 4,000\$ starting May 3, 1998
 Retiree: 2,000\$ until May 2, 1998
 Spouse: 4,000\$
 Children: 2,000\$

Individual or Family Health Insurance

Care or service	Reimbursement	Limit
Semi-private room	100%	None
Private nurse	80%	Max. 100\$ per day Max. 2000\$ per year
Speech therapy, Audiology, Occupational therapy	80%	None
Électrocardiography, radiography and lab analysis	100%	Max. 200\$ per year
Artificial limb, external prosthesis	80%	None
Surgical corset, crutches, splint, cast, truss and other orthopedic appliances	80%	None
Wheel chair rental, hospital bed, respirator and other similar appliances	80%	None
Ambulance service	100%	Max. 600\$ per year
Corrective shoes or orthopedic shoes	80%	None
Care provided by dental surgeon for accidental injury to natural teeth	80%	Max. 1000\$ per accident
Chiropractic	30\$ per visit	1 visit per day Max. 400\$ per year
Podiatry, osteopathy, naturopathy	30\$ per visit	1 visit per day
Physiotherapy, physical rehabilitation therapist	80%	None

Out-of-province emergency medical and surgical care	100% of amount exceeding amount payable by provincial health insurance plan	1 000 000\$ max. per emergency case
Eyes examination	100%	Max. 40\$ per visit 2 visits per year

Individual or Family Prescription Medicine Plan

<u>Care of Service</u>	<u>Reimbursement</u>	<u>Exemption</u>
Prescription medicine	100%	2.00\$

Guaranteed Individual or Family Medical Care Outside Canada

Services dispensed and reimbursed to 100%

- Repatriation costs
- Medical escort
- Cost of return of vehicle (maximum 1,000\$)
- Preparation and return of remains in the event of death
- Accommodation costs (maximum 150\$ per day and 1,200\$ per sojourn)
- Return transportation of relative (maximum 1,500\$)
- Travel care service
- Search for appropriate hospital
- Verification of medical coverage
- Forwarding of medical dossier
- Coordination of return
- Coordination of settlement claims
- Coordination of return of dependents
- Coordination of return of personal vehicle
- Interpretation service
- Legal council

Short-term Disability Insurance

<u>Disability Benefits</u>	<u>Duration</u>	<u>Grace Period</u>
66 2/3% of regular salary	26 weeks	0 days in case of accident or hospitalization 7 days in case of sickness

Long-term Disability Insurance

<u>Disability Benefits</u>	<u>Duration</u>	<u>Grace Period</u>
60% of regular salary	Until end of disability or immediate cessation upon 65th birthday	26 weeks from start of disability

LETTER OF AGREEMENT

between:

EXELTOR INC.
hereinafter called "the Company"

and:

LE SYNDICAT DES TRAVAILLEURS CANADIENS DE L'AUTOMOBILE T.C.A.
CANADA
hereinafter called "the Union"

The parties hereto agree to the following:

The Company continues the practice of hiring out the services of a master electrician to carry out the work in its buildings at all times. If there is shortage of work, the master electrician remains in place and the electrician-apprentice or electricians will be transferred or laid off according to the labour contract.

Furthermore, the parties hereto agree to the following:

In applying clause 1.04, in cases where a subcontract already exists at the time of any lay-off and has not been granted in order to bring about such lay-off, the said clause shall not be construed in such a way as to restrict the existing subcontract.

Furthermore, the parties hereto agree to the following:

The portion of monthly medical insurance premiums assumed by employees shall be increased in the following manner:

Individual plan : 3 \$

Family plan: : 5 \$

Furthermore, the parties hereto agree to the following:

Despite the designation of the active representative and non-active representative within the Retirement Committee as set out by Bill 116, the previously-called Pension Committee, composed of 3 union members and 3 non-union members, continue to fulfill the duties to which it is normally mandated.

Furthermore, the parties hereto agree to the following:

An employee who has acquired seniority within the bargaining unit who obtains a temporary assignment with the Company, and is excluded from the bargaining unit, will accrue and maintain

his seniority for the duration of the temporary assignment. During this period, the employee shall be obliged to pay Union dues.

The position left vacant by the employee who obtains a temporary assignment shall be filled by the Company with either an employee from the bargaining unit or with a hired employee who shall have temporary employee status for the duration of the replacement only. Once the assigned employee returns to his position, he shall be reinstated in his job and the temporary employee shall be dismissed.

There shall never be more than ten (10) temporary assignments at one time and the duration of a temporary assignment shall never exceed twenty-four (24) months.

The Company shall notify the Union committee at the earliest opportunity of the terms of the temporary assignment. In the event of lay-offs, the employees with temporary employee status shall be considered as trainees.

Furthermore, the parties hereto agree to the following:

The Company undertakes to set up a training school in view of developing mechanical aptitudes of the employees qualifying for occupations requiring this type of aptitudes. This training school will start operating in September 1999.

Furthermore, the parties hereto agree to the following:

The Company maintains its assistance program regarding alcohol and substance abuse.

Furthermore, the parties hereto agree to the following:

The Company will grant to the skilled labour employees a maximum amount of \$150.00 per year for the purchasing of tools to be used for their job. For reimbursement, the employee will have to submit a proof of purchase.

Furthermore, the parties hereto agree to the following:

The Company accepts to release the Union president without loss of wages up to a minimum of one (1) hour per day during his regular working hours for his daily duties pertaining to the plant, such as updating his files or meeting with Company representatives when necessary. This release will be determined by agreement between the parties.

Furthermore, the parties hereto agree to the following:

In view of clarifying Section 19.01 of the collective agreement in effect since May 3, 1995, the parties agree that on non-regular work days, the leave applies from the time of death, if death occurs before 12 noon, or from the next day in it occurs after 12 noon.

Furthermore, the parties hereto agree to the following:

The Company provides and maintains the current practice concerning the application for and the terms of payment for safety glasses (neutral or prescription) to all employees who need them as provided for in Section 14.04 of this collective agreement.

This letter of agreement shall be deemed to form part of this Collective Labour Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this letter of agreement through their duly authorized representatives, this 2nd day of April 1998.

FOR THE UNION

FOR THE COMPANY

Michel Dupont

Marc Chartré

Sylvain Lapointe

Michel Drapeau

Jacques Plouffe

Rolf Templin

Réjean Roy

Michel Vermette

Serge Portelance