

COLLECTIVE AGREEMENT

between

Advanced Fiber Technologies(AFT) Inc.

72 Queen Street
Lennoxville, Quebec

[Hereinafter called « the Company »]

and

**UNITED STEELWORKERS OF AMERICA,
Local 7531**

[Hereinafter called « the Union »]

2002 – 2005



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Deductions:

**United Steelworker's Fund
«Fonds de solidarité du Québec (FTQ)»**

Human resources development

Day worker – Paint (Mai 2000).....

Abolition of the Perforated Group

***The French text has priority over the English
and the interpretation of the clauses is based
on the official French version.***

SECTION 1

PURPOSE OF THE AGREEMENT

1.01 The Parties agree that it is mutually advantageous and desirable for them to determine and maintain fair and equitable wages and Labor standards to obtain efficient operations; to protect the employees' health and safety; and to provide for a procedure for settlement of disputes that may arise between the Parties to this Agreement.

The Parties agree that the continuing education of employees, the continuous improvement of manufacturing processes, quality controls and manufacturing systems in general that have an impact on costs, product quality and deliveries are everyone's business to ensure the employees' future job security.

In compliance with the Collective Agreement, the Parties undertake to satisfy the customers' expectations and be competitive in order to preserve and even improve, the Company's global leadership.

To fulfill this commitment, the Employer will listen to its employees and the Union will promote the participation of its members.

SECTION 2

UNION RECOGNITION

2.01 *Union, Sole Bargaining Agent*

The Company recognizes the Union as the sole and exclusive bargaining agent for all of its employees in accordance with the union certification issued on June 11, 1969, as amended on October 25, 1973 and March 15, 1993, by a commissioner of the office of the "Commissaire général du travail" covering all employees of **Advanced Fiber Technologies (AFT) Inc.** at its facilities located at 72 Queen Street, Lennoxville, Quebec, except for office employees, Production-Supervisor and all other employees excluded by the Labor Code.

2.02 *Jobs included in Bargaining Unit*

Persons whose regular work is not included in the bargaining unit shall not **perform** work included in the bargaining unit, except:

1. When the qualified employee or employees is or are not physically available; except for regular and repetitive work, an agreement shall be established.
2. For demonstration purposes that do not result in production or to conduct experiments.
3. For instructional purposes serving to train an employee of the bargaining unit.
4. In case of emergency.

2.03 *Masculine/Feminine Type*

The masculine gender also includes the feminine gender. The necessary substitutions shall be made unless the context indicates the contrary and vice versa.

SECTION 3 NON-DISCRIMINATION

3.01 The Company and the Union agree that there shall be no discrimination or intimidation against any employee, whether by reason of race, belief, color, ethnic origin, sex, language, membership in the Union or union activities.

SECTION 4 MANAGEMENT

4.01

(A) Management rights

Nothing in this Agreement shall be interpreted as restricting in any way the Company's right to exercise its regular and usual management functions including the reduction and/or shutdown of the plant's operations when necessary and the expansion, limitation, supervision or control of operations. The Union recognizes that production schedules, methods and means of manufacturing are the Company's exclusive responsibility.

(B) Rules

The Union agrees that the Company is entitled to establish and amend the rules governing the Company's business operations. These rules shall be observed by the Company's employees.

(C) *Disciplinary Powers*

The Union recognizes the Company's right to hire, grant promotions, displace, suspend, dismiss or discipline any employee for just and reasonable cause, subject, however, to the right of such employee to file a grievance according to the method prescribed herein.

(D) *Limitations to Management Rights*

The aforementioned section 4 shall not contradict the Collective Agreement.

SECTION 5

UNION SECURITY

5.01 Union *Dues*

As a condition of employment all employees covered by this Agreement shall pay the union dues as set forth in the constitution of the United Steelworkers of America.

5.02 Union *check* off

The Company agrees to deduct union dues from the salary of each employee covered by this Agreement in the amounts certified by the Union to the Company as being in force under the Union constitution.

Remittance of Union Dues:

Check off of Union dues shall be made on a weekly basis and shall be remitted by cheque payable to the Secretary Treasurer U.S.W.A. of the International Union within thirty (30) days of the end of the month at the Union's office in Montreal at the address indicated by the International Union, along with a list

indicating the names, the amounts deducted and the hours spent in the plant. Copies of these documents shall be delivered to the Financial Secretary of the Union, Local 7531, within the same deadline.

5.03 *Claims*

The Union shall indemnify and protect the Company against any claim that may be made by any employee with respect to the amounts deducted from salary, as prescribed in this section.

5.04 *Taxes Withholding*

The Company shall include the amount of union check off on the T-4 and TP-4 that it provides to each employee, as soon as possible.

SECTION 6

GRIEVANCE PROCEDURE

6.01 *Definition of Grievance*

For the purposes of this Agreement, a grievance is defined as follows: any disagreement regarding the interpretation or application of this Collective Agreement.

Step 1:

An employee accompanied by his Steward (or an officer of the local Union when the steward is absent) shall discuss any grievance with his immediate Production-Supervisor. The Production-Supervisor shall inform the steward of his decision within the next three (3) business days.

6.02 *Step 2*

If the grievance is not settled according to 6.01 above, the grievance shall then, within three (3) working days of the Production-Supervisor's decision, be set out in writing and submitted to the Production Manager or his replacement.

Following receipt of the written grievance, the Production Manager or his replacement shall hold a meeting with the employee concerned, a steward and a Union Officer, within the next four (4) working days and shall give his answer in writing within four (4) working days of such meeting.

6.03 Step 3

If the grievance is not settled according to 6.02 above, it shall be submitted to the Production Director or his replacement within five (5) working days of the Production Manager's response.

Following receipt of the Union's response in Step 2, the Operations Manager or his replacement shall hold a meeting within the next five (5) working days, with a maximum of four (4) Union representatives, one of whom may be an International Union representative.

Following this meeting, the Operations Manager or his replacement shall render his decision in writing to the Union President within the next five (5) business days.

6.04 *Union Grievance*

The local Union shall have the right to file group grievances or grievances of a general nature, according to Step 2 of the grievance procedure. These grievances shall be submitted within a period not exceeding (6) months from the date of the incident that caused the grievance.

6.05 *Time Limits for the Filing of Grievances*

Any grievance, except those of a general or ongoing nature, shall be submitted within ten (10) working days of the incident that caused the grievance.

6.06 *Mandatory Time Limits*

The time limits and the procedures set forth in this section are mandatory and the grievance shall be considered abandoned if it is not sub-

mitted for the next step, and as conceded according to the desired settlement if no answer is given within the prescribed time limit.

An extension of the prescribed deadlines shall be possible only upon written agreement between the parties.

6.07 *Settlement of Grievance*

Any written grievance settlement between the parties shall be final and binding on the parties.

6.08 *Reference to Arbitration*

When a grievance is not settled according to the foregoing paragraphs of this section, the grievance may be submitted for arbitration. [See 7.01 for application]

6.09 *Company's Answers to the Grievance*

All written responses to grievances shall be delivered by hand to the Union President or to the Steward concerned provided they are present.

SECTION 7 ARBITRATION

7.01 *Time Limits for Referral to Arbitration*

When a dispute arises between the parties as to the interpretation, application or administration of this Agreement, including any issue of whether a case may be taken to arbitration, or when it is alleged that this Agreement has been violated, either of the Parties, after exhausting the any grievance procedure under this Agreement, may give the other Party written notice of its wish to submit the dispute or the allegation to arbitration within fifteen (15) working days of the response of the Plant Manager or his replacement

7.02 *Appointment of the Arbitrator*

Within ten (10) working days of receipt of the arbitration notice, the Parties shall choose one of the arbitrators from the following list, in rotation and in the numbered order:

1. Nicolas Cliche
2. Diane Sabourin
3. Andre Sylvestre
4. FrançoisG. Fortier

Inability to act of the Arbitrators:

In the event that none of the aforementioned arbitrators can act within three (3) months, the Parties may agree to appoint another arbitrator and in the absence of agreement, the Parties shall apply to the “Ministère du Travail” to designate an arbitrator.

At any time, the Parties may agree to modify the choice of arbitrators.

7.03 Hearing Date

The arbitrator shall forthwith set a date for the hearing to enable the Parties to present their case and shall render his decision within fifteen (15) days of the end of the complete presentation of the evidence.

7.04 *Final decision*

The arbitrator's decision shall be final and binding upon the two (2) parties.

7.05 *Fees of the Arbitrator*

The arbitrator's fees shall be divided equally between the Parties.

The individual expenses of each Party shall be borne by the respective Parties.

7.06 *Multiple Grievances under Arbitration*

If there is an accumulation of grievances for arbitration, the same arbitrator may deal with these grievances, subject to mutual agreement between the Parties.

7.07 *Limitations to the Authority of the Arbitrator*

In no case shall the arbitrator have authority to add to, delete from, alter or amend this Agreement.

7.08 *Presence of the Employee/Witness*

At any step of the grievance procedure, including arbitration, the Parties may call upon the assistance of the employee or employees concerned and any necessary witness, and all reasonable measures shall be taken to enable the Parties to have access to the premises, study the contested operations and consult the necessary witnesses, on condition that they obtain written permission from Management to enter the Company's grounds.

SECTION 8 DISMISSAL AND PENALTY PROCEDURE

8.01 *Grievance against Disciplinary Measure*

In the event of a complaint alleging that an employee has been discharged or subjected to an unjust or unreasonable penalty, the grievance shall be filed directly at Step 3 of the grievance procedure within five (5) working days.

Meeting Between the Employee and the President of the Union:

The employee may meet with the President of the local Union or a Union steward for a reasonable period of time before leaving the plant.

8.02 *Disciplinary Measures – Copy to the Union*

A copy confirming an oral disciplinary meeting in the presence of the Steward, any written warning or administrative notice to an employee shall be given to the Steward present at the meeting.

8.03 *Correction of a Disciplinary Measure*

If it is decided or agreed at any step of the grievance procedure, including arbitration, that an employee has been subjected to an unjust penalty or has been discharged unfairly, Management shall reinstate him in his job without loss of seniority and shall pay the employee the amount he would have earned if

he had worked, minus any money earned elsewhere during this period, or if the punishment was too severe, any other just and equitable compensation according to the opinion of the parties or that of the arbitrator if the case is submitted to arbitration.

8.04 *Removal of Disciplinary Measures*

The warning and disciplinary form may be kept in the employee's file indefinitely. However, for the purposes of imposing disciplinary measures, it shall be considered non-existent after six (6) months.

Voluntary Signature of the Employee:

The Company shall not compel an employee to sign a written disciplinary warning.

Time Limits for the Remittance of a Disciplinary Notice:

The warning form shall be delivered to the employee on the same day or within **two** (2) working days of the incident, and a copy shall be sent to the Union.

Susuension Period:

The suspension shall begin on the business day following delivery of such warning form.

Time Limits for Contestation of Disciplinary Measures:

The validity of the Company's declarations on the warning and disciplinary forms shall not be challenged if a grievance is not filed on this basis within five (5) working days of its date of issue.

SECTION 9

STRIKE AND LOCKOUT

9.01 *'Prohibition of Pressure Tactics, Strike, for the Duration of the Collective Agreement*

During the term of this Agreement, the Union and its members shall not cause, encourage or participate in any strike in any form whatsoever, including, but without limiting the generality of the foregoing, a slowdown or stoppage of the Company's operations.

Prohibition of lock-out:

During the term of this agreement, the Company shall not cause, encourage or permit any lockout at the plant.

SECTION 10 SENIORITY

10.01 Job opportunities and security shall increase in proportion to the length of service. In all cases of vacations, promotions, transfers, layoffs and recalls after a layoff, the most senior employees shall be entitled to preference.

10.02

(A) However, In recognition of Management's responsibilities for the efficiency of the plant's operations, Management shall in all cases be entitled to bypass any employee if it establishes that this employee possesses neither the capabilities nor the physical abilities to perform the duties following an evaluation of

his minimum knowledge and after a trial period and/or training period if such training period is required to fill the position.

(B) Evaluation of minimum knowledge:

The candidate's minimum knowledge shall be evaluated jointly by the Company and the Union. Such an evaluation shall be directly related to the position.

10.03 *Seniority determination*

The Seniority of each employee covered by this Agreement shall be determined from the date of hiring.

Retention and accumulation of seniority:

Seniority shall be maintained and accumulated during:

- (a) an absence due to a layoff;
- (b) an absence due to illness or an accident;

- (c) a leave of absence;
- (d) an employee who is recalled to work for a period of less than four (4) weeks shall not lose his seniority if the reason for his refusal to accept the recall is that he would have to quit a full-time job to return to his work. Proof may be required.

10.04 *Loss of seniority and employment*

An employee shall lose his seniority status and his job for one of the following reasons:

- 1) If the employee voluntarily quits his **job**;
- 2) If the employee is dismissed for just cause and is not reinstated under the provisions of this Agreement;
- 3) If the employee is laid off and, without valid reason, fails to report to work, within five (5) working days of receipt of a notice sent by the Company by registered mail to his

last known address. A copy of such notice shall be sent to the Union on the same day.

- 4) If an employee has been transferred out of the bargaining unit.
- 5) For an employee with:
 - (a) Less than one (1) year of seniority:
If the employee is laid off for lack of work for a consecutive period that is longer than his accumulated seniority prior to his layoff.
 - (b) At least one (1) year but less than five (5) years of seniority:
If the employee is laid off for lack of work for more than eighteen (18) consecutive months.
 - (c) At least five (5) years but less than ten (10) years of seniority:

If the employee is laid off for lack of work for a period of **twenty-four (24)** consecutive months.

(d) Ten (10) or more years of seniority:

If the employee is laid off for lack of work for a period of **thirty (30)** consecutive months.

- 6) If an employee is absent from work due to an illness or accident that is not related to work for a period of **thirty (30)** consecutive months including a trial period for rehabilitation agreed to between the parties, except if he would have been laid off according to paragraph **10.04 (5)** and if he is absent from work because of an industrial accident or occupational disease for a period of **thirty-six (36)** consecutive months including a trial period for rehabilitation agreed to between the Parties.

10.05 Posting of positions

Advancement Card:

To determine the positions for which the employee will be considered for layoff, recall, transfer and promotion purposes, an advancement card indicating his choices of positions shall be completed by the employee.

Changes to the Advancement Card:

The advancement card may be amended at any time at the employee's request; such amendment shall be effective at 10:00 a.m. following its delivery to the Human Resources Department.

Copy to Union:

The Company shall provide the Union with a copy of the advancement cards that will be completed or amended.

Posting Period for Newly Created Positions:

All newly created permanent positions shall be posted for a period of three (3) working days.

Preference Granted to the Most Senior Qualified Employee:

The employee with the most seniority who has chosen the vacant position from among a maximum of three (3) choices on his advancement card for a promotion shall be assigned to the position, provided he is qualified for the position according to subsection 10.02.

Return to former position:

An employee who exercises the aforementioned privilege and who, for any reason, cannot perform the duties, shall be returned to the position he occupied before the transfer within two (2) weeks of his assignment.

Refusal of position:

An employee who refuses a position for which he has applied shall not be eligible to apply for this posted position for a period of twelve (12) months after the date of his refusal.

The employee reserves the right to return to his previous position within ~~two~~ (2) weeks of his new assignment.

Stability of employee:

An employee who starts a new job shall not be eligible to apply for another position for a twelve (12) month period.

Pre-assignment and priority:

An employee assigned to training in anticipation of a permanent assignment shall be selected for promotion according to the advancement card and shall maintain his priority for a period of ninety (90) days including the training period.

Priority of most senior employee:

Nevertheless, an employee with more seniority, who is capable of performing the duties immediately without training, who amends his advancement and job security card within ninety (90) days of the aforementioned period, shall have priority.

10.06 Vacant position

A position shall be considered vacant, and therefore filled according to the advancement and job security card system, as long as :

- a) a position freed up after posting or to replace an employee who obtains a position based on the advancement and job security card;
 - b) the retirement of an employee;
 - c) the death of an employee;
 - d) if an employee quits his job with the Company;
-
- 1. if an employee ~~is~~ dismissed and is not reinstated under the grievance and arbitration procedure in accordance with this Collective Agreement;
 - 2. if an employee is absent from work or unfit to occupy his position for a period of over

thirty (30) days. Nevertheless, if the employee returns to work he shall be reinstated in his position without regard to seniority;

3. if a laid-off employee refuses to return to work following a recall [See paragraph 10.04 (3)].

10.07 Seniority list

The Company shall maintain a seniority list as of the date of the signature of the Collective Agreement. The seniority list shall be subsequently maintained as follows:

- name
- hiring date
- **job** title
- classification of each employee included in the Union

Copies of this list shall be posted on the plant bulletin boards and shall be updated and replaced every three (3) months thereafter. A copy shall also be sent to the Union.

In the event of a tie between two (2) employees, the seniority standing shall be determined by a draw.

10.08 *Layoff notice*

(A) Bumping Rights of the Qualified Employee:

An employee laid off from a position shall be entitled to bump another employee from a position of which he is capable of immediately performing the duties without training, subject to the application of point F).

(B) Bumping by Seniority:

The bumping choice shall be applied by seniority among the laid-off employees, according to the priorities chosen by the employee on the list of qualified employees.

(C) Advance Notice of Layoff:

The employees affected by the layoff and the Union shall receive an advance notice of five working days, including the day of the notice.

(D) Exceptions:

This shall not apply to layoffs for causes beyond the Company's control, such as Acts of God.

(E) Preferential Seniority:

1. Four (4) officers of the Union, including the President and the Chief Steward, shall benefit from preferential seniority under which the President and the Chief Steward shall stay in their positions in the event of a layoff for as long as such positions are not abolished.

The Union shall inform the Company of the names of these four (4) officers as soon as they are appointed and shall notify the Company of any change.

2. In the event of a layoff, preferential seniority shall be applied as follows:

(i) the employee that has been laid-off from a position who avails himself of the Union preferential seniority shall bump the less senior employee among those who holds one of the positions, including his own, of which he is able to perform the duties without training.

(ii) if the employee cannot immediately perform without training, he may be given the necessary training to perform the **job** of the less senior active employee in the plant provided he possesses the minimum level of skills to perform the job.

(F) Disagreement on Employee Skill:

In the event of a dispute concerning the skill of a laid-off employee with more seniority who wishes to bump an employee with less seniority, a trial or training period of five (5) working days following the layoff notice shall be given.

(G) Layoffs shall take effect on Monday or Friday.

10.09 Recall to Work

(A) By reverse Order of Seniority:

Employees shall be recalled in reverse order of layoff.

(B) Employee Election:

Upon receipt of the layoff notice, the employee shall complete a form at the Human Resources Department to indicate his choice to be recalled or not for the positions for which he is qualified.

(C) Absence of Employee Election:

Where the employee has not filed his election, the Company shall consider that he is available for a recall with respect to positions for which he is qualified.

(D) Refusal to Bump:

However, when an employee has refused to exercise his bumping right **upon** receipt of the

layoff notice, the Company shall be under no obligation to recall this employee on the refused position during his layoff period.

(E) Availability of the Employee after his Layoff:

The laid-off employee may at any time inform the Company in writing of his availability for a recall and the period of such availability.

10.10 *Probation* period

The probation period shall be eighty (80) days worked. An employee on probation who is laid off for lack of work shall maintain the seniority he had accumulated subject to the limits contained in paragraph 10.04 (5) and the probation period shall continue upon his return to work.

Any probationary employee may be dismissed during his probation period, without recourse to the grievance procedure. After this period, the employee's seniority shall be computed from the date of his hiring.

A probationary employee may benefit from group insurance if he has completed three (3) months of work [non-consecutive work].

SECTION 11

SENIORITY

11.01 A leave of absence without pay shall be granted in the following manner:

- In all positions with ten (10) employees or less: one (1) employee at a time, including employees on vacation.
- In all positions with eleven (11) to twenty (20) employees, ~~two~~ (2) employees at a time, including employees on vacation.
- In all positions with twenty (20) or more employees, three (3) employees at a time, including employees on vacation.

Maximum Leave Per Year of Agreement:

Notwithstanding the foregoing, a maximum of ten (10) days of leave of absence per year of the Agreement per employee shall be granted.

Employees 55 Years of Age and Over:

Employees who are 55 years of age or over shall be entitled to a maximum of thirty (30) days of leave of absence per year of the Agreement, bearing in mind, however, the need to have an acceptable number of employees on each machine.

Priority:

A priority shall be given to vacation requests received one (1) month prior to the vacation date.

Duration of Leave and Advance Notice:

These vacations without pay shall not exceed five (5) consecutive days and shall be requested one (1) month in advance. They shall be granted in writing, with a copy of this authorization to the Union.

Preference According to Seniority:

The most senior employee shall have preference.

11.02 Exception for Longer Leave:

A request for leave of absence for a longer period shall be made in writing and referred to the Production Manager for approval. Such a request by an employee shall be considered.

11.03

(A) Leave for Union Position:

The Company shall grant an employee an unpaid leave to work in an official capacity for the local Union or the International Union for a maximum term of one (1) year.

The employee shall request such leave in writing and the Union shall give its approval. An extension of this leave may be granted upon mutual agreement.

(B) Union Leave:

At the Union's written request, at least five (5) working days in advance, the Company shall grant a leave of absence, without pay, of up to twenty (20) working days for union activities. As long as the activities permit this, such leave shall be granted to no more than three (3) employees at a time and to no more than one (1) employee per job description.

(C) Advance Notice of President for Outside Union Activities:

If the President or his replacement must leave his work to go outside the plant for no more than one (1) day, he shall advise his Production-Supervisor in advance.

11.04 *Protection of Seniority in the Event of Authorized Leave*

Any leave of absence shall be given in writing and none of these leaves may affect an employee's seniority rights when they are used for the purpose for which they have been granted, provided that he returns to work at the end of his leave.

11.05 *Juror/Witness*

When an employee is summoned for jury duty or as a witness in a case in which neither he nor the Employer is a party, the Company shall pay him, for each day of duty, the difference between his regularly hourly wage for the number of hours he normally works on his regular shift and the earnings he receives for his services as a juror or a witness, regardless of the time of his work shift within the day. The employee shall produce proof of his services and the amount received.

This section shall apply only in case of **loss** of regular working hours.

SECTION 12

HEALTH AND SAFETY

12.01 Common Desire

The Company and the Union agree that they mutually wish to maintain high health and safety standards in the establishment in order to prevent occupational diseases and industrial accidents.

Union Support:

In the event of an occupational disease and/or industrial accident, the Union shall give its support to the Company, in its jointly established temporary assignment program for accident victims.

Temporary Assianment:

The temporary assignment decision shall be made by the attending physician.

12.02 *Employee Equipment and Accessories*

The Company shall provide the usual equipment and accessories necessary for protection of the employees. The employees shall use the equipment made available to them by the Company.

Prevention Program – Union Support:

The Union shall assist Management in any reasonable prevention program.

Safety Shoes:

- (a) The Company shall supply safety shoes to all employees as needed. When an employee's Production-Supervisor observes that his safety shoes must be replaced due to normal wear, the employee shall be entitled to new safety shoes purchased from the Company's accredited supplier and shall accept the type of shoes specified by the Parity Committee on Occupational Health and Safety (of a maximum value of \$100.00).

- (b) If there is a disagreement between an employee and his Production-Supervisor on the need to replace his shoes, the disagreement shall be submitted **to** the Parity Committee on Occupational Health and Safety.
- (c) These shoes shall be considered as safety equipment and shall be the Company's property; they shall at all times remain in the plant.

Uniforms:

The Employer shall provide each employee free of charge with a total of eleven **(11)** uniforms for the term of the Collective Agreement.

Choice of Material:

The employee shall express his definitive choice of cotton or polyester material, applicable for the last three **(3)** years of the Collective Agreement, subject to the decisions of the Parity Committee on Occupational Health and Safety.

12.03 *Parity Committee on Health, Hygiene and Prevention*

The Committee shall consist of three (3) Company representatives and three (3) Union members, one of whom shall be a prevention representative, as defined in the current law, another on a permanent basis and the third on a rotating basis, namely the safety representative of the department concerned.

Functions of the Committee:

The Committee's functions shall be to promote safety and health in the establishment as well as any other functions provided by law.

Meetings:

The committee shall hold ~~two~~ (2) meetings per month, as provided by law.

Plant visits:

The Committee may carry out a plant visit.

Prevention representative:

The employee who acts as Prevention Representative may be allowed ten hours for each week of work to carry out his duties; the employee shall inform his immediate superior of the estimated duration of his absence from the job.

12.04 *Company's responsibility*

The Company accepts responsibility for taking adequate and reasonable measures to ensure employees' safety and hygiene in the establishment during working hours.

12.05 *Exercise of right of refusal to work by reason of health hazard*

Complaint:

An employee or a group of employees who believe(s) that he(they) are being asked to work under dangerous or unhealthy conditions beyond the normal risks inherent in the operation concerned shall have the right to refer the case to the Parity Committee on

Safety, which shall decide whether it is appropriate to conduct an investigation.

Investigation:

Where appropriate, a member of the Parity Committee on Safety representing the Union and the Plant Manager or his replacement shall investigate and decide as soon as possible whether or not a danger exists, as alleged by the employee or employees concerned.

Work during investigation:

Until the investigation is completed and during this investigation, the employee or employees concerned shall cease working on this job and shall be assigned to other work.

If the investigators' decision is contrary to the claim of the worker or workers concerned, they shall return to their **job** and continue to perform their normal work. If there is a disagreement among the investigators, one of the parties may appeal to a CSST inspector.

Challenge by the Company:

In the event that the Company challenges a decision of the compensation officer of the “Bureau de revision”, or the Court of Appeal, the salary of the worker who is called upon to testify shall be paid by the losing party.

Right under the Law:

The employee may exercise a right of refusal to perform work under an ***Act Respecting Occupational Health and Safety***.

12.06 Safety glasses

When an employee **must** wear prescription safety glasses, the Company shall pay for:

- lenses: 100% of the cost of the lenses;
- frames: forty dollars (\$40.00) maximum for the frame, as needed, for the years of the Agreement;

- **anti-glare** lenses: at the employee's request and upon presentation of vouchers, the Company agrees to pay the amount of thirty dollars (\$30.00), once every **two (2) years [24 months]**.

Optician named by Company:

The employee shall procure the prescription safety lenses from the optician named by the Company, and shall accept the type of glasses (CSA) approved by the Parity Committee on Occupational Health and Safety.

Replacement of safety glasses:

The costs of replacement and repair of the prescription safety glasses shall be defrayed by the Company, if they are damaged during work in the plant.

Cost of vision test:

The Company shall pay the cost of having the employee's vision tested.

SECTION 13

BULLETIN BOARDS

13.01 Number of bulletin boards:

The Company shall provide the Union with six (6) bulletin boards for Union notices and official documents.

Allowed documentation:

The notices shall be posted only by officers of the Union. They shall conform to the spirit and purpose of this Agreement and shall be approved by the Company.

SECTION 14

COPIES OF THE AGREEMENT

14.01 The Company and the Union wish for the provisions of this Agreement, including the rights and duties arising from it, to be familiar to each employee. The Company shall have the Agreement translated and printed in both (2) languages, in booklet form (3½" W x 5" H

- characters 3/32" high) and shall pay the cost thereof.

14.02 The Collective Agreement shall be reprinted within sixty (60) days of its signing. One copy shall be distributed to each new and current employee and thirty copies shall be transmitted to the Union.

SECTION 15

UNION REPRESENTATIVES

15.01 Communications between Union Advisor and Union Officers:

When an authorized representative of the United Steelworkers of America, who is not an employee of the Company, wishes to speak to the local Union's representatives in the establishment regarding a grievance or other official union business, he shall notify the Production Manager who shall then call the local Union's representatives to the office where they can confer privately. These discussions shall be arranged so that they do not needlessly hinder production.

SECTION 16

GRIEVANCE COMMITTEE AND SHOP STEWARDS

16.01 Shop Stewards

The Union shall designate the members of the Grievance Committee and the Shop Stewards to Management in writing. Management shall also be given written notice of any change in this list. There shall be one Shop Steward per Production-Supervisor and/or an approximate ratio of 5% Stewards throughout the plant.

Grievance Committee:

For the purposes of meetings with Management representatives, the Grievance Committee shall consist of no more than three (3) members designated by the Union and one (1) representative of the International Union.

Compensation:

The members of the Grievance Committee shall not lose pay for the time spent in the

plant attending meetings with Management representatives during regular working hours.

16.02

(A) Prior authorization to leave work station

When, for the purposes of his position, a member of the Grievance Committee or Steward must leave his work station or his department, he shall inform his Production-Supervisor and obtain permission from his Production-Supervisor or department supervisor. He shall not be refused permission without valid cause, and no loss of salary shall be imposed on him for the time spent performing his duties during his regular working hours.

(B) Annual budget for Union leave

The Employer agrees to grant the Union a maximum budget, on an annual (12 month) basis, of four hundred fifty-six (456) hours at the regular rate for all union activity during the working hours of the Union officer designated by the Union, for a maximum of ~~two~~ (2)

employees at a time plus the designated officer.

The time spent for meetings with the Company during the grievance steps shall be paid by the Company but will be excluded from the calculation of the annual budget.

(C) *Meeting Place*

The Company shall provide a place for private discussion. These group meetings of ~~two~~ (2) employees with the Union officer shall be held during the last sixty (60) minutes of the day shift of the designated Union officer.

The Employer shall not refuse to grant employees leave without valid cause.

16.03 *Work team of Union President*

The President of the local Union shall remain on the day shift permanently.

The President of the local Union may request the transfer of the Vice President of the Union or the Chief Shop Steward to the day shift

when he ~~is~~ absent for one (1) week or more, by giving written notice to the Company on the Thursday afternoon (before 3:00 p.m.) preceding his last week of work.

SECTION 17 HANDICAPPED EMPLOYEES

17.01 When an employee is injured on the job or is affected by an industrial disease during his work and becomes physically handicapped, this employee shall be entitled to preferential seniority to bump other less senior employees, upon mutual agreement between the parties.

SECTION 18 WORKING HOURS

18.01 *Normal Work Week*

The normal work week for the term of this Agreement shall be forty (40) hours, consisting of five (5) days beginning at **00:00** on Monday morning and ending at **24:00** on Friday evening.

18.02

(A) Shifts:

The working hours for the day shift shall be from 8:00 a.m. to 4:00 p.m. with one half-hour (1/2 h) paid for meals away from work, from Monday to Friday inclusive.

(B) Afternoon Shift:

The working hours for the afternoon shift shall be from 4:00 p.m. to midnight with one half-hour (1/2 h) paid for meals away from work, from Monday to Friday inclusive.

(C) Night Shift:

The working hours for the night shift shall be from midnight to 8:00 a.m. with one half-hour (1/2 h) paid for meals away from work, from Monday to Friday inclusive.

(D) Division of meal period:

The half-hour prescribed in A), B) and C) above may be split into two (2) parts upon mutual agreement, with one of these parts being consecutive to the coffee break.

(E) Weekend shifts:

To allow an increase in production when the need arises, the Company may establish weekend shifts under subsection **19.06**. The weekend shift shall constitute a shift choice, as prescribed in subsection **19.06**.

One weekend shift:

If there is only one shift on a given job, the schedule shall be Saturday and Sunday from 8:00 a.m. to 8:00 p.m., but this may be amended by agreement between the employees concerned and the immediate supervisor.

Two weekend shifts:

If there are ~~two~~ shifts on a given job, the evening shift schedule shall be Saturday morning from midnight to noon on Saturday, and Sunday morning from midnight to noon on Sunday. The day shift shall be Saturday from noon to midnight on Saturday evening, and Sunday from noon to midnight on Sunday evening.

Compensation:

The employees on these shifts shall work twenty-four (24) hours and shall be paid for forty (40) hours. If an employee misses a day, he shall lose twenty (20) hours on his pay.

If the employee loses time or arrives late, for each hour that he loses, one and two thirds ($1\frac{2}{3}$) hours shall be docked from his pay.

If a statutory holiday falls during the work weeks beginning Saturday and ending Friday, he shall be paid for eight (8) hours at regular rate.

If there is a work shortage on these positions, the weekend shift shall be cancelled after one week's notice. However, the Company may transfer employees from the weekend shift without notice to replace employees absent during the week.

Allocation of overtime on week days:

An employee on the weekend shift shall not be considered to work overtime during the week and for the purposes of application of 19:05. Overtime shall be offered only after considering the distribution of overtime to employees of the weekday shifts and after consultation with the Union.

A weekend employee shall be paid at time-and-a-half for hours worked during the week.

18.03 *Overtime Pay*

Any work done outside of the aforementioned hours shall be paid at the overtime rate.

No shift premium shall be paid during overtime hours and for weekend shifts.

18.04 *Permanent schedule*

The aforementioned schedule of working hours may only be amended upon mutual agreement between the parties.

Exceptions – Family Obligations and Off-Premises Training:

When an employee has family obligations that prevent him from regularly observing the work schedule after having taken reasonable measures, he may request a flexible work schedule under the following conditions:

- (a) a written application setting forth the reasons for the request shall be made to the Human Resources Manager, together with relevant documents.
- (b) in the case of training, such training shall be related to the employee's work or to another job in the enterprise in which the employee is interested.
- (c) the decision to grant or not a flexible work schedule to an employee shall be made by the Company, subject to production constraints and the availability of resources. The Human Resources Manager shall transmit to the employee

the written answer of the Company informing him of the duration of the flexible schedule period and the time at which it will be reviewed. A copy of the answer shall be forwarded to the Union.

18.05 *Break*

A ten (10) minute break shall be allowed between the second and third hour of each half-shift.

18.06 *Statutory holidays*

When an employee works on a paid statutory holiday, he shall not be required to take another day off during the regular work week.

18.07 *No work guarantee*

The provisions of this section shall not be read or interpreted as a guarantee of working hours per day or per week, but shall serve as a basis for scheduling work according to the provisions of this Agreement.

18.08 *Work force reduction*

The Company shall reduce its staff before reducing the work week, upon mutual agreement between the Union and the Company.

SECTION 19 OVERTIME

19.01 *Hourly rate*

The hourly rate is defined as the employee's normal hourly rate, according to his classification as set forth in Appendix "A".

19.02 *Compensation*

The Company shall pay an employee one and a half (1½) times his hourly rate for the first four (4) hours worked outside the normal work day and double time for all continuous additional hours from Monday to Friday inclusive.

Overtime bank:

An overtime bank shall be established on a trial basis by the Parity Committee.

Calculation of overtime hours in Committees:

Hours worked in overtime during committee proceedings, meetings and other related activities (ex.: SST SIMDUT, FIRST-AID, JOINT COMMITTEE, TRAINING, etc.) shall not be accounted for in the same way as overtime spent in production.

These hours shall not be included in the overtime hours accepted or refused that are used in the computation of the hours average of each employee.

19.03 *Saturdays and Sundays*

The Company shall pay one and a half (1½) times the hourly rate for any work performed on Saturday, except for hours worked consecutively to the afternoon shift. Subsection 19.02 shall apply, and double the hourly rate shall be paid for all work performed on Sunday.

However, an employee who is required, for emergency reasons, to start his work day on Sunday and who continues to work on Monday morning, shall continue to be paid at double time until **the** beginning of his regular shift.

19.04 Additional meal period

After completing his normal shift, any employee who continues to work overtime for a **two** (2) hour period, but less than a second complete shift, shall be entitled to a twenty (20) minute meal period.

These employees shall also be entitled to the coffee breaks taken by the shift's regular employees.

19.05 *Overtime notification*

The Company shall notify the employees as far in advance as possible when the Company requires overtime. An employee who is requested to work overtime and refuses for personal reasons shall be exempt.

Fair distribution:

Overtime shall be distributed as fairly as possible among the employees who normally perform the duties. [the employee on the shift who normally performs the overtime]: priority shall be given to employees with the lowest cumulative average of overtime hours.

Refused hours:

For distribution purposes, if an employee is offered overtime and refuses, the refused hours shall be considered hours worked.

The employee who refuses to work overtime expresses his choice by writing – form. The employee may cancel his choice in writing, at the Human Resources Department - form.

Number of work hours:

Overtime shall be offered for a pre-established number of hours. The Company shall be under no obligation to accept an employee who cannot perform the total hours requested.

If the work period is shorter than anticipated, the employee may either complete such period with other tasks that he normally performs or leave earlier; the total scheduled hours are then accounted for as worked hours.

Computation of hours:

The schedule of overtime worked and [including transfer, displacement, recall, etc.] refused shall be posted each week in the department and forwarded to the Union.

The period for the calculation of the average weekly overtime worked commences on January 1st and ends on December 31 of each year.

Weekends and holidays:

However, overtime worked on Saturday, Sunday or a statutory holiday shall be allocated according to the employees' respective shifts. In the event that all employees on a shift have been requested, an employee may be requested from another shift.

Employee on Vacation:

In the case of needed overtime that requires the Company to call an employee on vacation apart from the first Saturday of vacation, the Union shall be informed in order to consider other possibilities if necessary.

19.06 *Choice of shift by seniority*

The employee with the most seniority shall have his choice of shifts for three (3) months or more, if he so desires, bearing in mind, however, the need to have an equal distribution of qualified men when two (2) or three (3) shifts are in operation, except in the case of mutual agreement among the

employees and with the Production-Supervisor.

Day training:

The Company retains the right to train employees on the day shift and shall effect a shift change with the day worker for the required period.

Bumping with choice of shift:

Any employee bumping another employee under seniority rights shall have his choice of shift. However, bumping by this employee shall displace the least senior employee on the job.

Shift transfer:

There shall be no shift transfer in the same position for the purposes of better distribution of overtime.

19.07 Salary on the day of an accident

An employee injured in an industrial accident during his working hours on the Company's property shall be paid for the time lost (his

normal hours) at his hourly rate, including the shift premium if applicable , for the first day he visits the hospital, provided that he reports for first aid on the day the accident occurred.

Return to work on the day of accident:

The employee shall return to work to complete his shift if the attending physician deems him fit to do so. If the employee does not return, a certificate signed by the attending physician shall be required to justify the absence. The Company shall allot the salary, as prescribed in the Act respecting industrial accidents and occupational diseases.

19.08 *Transportation of injured employee*

The Company shall furnish transportation for an employee injured in an industrial accident, as described above, during the hours of his regular shift, for his medical first aid, and shall provide him with return transportation.

In the event that the worker cannot drive his vehicle, the Employer shall pay for

transportation to his home, if specified by the attending physician.

19.09 *Compensation of injured employee*

The employee shall be paid for the time lost on his regular shift for subsequent treatment for the same injury, provided that his hours are not already paid by the “Commission de la santé et sécurité au travail du Québec” and provided that the form at his disposal is duly completed at the time of the visit.

19.10 *Transfers*

(a) Three working days or less:

For all transfers of a maximum of three (3) working days, a qualified employee who can perform the duties immediately shall be chosen.

For these transfers, the Company will attempt to favor seniority among the qualified employees, taking into account factors such as operational effectiveness and replacement

needs, shortage or increase of work and the application of the Appendix on Human Resources Development and shall meet with the President of the Union in relation thereto for transfers of more than (1) one day

(b) More Than Three (3) Working Days:

For all transfers of more than three (3) working days, the transfer shall be offered by seniority among the qualified employees who can perform the duties immediately.

In the event of the risk of delaying orders, a meeting shall be held with the Steward and the employee or employees to determine the choice.

(c) Application of seniority:

In all cases where there is a shortage of work on a job, the transfer shall be offered by seniority on this job among qualified employees on the same shift, without restricting the application of point (B).

(d) Compensation:

When an employee is transferred temporarily to a position other than his own, he shall be paid at the rate of the position to which he has been transferred or at his regular hourly rate, whichever of the ~~two~~ (2) is higher.

(1) In order to determine the positioning of the employee in the salary progression of the job to which he has been transferred, an employee who has already held a position during 24 months, as defined in Appendix "A" of the Collective Agreement, obtains the maximum rate for the classification for the position to which he is transferred.

(2) An employee who has not held a position during 24 months, as defined in Appendix "A" of the Collective Agreement, and who is transferred, obtains the highest hourly rate between his present salary rate and the salary rate of the same positioning in the salary scale progression for the classification of the position to which he is transferred.

(e) Maximum of 30 working days:

No temporary transfer shall exceed thirty (30) working days without a mutual agreement.

(f) No effect when posting position:

The competency acquired during a temporary transfer shall not be taken into consideration when posting a vacant position.

(g) Transfer from one shift to another:

An employee transferred from one shift to another during the normal work week shall be paid at the overtime rate for the first work day on his new shift.

(h) Communication of the Transfers to the Union:

All transfers of more than a day shall be accessible to the Union on the Intranet.

19.11 *Compassionate leave*

(a) In the event of the death of an employee's current spouse or children, the Company shall allow five (5) consecutive paid working days, one of which shall be the day of the funeral. If such a death occurs during an employee's vacation, he shall nonetheless benefit from his paid leave, in addition to his vacation, and such vacation period shall be extended by five (5) working days.

(b) In the event of the death of other members of an employee's immediate family, such as father, mother, brother, sister, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandfather, grandmother, spouse's grandfather and grandmother, son-in-law and daughter-in-law, the Company shall allow up to three (3) working days, ending on the day of the funeral.

(c) Distance:

One of these three (3) days of paid leave may be the day after the funeral, if the distance that

the employee must travel to attend the funeral is more than **two** hundred and forty (240) kilometers one way.

(d) Employees on night shift:

For employees working on the night shift only, namely from midnight to 8:00 a.m., one (1) of the three (3) days of paid leave may be the day after the funeral, upon the employee's request.

(e) Testamentary executor (liquidator):

If the employee is appointed as executor (liquidator) for his father and mother, the Company shall allow **two** (2) additional days of paid leave.

(f) Cremation:

In the event of cremation, one (1) day shall be allowed on the day of the cremation and one (1) day for the funeral, without exceeding the aforementioned maximum limits.

(g) Proof of death:

The Company may request proof, according to the nature of the event.

(h) Definition of spouse:

"Spouse" is defined as:

Persons:

- a) who are married and cohabiting:
- b) who live together in a conjugal relationship and are the father and mother of the same child;
- c) who have lived together in a conjugal relationship for at least one (1) year.

(i) Leave of absence for a wedding:

An employee may be absent from work for one (1) day, without reduction of salary, on the day of his wedding.

SECTION 20

SHIFT PREMIUM

20.01 A shift premium shall be paid to each employee for the hours worked during the evening shift and the night shift, as follows:

Evening shift premium: \$0.50 per hour

Night shift premium: \$0.65 per hour

SECTION 21

ALLOWANCE FOR REPORTING FOR WORK

21.01 *Indemnity in the event of lack of work without prior notice*

An employee who has not been notified to the contrary and who reports for work as usual and is sent home because there is no work available shall be paid for the equivalent of five (5) hours of work at his hourly rate.

Exception:

This shall not apply when the work is not available due to circumstances beyond the Company's control or an Act of God.

21.02 *Emergency requisition indemnity*

An employee, who, at the end of his shift or part of his shift, is recalled to work by the Company, shall not be paid for less than four (4) hours at his regular rate or the overtime rate required for all hours worked, if the latter amount is greater. A recall in case of emergency cannot be refused without just cause.

SECTION 22
PAID STATUORY HOLIDAYS

22.01 *List of holidays*

The following thirteen (13) days shall be considered paid statutory holidays.

	2002-2003	2003-2004	2004-2005
Thanksgiving	Oct. 14	Oct. 13	Oct. 11
Christmas Eve	Dec. 24	Dec. 24	Dec. 24
Christmas Day	Dec. 25	Dec. 25	Dec. 27
Floating holiday	Dec. 26	Dec. 26	Dec. 28
Floating holiday	Dec. 27	Dec. 29	Dec. 29
Floating holiday	Dec. 30	Dec. 30	Dec. 30
New Year's Eve	Dec. 31	Dec. 31	Dec. 31
New Year's Day	Jan. 1	Jan. 1	Jan. 1
Good Friday	Apr. 18	Apr. 9	March 25
Victoria Day	May 19	May 24	May 23
St. Jean-Baptiste Day	June 24	June 24	June 24
Canada Day	June 30	July 2	July 1
Labor Day	Sept. 1	Sept. 6	Sept. 5

Note:

The floating holidays may be moved, upon agreement between the Parties. The night shift shall have the opportunity to put off Good Friday to the first day of the following week.

Floating holidays:

Regarding the three (3) floating holidays, when employees are affected by a layoff during the floating holiday period, if applicable, these

employees shall be entitled to one (1) floating holiday for each four (4) months of service accumulated during the twelve (12) months prior to the first holiday.

Employees who are not affected by the layoff shall be entitled to the floating holidays.

22.02 *Statutory holidays falling on weekend*

When one of the statutory holidays mentioned above falls on a Saturday, the holiday shall be granted on the previous Friday. When one of these statutory holidays falls on a Sunday, the holiday shall be granted on the following Monday or on another day, if there is a mutual agreement to this effect.

22.03 *Compensation*

For each of the holidays mentioned, each employee shall receive the number of hours that he normally would have worked at his normal rate, including shift premiums if applicable.

22.04 Compensation for work performed during a holiday

An employee required to work on one of the aforementioned holidays shall receive, in addition to his holiday pay, pay at double his hourly rate.

22.05 Condition for payment of holiday

To be entitled to payment for the aforementioned holidays, the employee shall have worked during his scheduled shift the day before and during his schedule shift the day after the holiday.

Exceptions:

The exceptions to this provision shall be lateness not exceeding one (1) hour, absences due to vacation, a death in the immediate family, jury and witness duty, leave of absence, layoff not exceeding three (3) weeks prior to the holiday, absence from work for confirmed illness eighteen (18) months before the holiday, and any other reason accepted by the Company.

When two (2) or more holidays are observed consecutively, the obligation to work during the shift immediately preceding and immediately following the holiday shall only affect payment for a single holiday.

22.06 *Holiday falling during employee vacation*

If it happens that one or more of the paid holidays fall during the employee's vacation, he shall have the option to take these holidays as additional vacation days, by mutual agreement with his Production-Supervisor, or as salary in addition to his vacation pay.

22.07 *Holiday pay or retaking a holiday*

When an employee is on sick leave or off work due to an industrial accident or occupational disease during a paid holiday specified in subsection 22.01, the Company shall pay him the difference between the amount received from the insurance for that day and his wage rate specified in the Appendix.

However, the employee may ask to retake the holiday, without pay, on the first day scheduled for his return to work.

The leave without pay shall not affect the application of subsection 11.01.

SECTION 23

VACATIONS

23.01 Each employee shall be entitled to paid annual vacation, in accordance with the length of his service, as stipulated in this Collective Agreement.

Computation of vacation days:

The hiring anniversary date shall be used to compute the number of weeks of vacation and the vacation pay to which an employee is entitled.

Reference period:

The reference period for the computation of earnings and for taking vacations shall be from May 1 to April 30 of the previous year.

23.02 Less than one year of service:

An employee with less than one (1) year of service shall be entitled to paid vacation according to *An Act respecting Labor standards* (Quebec).

23.03 One year to less than five (5) year of service:

An employee with one (1) year of service shall be entitled to two weeks of paid vacation. The vacation pay shall be the greater of four percent (4%) of the employee's gross salary, or eighty (80) times his hourly rate at the time of his vacation.

23.04 Five (5) years to less than ten (10) years of service:

An employee who has completed five (5) years of service shall be entitled to three (3) weeks of paid vacation. The vacation pay shall be the greater of six percent (6%) of the employee's gross salary, or one hundred twenty (120) times his hourly rate at the time of his vacation.

23.05 Ten (10) years of service:

An employee who has completed ten (10) years of service shall be entitled to three (3) weeks of paid vacation. The vacation pay shall be the greater of seven percent (7%) of the employee's gross salary, or one hundred forty (140) times his hourly rate at the time of his vacation.

23.06 Eleven years of service:

An employee who has completed eleven (11) years of service shall be entitled to three (3) weeks of paid vacation. The vacation pay shall be the greater of seven and a half percent (7½%) of the employee's gross salary, or one hundred fifty (150) times his hourly rate at the time of his vacation.

23.07 Twelve (12) years to less than twenty (20) years of service:

An employee who has completed twelve (12) years of service shall be entitled to five (5) weeks of paid vacation. The vacation pay shall

be the greater of eight percent (8%) of the employee's gross salary, or one hundred sixty (160) times his hourly rate at the time of his vacation.

23.08 Twenty (20) years of service:

An employee who has completed twenty (20) years of service shall be entitled to five (5) weeks of paid vacation. The vacation pay shall be the greater of eleven percent (11%) of the employee's gross salary, or two hundred twenty (220) times his hourly rate at the time of his vacation.

23.09 Vacation pay not to be affected

An employee's vacation pay shall not be affected if he has lost time because of:

1. confirmed illness;
2. approved leave of absence;
3. industrial accident;
4. union activities for a period not exceeding four (4) consecutive weeks per year of the Agreement.

23.10 *Computation of hours worked*

For the purposes of application of subsections 23.03 to 23.09 inclusive, the number of hours worked per year to be entitled to full vacation benefits shall be 1,280 hours.

Employees who will work **less** than 1,280 hours shall be entitled to vacation pay based on the percentage of earnings accumulated in the reference year only.

The hours worked for the purposes of this section shall be limited to hours lost for confirmed illness, occupational disease, accident or industrial accident up to a maximum of twelve (12) months from the beginning of the illness or the date of the accident and approved leaves of absence and leaves for union activities for a period not exceeding four (4) consecutive weeks per year of the Agreement.

23.11 *Vacation faking process*

- a) Vacations shall be assigned in priority according to seniority and the minimum number of employees required by department.
- b) The reference date for the choice of vacation guaranteeing compliance with seniority rights is May 15.
- c) Annual vacations that are not assigned after May 15 of each year shall be chosen on a first-come, first-served basis, irrespective of seniority and this, for the annual vacation period.
- d) Employees shall schedule remaining vacations no later than November 15 of each year.
- e) Employees who are entitled to an additional week of vacation with effect from their hiring anniversary date shall select the time at which they intend to take this

additional week before November 15 of each year but shall not be entitled to such additional week before their hiring anniversary date, as provided by the preceding paragraphs and the Collective Agreement.

23.12 Exceptions – illness – industrial accident – layoff

1. Laid-off employee

- (a) An employee who is laid-off during the annual shutdown of the plant shall be considered as being on vacation. These vacations shall be paid in the week preceding the annual shutdown of the plant.
- (b) When an employee who is entitled to more than 2 weeks of vacation is laid-off as at April 30, his remaining vacations shall be paid to him in the last week of April.

2. Employee on sick leave or on leave due to an industrial accident

- (a) When an employee is on sick leave or on leave due to an industrial accident during his vacation period other than annual vacation, he shall reschedule his vacation upon his return to work.
- (b) When an employee is on sick leave or on leave due to an industrial accident during the annual vacation period, he shall schedule his vacation upon his return to full-time work.

The employee who returns from sick leave shall take his vacation within ~~two~~ months following his return to work, not exceeding the end of the vacation reference period.

The employee who returns from leave due to an industrial accident shall take his vacation before the end of the reference period year for such employee.

- (c) An employee who receives income replacement indemnities from the automobile insurance plan may reschedule the vacation period for which he was receiving such indemnities to a later date, upon agreement with his Production-Supervisor.
- (d) In all cases of industrial accident, the employee shall take his vacation as soon as he returns to work full-time when the May 1st to April 30 reference year is ended.
- (e) Upon agreement with the Company, in all cases of illness, the employee shall have the privilege to work for a two (2) weeks period upon his return to work full-time, even if this period exceeds the reference year. After this two (2) weeks period, the employee shall take all of his remaining vacation.

SECTION 24

WAGES

24.01 Rates and classification

The classifications as presented and the rates for these classifications are part of this Agreement and are listed in Appendix "A".

Wage increases:

- 2 % in the first year of the Collective Agreement
- 2 % in the second year
- 2% in the third year

Exceptions:

Off-scale employees who have not reached the regular rate for their positions as at the date of the increase shall not benefit from such increase in whole or in part.

24.02 Indexation clause

A cost-of-living adjustment formula is included for each of the last **two** (2) years of the Collective Agreement depending on whether the Canadian Consumer Price Index (1992 = 100) will have risen by over **two** percent (2%),

without exceeding three percent (3%). The Company shall pay the percentage increase exceeding two percent (2%) of the Canadian Consumer Price Index on each class up to a maximum of three percent (3%) of the Canadian Consumer Price Index.

The base index for the computation shall be the one published in September **2003** for the year **2003-2004**, and the one published in September **2004** for the year **2004-2005**.

24.03 *Pay equity*

The results of the work of the initial Committee on pay equity have determined the absence of any female job class in the establishment.

Either the Union or the Company may request a Company-Union meeting to review, annually if necessary, the status of the female job classes under the seniority list.

SECTION 25

INSURANCE PLAN

25.01 *Company Contribution*

The group insurance premiums and the dental insurance premiums shall be paid in full by the Company.

Employee Contribution:

However, this shall not apply to optional insurance and to long-term salary insurance, which shall be defrayed in full by the employee.

Absence for illness:

Subject to the Privacy Act, the Company shall notify the Union of the name of employees absent for illnesses covered by the group insurance plan. Any additional information shall require the written consent of the employee.

Union liaison agent:

A liaison agent appointed by the Union shall ensure communication with the insurance company.

Changes to insurance plan:

No change to the group insurance benefits may be made without an agreement between the two (2) parties.

On and after the first year of the Collective Agreement, the application of the dental prosthesis benefit shall include the costs of the parts and accessories that are necessary for the normal installation of the dental prosthesis for the beneficiary employee.

Summary of benefits:

The main group insurance benefits are summarized at the end of the document, for information purposes, but the text is not part of this Collective Agreement.

25.02 Coverage period

A sick employee shall continue to be covered for major medical expenses for a maximum period of thirty-six (36) months after the accident or the illness that caused the cessation of work, and this period may only be reduced by a specific provision to the contrary in the insurance contract.

25.03 Salary advance in the event of absence due to illness

In the event of absence due to illness of a regular employee for a foreseeable period of more than ~~two~~ (2) weeks, justified by an appropriate medical certificate transmitted to the Human Resources Department, the Employer shall pay an amount equivalent to the salary insurance benefit for a maximum period of ~~two~~ (2) weeks, on condition that the employee completes the documentation necessary for reimbursement by the insurance company directly to the Employer.

25.04 *Payment of the insurance premium in the event of layoff*

In the event of a layoff, an employee who wishes to remain covered by the insurance plan shall inform the Employer of his decision to pay the premium in full, other than salary insurance, on a monthly basis.

SECTION 26 TECHNOLOGICAL AND ORGANIZATIONAL CHANGES

26.01 *Definitions*

A technological change:

- process automation
- change or addition of equipment
- computerization
- change of raw material

An organizational change:

- amalgamation of positions
- distribution of tasks.

Consultation with the Union:

When a technical or organizational change may cause labor turnover, the Company shall meet with the Union at least thirty (30) days before the implementation of such technological change.

Rights of the affected employees:

When an employee's position is abolished or materially changed (more than 50 % of the duties) as a result of a technological change, the employee may, subject to seniority, exercise his bumping right or be trained for another position for which he possesses the minimum knowledge, provided he possesses more seniority than the employee with the less seniority who is the incumbent of the position.

When a new position is created as a result of the technological change, the employee whose position has been abolished or materially changed may choose and receive training for

the new position, provided he possesses the minimum knowledge.

The Company shall train the employee who is willing to learn and capable of learning within a reasonable training period. The employee is appointed to that position upon completion of his training period.

Creation of more than one new position:

When more than one new position are created, seniority shall be the determining factor among the employees who possess the minimum knowledge.

Maintenance personnel:

The maintenance personnel shall also be subject to these provisions and shall be trained to deal with any technological and/or organizational change.

26.02 In the event of the permanent redundancy of an employee in a position to which at least fifty percent (50%) of the work is attributable to technological and/or organi-

zational change, the employee with the least seniority in this position shall have the choice of being trained in a position for which he has the seniority to bump another employee. The same principle shall apply to the employee who has been bumped.

An employee who cannot perform the duties shall be reassigned, within two (2) weeks of his assignment, to another position for which his seniority allows him to bump another employees and on which the Parties agree.

The basic qualifications according to subsection 10.02 of the Agreement and the D.E.P. diplomas or the trade equivalent for the positions of Welder, Mechanic and Machinist and the relevant programming courses for the position of Laser Operator shall apply.

In the event that a position that has become redundant becomes vacant within twelve (12) months of the beginning of bumping, the employee shall be given priority reassignment to this position (10.05 shall not apply).

SECTION 27

TERM OF THE AGREEMENT

27.01 This Agreement shall come into force on the day it is signed and remain in force until September 21, 2005 and shall be automatically renewed from year to year, unless one of the Parties gives a notice of amendment to the other Party, according to the procedure established by the Labor Code of the Province of Quebec.

The Changes in pay scales to the preceding Collective Agreement shall be effective from September 22, 2002.

Signed in Lennoxville, Quebec, this 18 day of October 2002.

For the Union :

Robert Bernier
Marc Provencher
Harold Arsenault
Yvon Charron
Dominique Robitaille

For the Company:

Denis Fontaine
Luc Bibeau
Vincent Nadeau
Pierre Baribeau

DEDUCTIONS

« Fonds de solidarité FTQ »

The Company shall deduct from the employee's wages the amount specified on the form completed and signed by the employee, to be paid to the "Fonds de solidarité".

United Steelworkers' Fund

Upon receipt of a resolution of the general assembly of the employees, the Company undertakes to pay a sum of \$ 0,35/hour for up to 40 hours a week per employee, representing the Company's contribution to the United Steelworkers' pension fund.

However, employees who already participate in the CAE Plan as at March 31, 2002 and who notify the Company in writing that they do not wish to benefit from a Company contribution to the United Steelworkers' pension fund shall receive, for the duration of the present Collective Agreement, a lump sum that is equal to \$ 0,30 per hour of work for up to 40 hours a week.

Non-liability of the Company:

The Union recognizes that the aforementioned Company contribution constitutes its sole liability toward the Union and the United Steelworkers' fund.

Indemnification of the Company:

The Union undertakes to indemnify and hold harmless the Company for any claim related to its contribution to the United Steelworker's pension fund.

SPECIFIC AGREEMENT – ABOLITION OF THE PERFORATING GROUP

The Union and the Company agree on the following measures, to be implemented within fifteen days following the date of signature of the Collective Agreement:

1. The abolition of the positions related to the perforating group.
2. The return of each employee to the position he held prior to the creation of the perforating group, at the regular salary scale of each such position (finisher, S.D.P., general operator).
3. Creation of the Perforator Operator position. This position includes the operation of the Schuler and Mueller machines and of the shear related to such work.
4. Appointment without posting of Clifford Hatcher and Pierre Paquette at the Perforator Operator position.
5. This specific agreement forms an integral part of the new Collective Agreement.

HUMAN

In collaboration with the **Company** establishes a **Human Resources Development Program** that will take into account the following:

- Short and medium term needs,
- Skills and ability
- Seniority,
- Operational flexibility,
- The 1,000 hours annual budget.

1. **D.H.R. working group:**

A D.H.R. working group shall consist of two representatives by the Union and two representatives for the company.

2. **Mandate of the working group:**

The mandate of the working group shall consist mainly of the following duties:

- (a) To study the types of layoffs that may occur and the resulting labor turnover,

- (b) To identify the employees whose positions that are most likely to be affected by a layoff (2 employees on and after January 2003);
- (c) To elaborate a consultation process with the concerned employees; the choice of the employees must respect the foreseeable needs and the seniority/positions list, according to the labor turnover for the last years.
- (d) To review annually the development programs, as needed;
- (e) To carry out other duties agreed upon between the Company and the Union.

3. Main conditions for Human Resources Development:

- (a) The development of employees shall be planned to be efficient and economical while respecting, among other things, the following standards:

- When operations permit it;
- When an employee has been developed in another position, he shall maintain his skills in that position by acting as a substitute;
- When a labor turnover occurs, including a layoff, the employee shall exercise his bumping rights under the Collective Agreement to a position for which he is qualified.

(b) Compensation during the development period:

While an employee undergoes training, he shall receive the salary rate applicable under Appendix A "Rate when permanent change of position occurs".

AGREEMENT RESPECTING PAINTING AND LABORER DUTIES

- 1) Equipment and building painting shall be paid at the Class 2 rate.
- 2) Snow removal and lawn care duties shall be outsourced to an external resource.
- 3) In the event of a major layoff, the parties may agree to allow employees to perform snow removal and/or lawn care duties

APPENDIX "A"

Minimum and maximum rates for classes

Class	Description	2002- 2003	2003-2004	2004-2005
1	Labourer/SDP	12.25 to 15.25	12.55 to 15.55	12.87 to 15.87
2	UtilityMan/Carpenter	14.70 to 17.70	15.05 to 18.05	15.41 to 18.41
3	Finisher	14.91 to 17.91	15.27 to 18.27	15.63 to 18.63
4	Electroplater-Trimmer	15.11 to 18.11	15.47 to 18.47	15.84 to 18.84
5	Shear and General Machine Operator Machine Operator PerforatorOperator	15.29 to 18.29	15.65 to 18.65	16.03 to 19.03
6	Shipper/Inspector Storekeeper	15.47 to 18.47	15.84 to 18.84	16.22 to 19.22
7	Welder Machinist Mechanic Electrician Laser operator	15.83 to 18.83	16.21 to 19.21	16.59 to 19.59
8	ElectricianI	17.27 to 20.27	17.67 to 20.67	18.09 to 21.09

APPENDIX "A"

Classification of jobs and classes

Class	Description
1	Laborer/SDP
2	Utility Man/Carpenter
3	Finisher
4	Electroplater-Trimmer
5	Shear and General Machine Operator Machine Operator Perforator Operator Storekeeper
6	Shipper/Inspector
7	Welder Machinist Mechanic Electrician Laser Operator
8	Electrician I

Definition:**Progressive salary scale:**

An hourly rate \$3.00 below the maximum rate **for** the class applicable on September 21, 2002 with a \$0.75 progression after each six (6) months for the position shall apply up to the maximum for the class. The rate applicable to the level of the class shall be revised on the date of the subsequent annual increases.

1. A laid-off employee who is recalled shall be reinstated at the level of the class obtained prior to his departure.
2. An employee who is displaced following a layoff and/or his return to his job continues to progress on the job to which he has been displaced by calculating 6 months from the date of his last salary progression, except in the case of an employee who has displaced to a S.D.P. job.
3. Salary progression shall continue while an employee is absent due to an industrial accident.

4. Salary progression shall stop when an employee is absent on sick leave or on leave without pay for more than a month.

APPENDIX "B"

Minimum knowledge

Notwithstanding 10.02 A), the following minimum knowledge shall apply to all of the positions below and for all employees hired after April 1, 1996 who wish to be considered for promotion to another position:

- A course certificate deemed necessary for operator positions.
- A machinist's diploma (D.E.P.) or technician's diploma in mechanical engineering for all machinist positions.
- A welder's diploma (D.E.P.) for all welder positions.
- An industrial mechanic's diploma (D.E.P.) or technician's diploma in mechanical engineering for mechanic positions, in addition to specific experience.

Storekeeper position:

The employee with the most seniority who applies for a storekeeper position and passes all the qualification tests except for the computer skills test shall receive a basic training of a minimum of 6 hours to comply with the requirements.

APPENDIX "C"
Group Insurance

Summary of principal group insurance benefits

For your information, the following is a summary of the group insurance benefits.

Basic life insurance:

Amount equal to 100% of your annual salary.

Weekly salary insurance:

Amount equal to 66.66% of your weekly pay. This insurance covers you in cases of non-work-related hospitalization, illness and

accident for a period of one (1) day to six (6) months.

Long-term disability insurance:

Amount equal to 60% of your monthly pay. This insurance covers you in the event that the disability lasts more than six (6) months.

Hospital and medical expenses:

Mostly reimbursed at 90%.

Dental expenses:

Mostly reimbursed at 90%. Maximum dental benefit payable to each person covered per calendar year is \$1,500.00.

On and after the first year of the 2002-2003 Collective Agreement:

The application of the dental prosthesis benefit shall include the costs of the parts and accessories that are necessary for the normal installation of the dental prosthesis for the beneficiary employee.

Life Insurance:

The life insurance and salary insurance only apply to the employee. However, requests for reimbursement of hospital, medical and dental expenses apply to each person covered. The employee must file a claim for benefits within 90 days in the case of salary insurance.

Note:

All definitions for the application of benefits are established in the group insurance policy.