

DRAXIS]

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REF.	98	05	01
DATE	2003	04	30
NO. OF EMPLOYEES	100		
INDUSTRY CATEGORY	A		

**CONVENTION COLLECTIVE
DE TRAVAIL**

COLLECTIVE LABOUR AGREEMENT

Entre / Between



Et / And



1998-2003

1998-2003

**CONVENTION
AGREEMENT**

**ENTRE
BETWEEN**

**DRAXIS PHARMA INC.
DRAXIS PHARMA INC.**

**ET
AND**

**UNION INTERNATIONALE
DES TRAVAILLEURS ET
TRAVAILLEUSES UNIS DE
L'ALIMENTATION ET DU
COMMERCE**

**UNITED FOOD AND
COMMERCIAL WORKERS
INTERNATIONAL
UNION**

RECEIVED
SECTION LOCALE 291P
(FAT-CO) (CTC, FTQ)
JAN 19 1999 LOCAL 291P
(AFL-CIO) (CLC, QFL)
Paul Auger 21/03/2000

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COLLECTIVE AGREEMENT

Between: **DRAXIS PHARMA INC.**

Kirkland, Québec

and/or its successor,

hereinafter referred to as “the Company”

And: **UNITED FOOD AND COMMERCIAL
WORKERS INTERNATIONAL UNION,
LOCAL UNION 291-P** (representing the
Company’s employees at the Kirkland plant),
affiliated with the American Federation of
Labour - Congress of Industrial Organizations
(AFL-CIO), the Canadian Labour Congress
(CLC), and the Québec Federation of Labour
(QFL)

hereinafter referred to as “the Union”.

ARTICLE 1 - PURPOSE

- 1.01** The purpose of this agreement is to maintain harmonious relationships between the Company and the employees, to provide an amicable method of settling any differences which may arise between them, and to set forth the conditions of employment to be observed between the Company and the Union.

ARTICLE 2 - UNION RECOGNITION

2.01 The Company recognizes the Union as the sole collective bargaining agency in matters of hours, wages and working conditions for all employees except the following specifically excluded:

- Executive Staff;
- Laboratory employees;
- Confidential clerks;
- Office and clerical staff;
- Supervisors with full and direct authority.

2.02 a. The Company agrees that work performed during the life of this agreement by the employees in the bargaining unit shall not be done by persons excluded from the scope and jurisdiction of this agreement or by employees excluded by this agreement except in cases of:

- 1e5
- i. lateness;
 - ii. temporary absenteeism of unforeseen nature not to exceed one-half day;
 - iii. training of employees on the job;
 - iv. emergency (cas fortuits).

b. The term “emergency” shall not be construed as to mean cases such as to expedite the operations of the business, or of a productive nature.

2.03 Use of the masculine gender in this agreement shall be considered also to include the feminine.

2.04 Subtitles of provisions of this agreement are used for reference only and shall not serve as a guide for interpretation.

ARTICLE 3 - NOTIFICATION TO UNION

3.01 At time of employment each eligible employee shall be advised by the Company of the provisions of Article 4, section 4.02. The Union shall be notified in writing of all new employees eligible for membership.

ARTICLE 4 - MANAGEMENT

- 4.01** Subject only to the provisions of this agreement, the management and operation of the business, and the employment, direction, promotion, transfer, suspension, discharge or lay-off of employees for just cause shall be vested solely in the management of the Company.
- 4.02** Neither the Company nor any person acting for the Company shall in any manner seek to dominate, influence, hinder or discriminate against any present and prospective members of the Union during the performance of their legitimate Union activities or against the legitimate activities of the Union.
- 4.03** The Company agrees not to transact directly or indirectly any business whatsoever with a strike-bound plant without the consent of the Union, except where life-saving drugs are concerned.
- 4.04** The Company agrees that no Union member shall be requested or required to cross a picket line recognized the Union.
- 4.05** During the period of any strike, the Union agrees to cooperate with the Company in the maintaining and protection of Company's property.

ARTICLE 5 - UNION SECURITY

5.01 Check-off

Upon receipt of written authorization signed by the employees, the Company will deduct from the pay of each such employee:

- a The initiation fee, and such deduction will be made from the employee's pay in the plant week next following the week in which such authorization form is received by the Company, and
- b. Union dues, and such deduction shall be made from the employee's weekly pay during the period of this agreement, and
- c. Special assessments levied on an employee, and such deductions shall be made from the employee's weekly pay commencing on his first pay day next following the date on which notice of such authorization is received from the Union.

5.02 The Company agrees that it shall be a condition of employment for all present employees to be *1a* members of the Union, and for new employees to become members of the Union as of date of hiring.

5.03 Payment

1c All employees who constitute the Union membership shall pay their initiation fee, dues and assessments, if any, to the Union in accordance with section 5.01, sub-sections a, b and c of this article.

5.04 Remittance of monies checked off

The Company will transmit the total amount so deducted from all the employees, Union members, with a list of all employees for whom deductions have been made, to the SecretaryTreasurer of the Union on or before the fifteenth (15th) day of the following calendar month. The authorization referred to herein shall extend through the periods of lay-offs and rehiring provided the employee's seniority has not been broken.

5.05 Amount of initiation fee, dues and assessments

The Union shall advise the Company in writing of the amount of the initiation fee, dues and assessments authorized by the employees, Union members, in keeping with the constitution and by-laws of the Union.

5.06 No employee shall be subject to any penalties against his application for membership or for reinstatement as a member in the Union except as may be provided in the constitution and by-laws of the Union.

5.07 The Company and the Union recognize that every person has a right to full and equal recognition and exercise of his human rights and freedoms, **without** distinction, exclusion or preference based on race, colour, sex, pregnancy, sexual orientation, civil status, age except as provided by law, religion, Union membership, political convictions, language, ethnic or national origin, social condition, a handicap or the use of any means to palliate a handicap. Discrimination exists where such a distinction, exclusion or preference has the effect of nullifying or impairing such right.

5.08 Except as set out in this agreement, Officers and Stewards of the Union shall not be allowed or subjected to different treatment than other employees by reason of their position in the Union.

ARTICLE 6 - UNION REPRESENTATIVE

6.01 The Union, in its dealing with the Company, shall be represented by a Union Coinmittee.

6.02 It is understood that a Steward or an Officer is expected to assist in the adjustment of grievances as provided in Article 7 and to transact other Union business falling under the scope of this agreement. In order to prevent disruptions to the regular work schedule, the Steward or an Officer will request his Supervisor, or in his absence the department Manager, to make the necessary arrangements so that he can be relieved from his job (with no loss of earnings) as soon as possible, but within one (1) hour. In accordance with the foregoing, if a Steward or an Officer of the Union needs to have a discussion with an employee in another department relating to a grievance, he will request his Supervisor, or in his absence the department Manager, to make the necessary arrangements with the Supervisor and/or Manager of the other departinent so that he may meet with the employee concerned.

6.03 a. When an employee is meeting with one Management representative on a matter of a disciplinary nature, the employee may request to have a Union Steward or Officer present.

b. When an employee is meeting with more than one Management representative on a matter of a disciplinary nature, a Union Steward or Officer must be present.

The employee must advise his Union Steward or Officer of the time and place of the meeting.

- c. When the Company places a written memo on an employee's file with respect to discipline, a copy is given to the Union.

ARTICLE 7 - SETTLEMENT OF GRIEVANCES

7.01 Both the Company and the Union emphasize the need of a satisfactory grievance procedure for the purpose of settling as many grievances as possible, promptly and within the Company. It is agreed that consultation at any step in the following procedure will take place quietly and speedily so that any possible cause of friction may be reduced to a minimum.

7.02 **Alleged grievances shall be dealt with progressively in the following manner:**

a. First Step

Any grievance shall be submitted in writing by the aggrieved employee or the Steward or both to the supervisor of the department concerned. The supervisor shall answer in writing within five (5) working days of receipt.

b. Second Step

If the Supervisor's decision is not rendered within the time limits or is not satisfactory, the employee, the Chief Steward, and/or the Union President may carry on with the procedure by submitting the grievance in writing within five (5) working days to the department Manager or his delegate. The department Manager or his delegate shall give his decision in writing within five (5) working days.

c. Third Step

If the Manager's or his delegate's decision is not rendered **within** the time limits or is not satisfactory, the employee and/or the grievance committee may carry on with the procedure by submitting the grievance in writing **within five (5) working days** to the Plant Manager, or his delegate. The Plant Manager, or his delegate shall give his decision in writing **within five (5) working days**.

d. The aggrieved employee(s) may be present during the three above steps.

7.03 Meetings for settlement of grievances

- a.** The grievance committee shall be composed of the Union President, the Vice-President Chief Steward and the Steward involved.
- b.** When an employee is being interviewed by more than one Company representative, he shall be accompanied by his Steward unless the employee elects not to be so accompanied. If the employee is a Steward, he may be accompanied by an Officer of the Union.

- c. It is understood that all meetings between Officers, Stewards of the Union and members of the grievance committee and members of Management for handling matters under the scope and jurisdiction of this agreement, shall be scheduled by Management at times suitable to the operation of the business.
- d. In the event that such meetings are held during prevailing rate periods, the Union Officers, Stewards and members of the grievance committee affected shall be paid the prevailing rate, i.e., the rate the employee would have been paid had he been at work. The above provisions shall also be paid to the aggrieved employee (except an employee who is under suspension or who has been discharged), or any employee who is required to attend such meeting as a witness with respect to the grievance.
- e. The Company's representative shall meet the grievance committee whenever it is deemed necessary to discuss complaints or problems that may arise.

7.04 Arbitration Board

- a.** If settlement is not reached by the above procedure, the matter in dispute may be referred by the Union or the Company to an arbitration board of three (3) members, one (1) to be appointed by the Union, one (1) by the Company and a third (3rd) who shall act as chairman, to be mutually agreed upon by the other two members. If agreement cannot be reached within one (1) week as to the appointment of a third (3rd) member, he shall be appointed by the Minister of Labour for the Province of Quebec.

Sole arbitrator

- b.** Notwithstanding the above procedure, the parties may agree on the appointment of a sole arbitrator having the same power as an arbitration board. In such a case, the party submitting the grievance to arbitration shall supply the other party with the name of the arbitrator he wishes to suggest, instead of giving the name of its representative. When an arbitrator has not been chosen, within five (5) working days following receipt of the notice, an arbitration board will be chosen according to the provisions of this article.

Arbitration

- c. The arbitration board or sole arbitrator shall meet within three (3) weeks of its/his appointment for the purpose of hearing both parties, and shall render a decision within four (4) weeks of the date of the last hearing. These time limits may be extended by mutual agreement between both parties, or at the discretion of the chairman of the board or sole arbitrator, if he deems it necessary.

- d. In the absence of a unanimous decision, a majority decision will constitute the award. The decision rendered by the arbitration board or sole arbitrator shall be final and binding upon all parties concerned.

Power of the arbitration board or sole arbitrator

- e. On arriving at its decision, the arbitration board or sole arbitrator shall be limited to the consideration of the matter submitted to it, and shall be governed by the provisions of this agreement. The decision of the board or sole arbitrator shall not have the effect, in any way whatsoever, to alter, add, substitute, modify or change any of the provisions of this agreement.

- f. Subject to the foregoing, neither party shall prevent the board or sole arbitrator from hearing the real matter in dispute and the giving of a decision.

Arbitration Expenses

- g. The Company and the Union agree each to bear an equal share of expenses incurred, if any, for the arbitration board president or sole arbitrator.

7.05 Time limits

Parties shall respect the time limits provided for herein. In particular circumstances, parties may extend time limits by written agreement.

7.06 Company or Union Grievance

If either the Company or the Union alleges violation of the agreement through action of the officials of either, the grievance may be dealt with through the grievance settlement procedure established by this article, beginning with the second step and discussions between the Company and the Union, apart from the grievance procedure, shall not preclude resort to the grievance procedure later, if so desired.

7.07 Grievance involving the rate of pay

When a grievance which affects the rate of pay of an employee is settled and, as a result of such settlement, the employee receives an increase in his rate, the increase shall be paid retroactively to the date the incident occurred. Three (3) working days will be allowed to answer a request for a wage increase after which time it may be handled as a grievance as set forth in section 7.02.

7.08 Grievance for dismissal, suspension, lay-off, transfer

- a. If an employee is dismissed, suspended, laid off or transferred for any reason whatsoever and feels that he has been unjustly dealt with, he shall promptly notify a member of the grievance committee who shall notify the Plant Manager, in writing within five (5) working days of receipt of notice of dismissal, suspension, lay-off or transfer from the Company by the aggrieved employee stating the grounds of objection to the dismissal, suspension, lay-off or transfer. The dismissal, suspension, lay-off or transfer shall then constitute a grievance and shall be dealt with according to the grievance settlement procedure set out above beginning with the second step of section 7.02. If it is subsequently decided that the employee was unjustly dismissed, suspended, laid off or

transferred he shall be reinstated in his former position and shall be compensated for all time lost at his regular rate of pay, or granted such lesser compensation as may be deemed fair under the circumstances.

b. To ensure prompt handling of any such grievance after the date the grievance is filed, not more than five (5) working days shall elapse between each successive step, up to and including the third step.

c. Following the third step meeting not more than fifteen (15) working days shall elapse until the matter is referred to arbitration. The Union will notify the Company of its nominee to the arbitration board within the specified fifteen (15) day period.

d. If any such case is submitted to an arbitration board or sole arbitrator, the decision shall be governed by the following rules, as agreed between the Union and the Company:

i. The employee to be reinstated with all the rights accrued to him under this agreement and with full compensation for all time lost from the date of separation.

- iii. The employee to be reinstated with all the rights accrued to him under this agreement, on a date at the discretion of the arbitration board or sole arbitrator, with partial compensation for time lost.
 - iii. The employee to be reinstated with all the rights accrued to him under this agreement, on a date at the discretion of the arbitration board or sole arbitrator, with no compensation whatsoever for time lost.
 - iv. The decision of Management related to said dismissal, suspension, lay-off or transfer of the employee to be upheld by the arbitration board or sole arbitrator.
- e. The Company will notify the President of the local Union or his designated representative, on the same date that an employee is dismissed, suspended, laid off or transferred.

ARTICLE 8 - WAVES

8.01 Basic hourly wage rates shall be as defined in and shall be paid in accordance with the job classification and wage schedule attached, which is a part of the agreement.

8.02 Rates of pay and other conditions of employment as set out in this collective agreement shall remain in effect during its term. However, nothing herein contained shall prevent the Company from making, in consultation with the Union, increases in classifications already established.

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ARTICLE 9 - VACATIONS

9.01 Vacations will be based on employment computed to May 1st in the year in which the vacation is to be taken.

9.02 a. Employees with less than one year's employment shall be entitled to one (1) day of vacation for each completed month of service, but the vacation period shall not exceed ten (10) working days. Vacation pay shall never be less than one (1) day's pay at regular rate for every day of vacation to which the employee has a right.

b. An employee hired on or before the fifteenth (15th) of the month shall be entitled to one (1) day's vacation for that month.

c. New employees hired on or after April 16, in any year, shall not receive annual vacation with pay in the year.

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- 9.03** Any employee who has been continuously in the employ of the Company for a period of one (1) year or more on or before May 1st, in any year, or who completes his first (1st) year of service prior to the end of the calendar year, will be entitled to two (2) weeks' vacation.
- 9.04** Any employee who has been continuously in the employ of the Company for a period of three (3) years or more on or before May 1st, in any year, or who completes his third (3rd) year of employment prior to the end of the calendar year, will be entitled to three (3) weeks' vacation, the third (3rd) week to be taken at a time mutually agreed between the Company and the employee.
- 9.05** Any employee who has been continuously in the employ of the Company for a period of nine (9) years or more on or before May 1st, in any year, or who completes his ninth (9th) year of service prior to the end of the calendar year, will be entitled to four (4) weeks' vacation, the third (3rd) and fourth (4th) weeks to be taken at a time mutually agreed between the Company and the employee.

- 9.06** Any employee who has been continuously in the employ of the Company for a period of sixteen (16) years or more on or before May 1st, in any year, or who completes his sixteenth (16th) year of service prior to the end of the calendar year, will be entitled to five (5) weeks' vacation, the third (3rd), fourth (4th) and fifth (5th) weeks to be taken at a time mutually agreed between the Company and the employee.
- 9.07** Any employee who has been continuously in the employ of the Company for a period of twenty-four (24) years or more on or before May 1st, in any year, or who completes his twenty-fourth (24th) year of service prior to the end of the calendar year will be entitled to six (6) weeks' vacation, the third (3rd), fourth (4th), fifth (5th) and sixth (6th) weeks to be taken at a time mutually agreed between the Company and the employee.
- 9.08** Vacation pay shall be two percent (2%) of the employee's total earnings calculated on the calendar year preceding the year in which the employee takes his vacation, for each week of vacation, however, vacation pay shall never, at any time, be less than the employee's regular rate at the time he takes his vacation.

- 9.09** Each week of absence due to sickness and non-occupational accidents duly certified by a physician, or accident duly recognized by the CSST, shall be considered as active service for vacation purposes.
- 9.10** An employee who has had one (1) month or more on leave of absence other than for sickness or accident shall have his vacation pay reduced by one (1) day for each month of such absence.
- 9.11** The occurrence of a paid holiday during an employee's vacation will add a day with pay to the vacation period. Such day will be considered for all purposes as a holiday and such time off will usually be granted at the beginning or the end of the vacation period, but may also be granted at some mutually agreeable time.
- 9.12** On termination of an employee's service with the Company, he shall receive holiday pay at the rate of one (1) day's pay for each month of employment as of May 1st immediately preceding his last vacation, to a maximum of ten (10) days. If the employee is eligible for three (3) weeks' annual holidays, he shall receive holiday pay at the rate of one and one-half (1½) day's pay for each month of employment as of May 1st immediately preceding his last vacation to a maximum of fifteen (15) days. If the employee is

eligible for four **(4)** weeks' annual holidays, he shall receive holiday pay at the rate of two (2) days' pay for each month of employment as of May 1st immediately preceding his last vacation to a maximum of twenty (20) days. If the employee is eligible for five (5) weeks' annual holidays, he shall receive holiday pay at the rate of two and one-half (2½) days pay for each month of employment as of May 1st immediately preceding his last vacation, to a maximum of twenty-five (25) days. If the employee is eligible for six (6) weeks' annual holidays, he shall receive holiday pay at the rate of three (3) days' pay for each month of employment as of May 1st immediately preceding his last vacation, to a maximum of thirty (30) days.

- 9.13** For the purpose of calculating holiday pay on termination, to be eligible for three (3), four (4), five **(5)** or six (6) weeks' annual holidays, an employee must complete the applicable years of service, as the case may be on or before the date of termination.

- 9.14 a.** Any employee laid off for a period estimated to be less than **six** (6) months has the choice to receive holiday pay at that time or to wait to be recalled and to receive it at the time of his vacations.
- b.** In the event that an employee who has received his holiday pay at the time of the lay-off is recalled, he shall receive at the time of his vacations the highest of the two (2) amounts provided for in 9.08 minus the holiday pay already received at the time of the lay-off.
- c.** The calculation of the vacation period at the time of recall shall be done as if the employee had never been laid off.
- 9.15 a.** The time for taking annual holidays shall be determined by the Company. Employees with greatest seniority in each department will be given first preference.

- b. The Company will inform the Union four (4) months in advance of the date of the plant shutdown if applicable. If, for any reason, it is necessary to change the date of the plant shutdown it shall only be done after discussion and agreement with the Union. The shutdown period for vacation will take place between the beginning of the first complete week of July and the end of the third complete week of August.
 - c. If there is no plant shutdown, the employees will be eligible for two (2) weeks' vacation to be taken between the beginning of the third week of June and the end of the third complete week of August.
- 9.16** Each department shall establish its own annual holiday calendar which will take into consideration the Company requirements and the employees' preferences. All vacations must be approved by the immediate supervisor and the Department Manager. Employees can obtain confirmation of their vacations at least eight (8) weeks before the requested date.
- 9.17** Once every two years, any employee entitled to at least three (3) weeks' vacation may request that one week of the next year's annual vacation entitlement be advanced to be taken with his last week of vacation for the current year.
- 9.18** Vacations may not be postponed from one year to another and made accumulative.

ARTICLE 10 - MINIMUM RECOPENSE

10.01 Any employee recalled to work for an emergency after his regular working day shall be paid double time (2) for a minimum of four (4) hours. When the emergency is over, the employee may leave without having to complete the minimum four (4) hour period.

10.02 No employee shall be called for less than four (4) hours work or pay in lieu of work.

ARTICLE 11 - HOLIDAYS WITH PAY

11.01 a The Company shall pay the employees at straight time according to their basic hours of work per day for the following holidays provided the employee is on duty on the last regular work day preceding, and the first regular work day following the observed holiday; however, the Company will dispense with this provision if an employee can assure (the Company) that illness or another satisfactory reason was the cause of absence from duty. It is mutually understood and agreed that should any of the said holidays fall on a Saturday or a Sunday, the following Monday will be observed and if Monday is also a holiday, the following Tuesday will be observed.

12 a
14
N ~~CANADA~~'S DAY

L ~~DECEMBER 31ST~~
Labour Day

Day after New Year's
Good Friday

Thanksgiving Day
Day before
Christmas

Victoria Day
St. John Baptist

Christmas Day
Day after Christmas

b. i. The parties agree to take the two (2) additional paid floater days.

ii. The parties agree to take the two (2) paid floater days during the Christmas shutdown if necessary.

iii. If it is required to keep the Plant open during the Christmas period the two floaters are taken individually by the eligible employees no later than April 30th of the current year after agreement with their supervisor.

11.02 Employees laid off or recalled in the pay weeks in which the public holidays fall shall receive their basic days pay at regular rates for each such holiday occurring during such weeks provided he receives pay for hours worked in such weeks. To qualify for this holiday pay, employees must work out their layoff notice or report for work on recall when required, as the case may be.

11.03 Any employee who voluntarily works on any of the foregoing paid holidays or day in lieu, may elect to receive twice his regular rate in addition to his regular day's pay, or may receive his regular day's pay and be allowed a day off with pay. In cases where an employee works in excess of his basic hours of work per day, on any of the agreed holidays or day in lieu, his total pay in such cases for the holiday or day in lieu shall be three (3) times his regular rate for all hours worked.

11.04 Any employee engaged upon shift work whose day off falls on any of the agreed public holidays or day in lieu shall be paid, at his regular rate for his basic hours of work per day. A shift employee who works on any of the agreed public holidays or day in lieu may elect to receive two (2) times his regular rate and be allowed a day off with pay.

ARTICLE 12 - SATURDAYS -AND SUNDAYS

12.01 a. All work done on a Saturday shall be paid one and one-half ($1\frac{1}{2}$) times the regular rate, except by those workers, i.e., Stationary Enginemen, whose schedule call for work on Saturday. An employee who works more than seven and one-half ($7\frac{1}{2}$) hours on a Saturday shall receive double his regular rate for all hours so worked.

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b. If an employee's regular day off, in place of Saturday, falls on weekdays he shall be paid one and one-half ($1\frac{1}{2}$) times the regular rate for hours worked on such day. Where an employee normally works Saturday and has two (2) days off, the first day shall be considered to be the day in place of Saturday.

12.02 All work done on a Sunday shall be paid at double the regular rate, except by those workers, Stationary Enginemen, whose schedule calls for work on Sunday. An employee who works more than seven and one-half (7½) hours on a Sunday shall receive triple his regular rate for all hours so worked. If an employee's regular day off, in place of Sunday, falls on a weekday, he shall be paid double the regular rate for hours worked on such a day. Where an employee normally works Sunday and has two weekdays off, the second day shall be considered to be the day in place of Sunday.

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ARTICLE 13 - HOURS OF WORK

13.01 a. The basic hours of work per week shall be thirty-seven hours and thirty minutes (37 h 30 m).

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b. Work Schedule

Day Shift

Monday through Thursday 7:45 a.m. to 4:15 p.m.

Friday 7:45 a.m. to 3:00 p.m.

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Afternoon Shift

Monday through Thursday 3:45 p.m. to 12:00 a.m.

Friday 2:00 p.m. to 9:00 p.m.

Night Shift

Monday 1:00 a.m. to 8:00 a.m.

Tuesday through Friday 11:45 p.m. to 8:00 a.m.

c. The lunch period will be forty-five (45) minutes starting at eleven hours fifty minutes (11:50 a.m.). The lunch period can be taken at different times if management judges it desirable to run a continuous operation.

- d. The basic hours of work for the cleaning staff shall be in accordance with the schedule agreed upon between the Company and the Union.
- e. By mutual consent between the Company and the Union, the regular basic hours of work and/or the regular basic work week from Monday to Friday may be modified. For all purposes and specifically for the calculation of overtime such modifications shall serve as the basic work day or week.
- f. Continuous operation is desirable when the business benefits are clear and measurable. The team will be encouraged to find creative ways to run their process on a continuous operations basis.

13.02 Employees shall be paid one and one-half (1½) times the regular hourly rate for time worked in excess of the basic work day or week, whichever is the greater, except for the cleaning staff and Stationary Enginemen who shall be paid one and one half (1½) times the regular hourly rate for time worked in excess of the agreed schedule. The agreed schedule shall be furnished to the Union.

- 13.03** Employees shall have two (2) fifteen (15) minutes rest periods, one during the first half of the shift, and the other during the second half of the shift. Rest periods may be taken at different time intervals, if management judges it is preferable to maintain continuous operations.
- 13.04** Overtime shall be considered voluntary and, as long as they are capable of doing the work, is offered to employees, designated in turn according to seniority, who :
- 9a
- a. belong to the classification on the shift where overtime is needed;
 - b. work in the department on the shift where overtime is needed;
 - c. were temporarily transferred, for at least one-half (1/2) day, in the classification or the department on the shift where overtime is needed;
 - d. according to 20.06, are entitled to return to the classification where overtime is needed;
 - e. belong to other departments, on the shift, on a rotational basis, in the following order: Tablet Manufacturing; Ointments, Creams and Liquids; Sterile Products; Maintenance; Packaging; Materials Handling.

f. If, after following steps a), b), c), d), and e), an insufficient number of employees elect to work overtime, the work shall be performed by employees who are capable of doing the work, designated in turn, by reverse order of seniority in the department concerned.

13.05 a. For the purpose of an equal distribution of overtime, the Company shall not take into account the overtime of one (1) hour or less.

b. In order to evenly distribute the overtime, the needs for overtime are posted on a daily basis. Employees voluntarily accepting to work overtime are assigned in order of seniority. Week-end overtime is finalized on Thursday at noon (12 pm).

c. In order to evenly distribute the possibility of working overtime, employees on the shift with the least opportunities of working overtime have priority, according to their seniority, when overtime is needed on weekends, holidays or in case of recall to work for an emergency.

13.06 Employees may be required to work overtime in the following emergencies:

- a. to meet urgent demands for medications due to an epidemic or similar situation;
- b. to prevent loss or damage to work in process from causes beyond Company control, such as machine or power breakdown.

13.07 Employees required to work overtime must take their fifteen (15) minute rest period provided they remain at work at least four (4) hours after the normal quitting time.

13.08 a. An employee required to remain at his work for one (1) hour or more after his normal quitting time is entitled to a meal allowance; if required to remain at his work one and one-half (1½) hours or more, he is entitled to a meal allowance in addition to a half (1/2) hour supper period at his overtime rate of pay. The supper period must be taken by all employees who work more than two (2) hours after the normal quitting time.

- b. The half (1/2)-hour supper period may be taken at the same time by employees on the day shift and afternoon shift who work together on the same production line. The half (1/2) hour supper period may start between 5:00 p.m. and 6:00 p.m., except when the employees must remain at work in order to prevent loss or damage to work in process, in which case the supper period is simply moved.

- c. An employee is entitled to a second (2nd) meal allowance after five and one-half (5 1/2) hours of overtime.

13.09 An employee who is given advance notice and reports to work one (1) hour or more before his regular work schedule, shall be entitled to a meal allowance provided he works his entire regular work day. An employee who is given advance notice and reports to work one and one-half (1½) hours or more before his regular work schedule is entitled to a meal allowance, an addition to a half (1/2) hour meal period at his overtime rate of pay provided he works his entire regular work day. This meal period must be taken.

- 13.10 a.** Employees working four (4) hours and more on nonscheduled days and or on public holidays will be provided with a meal allowance and allowed thirty (30) minutes at the applicable rate to eat.
- b.** This meal period must be taken if the employee works more than five (5) hours.
- c.** An employee is entitled to a second (2nd) meal allowance and a second (2nd) paid meal period of thirty (30) minutes after (8) hours of overtime.

13.11 If, by necessity, an employee is required to work in excess of eleven and three-quarter ($11\frac{3}{4}$) continuous hours, Monday through Thursday, or ten and one-half ($10\frac{1}{2}$) continuous hours on Friday, he shall be paid double time for such additional hours.

Employees will be paid at double their regular rate for all overtime worked in excess of ten (10) hours in a week, except those hours already calculated at double time.

13.12 a. Employees laid off for a period estimated to be less than six (6) months shall be given notice of lay-off on the basis of one and one-half ($1\frac{1}{2}$) days' notice for every completed six (6) months' service, but with a minimum notice of four (4) working days, and up to a maximum notice of twenty (20) working days.

- b. Employees laid off for a period estimated to be six (6) months or more shall be given the notice of lay-off provided for in the Labour Standards Act: one (1) week for employees with less than one (1) year of continuons service; two (2) weeks for employees with one (1) to five (5) years of continuons service; four (**4**)weeks for employees with five (5) to ten (10) years of continuons service; and eight (8) weeks for employees with ten (10) years or more of continuons service;
- c. Employees, when laid off, shall be entitled to their weekly guarantee which corresponds to their basic hours of work for the pay week in which the notice expires.

13.13 An employee injured while working in the plant shall suffer no loss of earnings for the balance of hours on the day in which the accident occurs or is reported or on any day he requires medical treatment, if, as a result of such injury, he is sent home or to the hospital or for medical attention on instruction from a Company representative.

ARTICLE 14 - PREMIUMS

14.01 The Company agrees to pay an hourly premium
11c1 for the afternoon shift of \$0.80.

14.02 The Company agrees to pay an hourly premium
11c2 for the night shift of: \$1.00.

14.03 The Company agrees to pay a weekend hourly
premium for Stationary Engineman of: \$0.90

ARTICLE 15 - SENIORITY

- 15.01 a.** Seniority, which shall only apply to employees covered by this collective labour agreement, is defined as the length of an employee's service with the Company. Seniority is calculated as the elapsed time from the date he was first employed, unless his seniority was broken, in which event such calculation shall be from the date he returned to work following the last break in his seniority.
- b.** Employees who are hired on the same date will have their names inscribed on the seniority list in the order established following a process of drawing lots. This procedure will take place in the presence of the employees concerned, a Union Officer and a representative of the Company.
- c.** Transfers Outside the Bargaining Unit
Employees who are retired or transferred to a position outside the bargaining unit in the Kirkland facility have the right, within 30 calendar days, to return to their position. They then keep the seniority already accrued at time of leaving, while being credited for the time they were outside the bargaining unit.

Employees who are transferred outside the bargaining unit have the right, for an additional period of 60 calendar days (90 calendar days from the transfer date), to be selected for any vacant position in the bargaining unit provided they have the ability and aptitude to fill the position. The employees who return in the bargaining unit keep seniority already accrued at time of leaving while being credited with a maximum of 30 days for the period of time outside the bargaining unit.

- 15.02** In the event of a promotion, a transfer, a reduction of staff, the rehiring of employees, the principle of seniority shall govern the matter with due regard being given to ability and aptitude of the employee.
- 15.03** New employees shall be regarded as probationers and shall for the purpose of this article, have no seniority until they have accumulated three (3) months' service within one (1) year from their date of hiring.
- 15.04 a.** Seniority shall be lost under the following conditions:
- i. Resignation or dismissal for just cause;
 - ii. Failure to return to work immediately upon recovery from sickness or injury;

- iii. Absence for three (3) full consecutive working days without first securing permission from the Company.
 - iv. Failure to report to work within one (1) calendar week after being called in for rehirement after layoff. Notification by registered mail, return receipt requested, shall be deemed adequate notice.
- b. If the employee has a valid reason for being unable to meet conditions ii, iii or iv, the Company waives loss of seniority.

15.05 Rehire of regular employees

An employee with over three (3) months' accumulated service, rehired within one (1) year, shall receive credit for his past service.

15.06 Seniority list

The Company shall give the Recording Secretary of the Local Union a seniority list of all employees on a quarterly basis.

ARTICLE 16 - VACANCIES

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- 16.01 a.** All vacancies or new positions, with the exception of replacements, shall be posted on a bulletin board for a period of at least three (3) working days.
- b.** A vacancy shall not be posted if an incumbent who belongs to the classification has a right to return.
- c.** A job posting bulletin indicates posting date and closing date of the Bulletin, the classification, rate of pay, schedule of hours, shift and, in the case of a new position, the estimated length of time the position will be needed. Each position will have a classification number and an identification number for administrative purposes. Copy of the bulletin is given to the Union at least twenty-four (24) hours before posting.
- d.** Employees applying for these vacancies or new positions shall submit written application not later than the closing date of the bulletin.
- e.** The name of the successful applicant is given to the President of the Union and posted on the board not later than three (3) days after the closing date of the bulletin.

- f. i. In filling a vacancy or new position other than a key position, it shall be awarded to the applicant with the most seniority in the department where the vacancy or new position occurs, who is able to demonstrate his ability to perform the duties of the position after a reasonable trial period which may extend to four (4) months depending on the complexity of the job. When two (2) weeks have passed, the employee will be asked to decide whether he wants to stay in his new position.
- ii. If he decides to stay, he will relinquish his right to return to his former job unless he is unable to satisfactorily complete the trial period of up to four (4) months.
- iii. In the event that an employee is reassigned, for a prolonged period of time, to another position during his trial period, the trial period is extended by an equivalent amount of time spent on the reassigned duties.

- iv. If two (2) or less positions are affected, the applicants who are granted the job through the above procedure, shall be promoted within six (6) weeks following the granting of such job. If more than two (2) jobs are affected, the applicants, in excess of two (2) who have been promoted through the above procedure must be promoted within eight (8) weeks following the granting of such job. However, if such transfer is not done accordingly, the Company shall pay the rate of the new job as of the seventh (7th) or ninth (9th) week respectively, except if the wage rate of the new job is inferior, in which case the employee involved maintains the wage rate he was receiving previously.

- v. If no employee applies for a posted job and the Company hires a new employee to fill a vacancy, the trial period is extended up to four (4) months.

vi. In the event that the Company declares, through a written form, that the employee has qualified at any time during the trial period and he, at the same time, agrees in writing to accept the job, the trial period shall be fulfilled. During the first two (2) weeks of the trial period the employee shall be free to return to his former job. In the event that Management is convinced that a senior applicant will be unable to demonstrate his ability to perform the duties of the position in the determined trial period, it shall award the position to the next senior person having applied and the senior employee will be returned to his former position. Reinstatement is confirmed in writing to the employee and the President of the Local Union.

g. For key positions where ability is equivalent and the health factor would not impede the performance standards of the position, department seniority shall govern the matter. If ability is not equivalent or the health factor could impede the performance standards of the position, the Company will then have the right to select an applicant who will be subject to the trial period. This decision will be subject to the right to appeal by the employee and/or the Union under the grievance procedure.

For the purpose of this article, the key positions are:

Tablet Manufacturing	Granulator Compression Machine Operator
Ointments, Creams & Liquids	Operator O.C.L.
Sterile Products	Operator A Operator C
Packaging	Machine Set-up Mechanic
Materials Handling	Shipper Receiver Storekeeper
Maintenance	Instrument Technologist Electrician "C" Mechanic Stationary Engineman 4B

All Chargehand positions

- h.** When a vacancy occurs because of the above-mentioned procedure, this vacancy shall be filled in the same manner except that plant-wide seniority shall apply. Also, if the first vacancy or a new position cannot for one reason or another

be filled by personnel from the department where the opening exists, it shall be posted on a plant-wide seniority basis.

- i. If two (2) or less positions are affected, the applicants who are granted the job through the above procedure shall be promoted within six (6) weeks following the granting of such job. If more than two (2) jobs are affected, the applicants, in excess of two (2), who have been promoted through the above procedure, must be promoted within eight (8) weeks following the granting of such job. However, if such transfer is not done accordingly, the Company shall pay the rate of the new job as of the seventh (7th) or ninth (9th) week respectively, except if the wage rate of the new job is inferior, in which case the employee involved maintains the wage rate he was receiving previously.

- j. Regardless of whether it is a new member or a member moving into a key position, the trial period of up to five (5) months shall apply for all key positions.

k. Any employee who has completed his trial period related to a key position must remain in that position for a minimum period of twelve (12) months including the trial period. Exceptionally, during that twelve (12) month period, he may apply and be selected for a position with a higher wage rate than his current position.

16.02 If an employee does not apply for a vacancy or a new position, it shall in no way prejudice any future application he may make.

16.03 Temporary replacements

- a. A temporary replacement is a position which became vacant as a result of an absence of an employee due to illness, personal accident, working accident or any other leave of absence authorized by the Company.
- b. When a temporary replacement position becomes vacant, the Company may assign the position without the necessity of job-posting, except if such vacancy lasts for more than fifteen (15) full work days, then it shall be posted for one (1) day.
- c. A vacant temporary replacement position shall not be posted if an incumbent has a right to return into the classification.

- d. The successful applicant will remain in the position for the period of the temporary vacancy and shall not be displaced except by mutual consent between the Company and the Union.

- e. A temporary replacement- posting will show posting date, the classification, rate of pay, schedule of hours, shift work, the expected duration of the temporary vacancy. A copy of the bulletin is given to the Union at least twenty-four (24) hours before posting.

- f. The successful applicant must be able to perform the required work satisfactorily or must qualify in a reasonable time.

- g. The successful applicant shall not accumulate seniority in the classification where he is replacing temporarily.

16.04 Only the initial temporary replacement position will be posted.

16.05 Temporary Replacement for the Stationary Engineman

- a.** In case of an emergency or an unexpected absence of the Stationary Engineman, it will be possible to temporarily transfer an employee from another classification already at work and qualified as a Stationary Engineman, in order that he can take care of the emergency or change operating boiler. If there is not qualified employee already at work that could be transferred to the Stationary Engineman's position, the Company shall recall any employee qualified as a Stationary Engineman, according to seniority. The employee recalled to work shall be paid according to the provisions of Article No. 10.

- b.** In the case of an expected short-term absence of the Stationary Engineman, an employee already at work in another classification who is qualified as a Stationary Engineman could be temporarily transferred to the Stationary Engineman's job. The employee will be asked to change operating boiler and then resume his regular functions. If there is no employee already at work who is qualified as a Stationary Engineman, the Company could notify an employee who is qualified as a Stationary

Engineman to report to work for a minimal period of four (4) hours: overtime shall be paid according to the provisions of Articles 11, 12, or 13 of the Collective Labour Agreement.

- c. In the case of vacations or a prolonged absence of more than one week of a Stationary Engineman, the Company could transfer an employee already qualified as a Stationary Engineman, from another classification, according to seniority.
- d. It is understood that an employee transferred to the Stationary Engineman's position shall be paid at the hourly rate of the Stationary Engineman for the duration of the transfer.
- e. It is possible to retain the services of a contractor to replace a Stationary Engineman during a prolonged absence longer than a week or vacation. The contractor does not have to become a member of the Union and pay the regular Union dues if the main purpose is to change operating boiler

ARTICLE 17 - LAY OFFS AND RECALLS

17.01 In cases where it becomes necessary to reduce the working force, the order of lay-off shall be:

- a. probationary employees
 - b. plant employees in order of seniority, provided those employees who are retained can perform the required work satisfactorily or can qualify in a reasonable time.
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17.02 a. The Company agrees that employees who have been laid off shall be recalled in the reverse order in which they have been laid off provided they have not been under lay-off status for a period exceeding the following scale:

<u>Length of Employee's Service</u>	<u>Allowable Break</u>
Up to 4 months	Time equivalent to one-half of his length of service
Over 4 months	Time equivalent to length of service up to two (2) years.

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- b. An employee who returns to work within the time of an allowable break shall retain the seniority he had at the time he was laid off, benefit of the same working conditions and

social benefits, but shall not accumulate additional seniority during the period of the lay-off. When an employee is recalled, he is entitled to the same working conditions or benefits as the other members of the bargaining unit.

- c. An employee who is absent from work for Union business, leave of absence, accident or sickness, maternity leave or parental leave, and would have been laid off to reduce the working force, shall not accumulate seniority during the lay-off period.

17.03 The Company shall inform the Union before advising employees affected by a lay-off or a recall, and shall supply the Union with a list of employees to be laid off or recalled.

17.04 **Extension of time limits on recalls**

The time limit on recalls shall be extended by adding periods of absence resulting from sickness or personal injury, certified by a physician, up to fourteen (14) months, or by leave of absence granted by the Company up to fourteen (14) months.

ARTICLE 18 - LEAVE OF ABSENCE - MISCELLANEOUS

18.01 Leave of absence for Union business

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- a. Employees, not more than two (2), chosen by the Union to attend Union business outside the plant, shall be granted leave of absence without pay for a period not exceeding forty (40) days per calendar year exclusive of leave granted to prepare negotiations, providing that the absence of such employees shall not unreasonably affect the operation of their departments. The Union shall give the Company a written notice of one (1) week before exercising this prerogative.
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- b. An employee (not to exceed one (1) from this plant) who is elected or appointed to a full-time position with the Union or the Canadian Labour Congress shall, upon proper notice, be granted leave of absence without pay for a period not to exceed the term of this agreement, and within one (1) month's notice of his desire to return to work with the Company shall, subject to his seniority, be placed in the position previously held or one at an equal rate of pay, retaining the seniority possessed at the time such leave of absence was granted.

18.02 Leave of absence

12 h3 Leave of absence, without pay, may be granted to an employee by the Company for good and sufficient reason upon application by the employee in writing provided the granting of such leave does not interfere unduly with the requirements of the business. If leave of absence is for a period of one (1) week or more written application shall be made by the employee to the Company, and if the leave is granted by the Company, it shall be confirmed in writing and a copy thereof sent to the Secretary of the Union. Employees granted leave of absence by the Company shall accumulate seniority only up to thirty (30) days, in such cases.

18.03 Absence due to accident or sickness

If any employee is absent from work because of accident or sickness for a period not exceeding twenty-four (24) months, he shall accumulate seniority. He shall be returned to the position held prior to such absence or to some other position at equal pay, provided that he possesses the merit and is otherwise able to do the required work. Application for reinstatement after the expiry of twenty-four (24) months will be considered on their merits. Employees absent while under the Commission de la Santé et de la Sécurité du Travail shall continue to accumulate seniority and there shall be no time limits for their absence.

18.04 Leave of absence for public office

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Employees who are elected to municipal government, the Provincial Legislature or the Parliament of Canada shall, upon establishing need for same, be granted leave of absence without pay for a period not to exceed the duration of this agreement. Within one (1) month's notice of their desire to return to work with the Company, such employees shall, subject to their seniority, be placed in the position previously held or one at an equal rate, retaining the seniority possessed at the time such leave was granted.

18.05 Leave of absence for jury duty or as a witness

An employee required to serve jury duty or who is subpoenaed as a witness shall be paid the difference between what he would have earned for his scheduled hours at his paid rate and the court fee received. Employees should notify their supervisor as soon as possible after receipt of notice of selection for jury duty. The Company may require the employee to furnish a certificate of service from an officer of the court before making any payment under this section. The employee will come to work during those regular hours that he is not required to attend the Court. Employees will be allowed to adjust the work schedule to meet jury duty or witness requirements.

ARTICLE 19 - MATERNITY LEAVE, PARENTAL LEAVE AND ADOPTION LEAVE

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19.01 Any pregnant employee shall be entitled to a maternity leave of absence without pay of eighteen (18) weeks, which may be split at the employee's discretion before and after the expected date of birth. Upon her return to work the employee shall be reinstated in her former position and be entitled to all her rights.
- 12f2
12f3
19.02 Two employees who are respectively the father and mother of a new-born baby, or an employee who adopts a child who has not reached the age at which he is required to go to school, shall be entitled to a parental leave of absence without pay of up to thirty-four (34) continuous weeks. The employees shall be reinstated in their former positions and be entitled to their accumulated seniority at the end of a parental leave of absence not exceeding twelve (12) weeks. After the expiry of twelve (12) weeks, the employees shall be returned to comparable positions with a rate of pay they would have been entitled to if they had remained at work and with the accumulated seniority to which they are entitled at the end of a parental leave exceeding twelve (12) weeks.

ARTICLE 20 - TRANSFERS

20.01 When an employee is assigned any other job, he is told whether it is a transfer for temporary replacement (maximum of 15 days) or a transfer due to a lack or surplus of work (maximum of 20 days).

20.02 **Transfer for Temporary Replacement**

In the case of vacancies due to absence of the incumbent, the Company may assign the position without the necessity of job-posting for a maximum period of fifteen (15) full work days. In the event of an absence in excess of fifteen (15) full work days, the position is posted according to 16.03.

20.03 **Transfer Due to Lack and Surplus of Work**

When an employee is transferred from one job to another, due to a lack or surplus of work, the least senior employee available in the department is transferred, provided he can perform the work. In the case of a surplus of work in excess of twenty (20) full work days, the position is posted according to 16.01.

20.04 An employee required to fill a higher paying job receives the full rate of the job when he has accumulated five (5) or four (4) months' experience depending if it is a key position or not. The time is accounted for by the Company for any period exceeding three (3) hours. He shall receive the rate for the total hours normally scheduled, providing such employee is affected to such job for more than three (3) hours. In the event of a lower paying job, he receives his regular rate of pay.

20.05 a. When an employee, who has completed his trial period, is transferred due to a reduction in staff, the least senior employee within the affected classification may displace the least senior employee within the department who, in turn, may displace the least senior employee in the plant, provided they are capable of performing the required work satisfactorily or can qualify in a reasonable time.

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b. Any employee who is transferred to the second or third shift as a result of staff reduction can be reassigned in this new classification, in the first or second shift, on the basis of plant seniority.

- 20.06 a.** An employee who is transferred from his regular job due to reduction in staff may return to his regular job if it becomes available within the time period equivalent to his length of service with the Company up to two (2) years.
- b.** In the event that the employee bids for and qualifies to fill another job, while his regular job is down, he loses his claim to his regular job when it reopens.
- c.** If the employee refuses to return to his previous position when it becomes available, he loses his right to return to his former job.
- d.** The period to return to a previous position, as mentioned in a), is extended by the length of time worked in the temporary replacement position.
- 20.07 a.** In respect to 20.05, the employee shall be paid at the rate of the new job, except that if the new rate is lower; in this case, the employee shall carry his previous rate for fourteen (14) consecutive weeks as of the date he was transferred if he remained for nine (9) months or more in the position, and for six (6) consecutive weeks as of the date he was transferred if he remained for less than nine (9) months in the position.

b. If the employee returns to his previous position when it becomes temporarily available, after the expiration of the maintenance period of his regular rate for fourteen (14) or six (6) weeks, whichever is the case, he shall not be entitled to another fourteen (14) or six (6) week period, whichever is the case, when the temporary replacement ends.

20.08 When an employee voluntarily requests a transfer to a lower rated job or is transferred due to professional incapacity or inability to perform the required work due to his health, he shall then be paid the rate of the new job immediately.

20.09 When the Company temporarily assigns work to any employee who has suffered an employment injury until he is again able to carry on his regular job, the employee shall receive the wages and benefits attached to the employment he held when his employment injury appeared.

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20.10 When a day position is abolished and the same position exists on the night shift, the day employee then has the option to either bump the employee with the least seniority occupying the same position on the night shift, or bump the employee with the least seniority in his department on the same shift, provided he is capable of performing the required work satisfactorily or can qualify within a reasonable amount of time.

ARTICLE 21 - UNION OFFICERS & STEWARDS

- 21.01 a.** The Union shall appoint or elect, and the Company shall recognize, the Officers and Stewards who are regular employees of the Company and the Union representative, if so desired to deal with the subject matters in this agreement,
- b.** The Union shall notify the Company in writing of the names of its Officers and Stewards. Not more than two (2) employees, at any one time, shall be granted a leave of absence without pay to attend Union conventions. It is understood that the Company shall be notified of such absence at least ten (10) working days prior to the departure of said employees.
- c.** The Company shall pay employees who are members of the Bargaining Committee their regular rate during bargaining meetings with Company representatives or meetings convened by a conciliator that take place during their regular work schedule. If the bargaining or conciliation meeting ends earlier than expected, said employees must be back at work within one hour.

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ARTICLE 22 - BULLETIN BOARDS

22.01 The Union President or his designated representative shall have the right to post on notice boards, bulletins pertaining to meetings of the Union, election of officers, educational, social and recreational events. Prior to posting the bulletins, a copy shall be given to the Employee Relations Manager. It is agreed that no bulletins which could cause ill feeling towards the Union, the Company or its customers shall be posted.

ARTICLE 23 - SAFETY AND HEALTH PRECAUTIONS

23.01 The Company shall make reasonable provisions for the safety and health of the employees during working hours.

23.02 a. In accordance with the regulations set down by the Health Protection Branch, all members of the bargaining unit are obliged to have:

- i. pre-employment medical examination including chest X-ray;
- ii. annual medical examination including chest X-ray;

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iii. an employee, who is off work due to illness, may be required, at the Company's discretion, to undergo a medical examination.

It is understood that this right will not be abused.

b. The Company will absorb all costs incurred when the employee is sent by the Company for any of the above and there will be no loss of pay to the employee.

ARTICLE 24 - BEREAVEMENT AND BIRTH LEAVE

- 24.01** ^{12d} In the event of the death of the spouse, son or daughter of an employee, a five (5) day leave with pay shall be granted upon proper notification.
- 24.02** In the event of the death of an employee's father, mother, stepfather, stepmother, brother, sister, mother-in-law or father-in-law, three (3) working days' leave shall be granted with pay upon proper notification.
- 24.03** In the event of the death of an employee's brother-in-law, sister-in-law, or spouse's brother-in-law or sister-in-law, grandchildren, grandparents or spouse's grandparents, the employee shall have the right to one (1) day paid leave upon proper notification.
- 24.04** ^{12d} In the event of the birth or the adoption of one or more children, the employee is entitled to three (3) days' paid leave.
- 24.05** When a death, birth or adoption occurs as indicated under Article 24.01, 24.02, 24.03, and 24.04 during the employee's vacation, he may take the applicable days at the end of the vacation period, or at a time mutually agreed to between the Company and the employee. The employee must advise the Company of the death, birth, or adoption of one or more children and of his intention to make use of the days.

24.06 Employees who are entitled to at least three (3) days leave because of the death of an immediate family member may request not to take all the days consecutively in order to fulfil their obligations.

ARTICLE 25 - ESTABLISHING RATES FOR NEW OR CHANGED JOBS

- 25.01** The Company will set the rate for the job and notify the President of the Local Union and the Provincial Office of the Union. When a job is initially established by the Company, the Provincial Office of the Union will be supplied with the information necessary to understand how the job is performed.
- 25.02** In case of disagreement, the Union shall give written notice stating the basis of disagreement. If notice of disagreement is not received within thirty **(30)** days of the date of the Company's declaration of the rate, the rate set by the Company will be considered to be an agreed rate.
- 25.03** If agreement is not reached when the job is started, the Company will pay the rate set and if, in the final settlement, the rate is increased it will be paid retroactively. Similarly, the rate will be paid retroactively when its establishment has been delayed beyond the date the job reaches normal operation.

- 25.04** Disagreement, as mentioned in Section 25.02 above, will be discussed by the Union President, the Plant Manager, and the Manager, Employee Relations. If desired, the General Manager of the Company or his designated representative and/or an accredited representative of the Union may be a party to the discussion at this stage. Settlement of rates at the local level will be subject to approval by the Provincial Office of the Union and the Head Office of the Company for Canada.
- 25.05** Failing agreement, the difference may be referred to arbitration in a manner to be agreed upon by the Provincial Office of the Union and the Head Office of the Company for Canada. If such method or arbitration cannot be agreed to within thirty (30) days of date of referral, it shall be as set out in Article 7, Settlement of Grievances, of the agreement between the Company and the Union.
- 25.06** In assessing the rate of a job, the parties will take into consideration coinparison with similar jobs in the plant.

25.07 The above will be considered as a guide and the parties agree that prime consideration must be given to proper relationship between jobs in the plant, insofar as the parties are able to determine.

ARTICLE 26 - CHANGE WORKING METHODS

26.01 No employee with three (3) years or more of seniority shall be laid off or his employment terminated or shall his rate of pay be decreased during the life of this agreement due to automation or technological improvements. Any reassigned employee with three (3) years or more of seniority shall have his wage rate protected during the life of this agreement **for** a maximum of twelve (12) months following his reassignment. Except as provided above, the employee affected by automation or technological improvements will be subject to all other provisions of this agreement.

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ARTICLE 27 - BENEFITS

27.01 The Company agrees to pay the total cost of the Benefit Program with the exception of the Long Term Disability Premiums that are paid 100% by the employee.

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ARTICLE 28 - SEVERANCE PAY

28.01 In the event of the discontinuance of all or a major portion of the Manufacturing Operations at the Kirkland facility, the Company will pay severance payments to those bargaining unit employees who are permanently terminated without recall rights according to the following schedule:

Severance per year of service under age 50

Service	1061	Maximum number of weeks
Up to one year	2 weeks	NIA
1 to 5 years	2 weeks	10
5 to 9 years	2 weeks	18
Over 10 years	2 weeks	52
Minimum	2 weeks	

Severance per year of service over age 50

Up to one year	3 weeks	NIA
1 to 5 years	3 weeks	15
5 to 9 years	3 weeks	26
Over 10 years	3 weeks	52
Minimum	4 weeks	

Benefits will continue to be paid for the duration of the severance period except for the Short Term Disability and Long Term Disability Programs that will cease effective with the date of termination.

Employees who have received a severance payment from Baker Cummins Inc. are entitled to the severance pay indicated above, based only on their years of accumulated service worked, calculated from the date of acquisition of the Kirkland facility by Draxis Pharma Mfg Inc.

Employees, who accept the severance payment in accordance with the provisions of this clause, lose their seniority and any employment ties to the Company and have no right in accordance with this agreement.

ARTICLE 29 - GOOD FAITH

29.01 The agreement has been entered into in good faith by the parties hereto, with a view to the welfare of the employees and the efficiency of the production.

ARTICLE 30 - DURATION OF AGREEMENT

- 30.01** This agreement shall be made effective as of May 1st 1998 and shall remain in full force and effect until April 30, 2003.
- 30.02** Notice to amend or to terminate this agreement shall be served between the ninetieth (90th) and the thirtieth (30th) day preceding the expiration date of said agreement. Failure by the parties to do so, the agreement shall be renewed automatically for a further term of one (1) year as of May 1, 2003.
- 30.03** During the period of negotiations, this agreement shall remain in force.
- 30.04** The Job Classification and Wage Schedule sheets as well as the seven (7) Letters of Understanding form an integral part of this Collective Agreement,

SIGNÉE à KIRKLAND, QUÉBEC, ce ____ ième jour de mai 1998.
SIGNED at KIRKLAND, QUEBEC, this ____ day of May 1998.

POUR LA COMPAGNIE
FOR THE COMPANY

POUR LE SYNDICAT
FOR THE UNION

DRAXIS PHARMA INC.


UNION
INTERNATIONALE DES
TRAVAILLEURS ET
TRAVAILLEUSES UNIS
DE L'ALIMENTATION ET
DU COMMERCE -
SECTION LOCALE
291P (FAT - COI) (CTC, FTO)

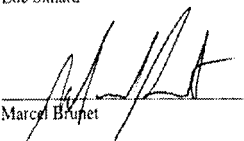
UNITED FOOD AND
COMMERCIAL WORKERS
INTERNATIONAL UNION
LOCAL 291-P (AFL-CIO) (CLC, OFL)

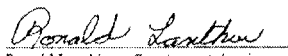

Dwight Corham

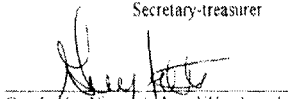

Sylvain Joly - ~~Président~~
President


Luc Simard


André Laberge - ~~Vice-président~~
Vice-president


Marcel Brunet


Ronald Lanthier - ~~Secrétaire-trésorier~~
Secretary-treasurer


Guy Jéré - ~~Vice-président délégué en chef~~
Vice-president chief steward


Jack Carter


Huguette Diamond
Consultante en Relations Industrielles
Industrial Relation Consultant

ÉCHELLE DE PROGRESSION
SCALE OF PROGRESSION
Taux d'entrée / Taux complet /
Entry Rate* Full Rate**

**E) MANUTENTION DES PRODUITS /
MATERIALS HANDLING**

1. Expéditeur/Shipper	17.87	18.87
2. Préposé à la réception/Receiver	17.87	18.87
3. Magasinier/Storekeeper	17.87	18.87
4. Chef d'équipe-manutention / Chargehand-Materials Handling	17.87	18.87
5. Assembleur-Vérificateur de commande/ Order Assembler/Checker	15.91	16.91
6. Porteur Général /General Porter	16.40	17.40
7. Opérateur de la Chambre d'étiquetage Label Room Operator	15.91	16.91

F) ENTRETIEN/MAINTENANCE

1. Technologue en instrumentation/ Instrument technologist	20.29	21.29
2. Électricien C/Electrician C	19.41	20.41
3. Mécanicien/Mechanic	18.98	19.98
4. Nettoyeur/Cleaner	15.53	16.53
5. Mécanicien de machine fixe 4B/ Stationary Engineman 4B	17.87	18.87

* Taux au début de la période d'essai. / Rate at beginning of trial period.

** Taux après cinq (5) mois travaillés s'il s'agit d'un poste clé, et quatre (4) mois travaillés pour les autres postes. / Rate after five (5) months worked for key positions, and four (4) months worked for other positions.

ÉCHELLE DE PROGRESSION
SCALE OF PROGRESSION
Taux d'entrée / Taux complet /
Entry Rate* Full Rate**

**E) MANUTENTION DES PRODUITS /
MATERIALS HANDLING**

1. Expéditeur/Shipper	18.62	19.62
2. Préposé à la réception/Receiver	18.62	19.62
3. Magasinier/Storekeeper	18.62	19.62
4. Chef d'équipe-manutention / Chargehand-Materials Handling	18.62	19.62
5. Assembleur-Vérificateur de coinnande / Order Assembler/Checker	16.59	17.59
6. Porteur Général /General Porter	17.10	18.10
7. Opérateur de la Chambre d'étiquetage Label Room Operator	16.59	17.59

F) ENTRETIEN/MAINTENANCE

1. Technologue en instrumentation/ Instrument technologist	21.14	22.14
2. Électricien C/Electrician C	20.23	21.23
3. Mécanicien/Mechanic	19.78	20.78
4. Nettoyeur/Cleaner	16.19	17.19
5. Mécanicien de machine fixe 4B/ Stationary Engineman 4B	18.62	19.62

* Taux au début de la période d'essai. / Rate at beginning of trial period.

** Taux après cinq (5) mois travaillés s'il s'agit d'un poste clé, et quatre (4) mois travaillés pour les autres postes. / Rate after five (5) months worked for key positions, and four (4) months worked for other positions.

ÉCHELLE DE PROGRESSION
SCALE OF PROGRESSION
Taux d'entrée / Taux complet /
Entry Rate* Full Rate**

**E) MANUTENTION DES PRODUITS /
MATERIALS HANDLING**

1. Expéditeur/Shipper	19.02	20.02
2. Préposé à la réception/Receiver	19.02	20.02
3. Magasinier/Storekeeper	19.02	20.02
4. Chef d'équipe-manutention / Chargehand-Materials Handling	19.02	20.02
5. Assembleur-Vérificateur de coininande / Order Assembler/Checker	16.94	17.94
6. Porteur Général /General Porter	17.46	18.46
7. Opérateur de la Chambre d'étiquetage Label Room Operator	16.94	17.94

F) ENTRETIEN/MAINTENANCE

1. Technologue en instrumentation/ Instrument technologist	21.58	22.58
2. Électricien C/Electrician C	20.65	21.65
3. Mécanicien/Mechanic	20.19	21.19
4. Nettoyeur/Cleaner	16.54	17.54
5. Mécanicien de machine fixe 4B/ Stationary Engineman 4B	19.02	20.02

* Taux au début de la période d'essai. / Rate at beginning of trial period.

** Taux après cinq (5) mois travaillés s'il s'agit d'un poste clé, et quatre (4) mois travaillés pour les autres postes. / Rate after five (5) months worked for key positions, and four (4) months worked for other positions.

ÉCHELLE DE PROGRESSION
SCALE OF PROGRESSION
Taux d'entrée / Taux complet /
Entry Rate Full Rate****

**E) MANUTENTION DES PRODUITS /
MATERIALS HANDLING**

1. Expéditeur/Shipper	19.62	20.62
2. Préposé à la réception/Receiver	19.62	20.62
3. Magasinier/Storekeeper	19.62	20.62
4. Chef d'équipe-manutention / Chargehand-Materials Handling	19.62	20.62
5. Assembleur-Vérificateur de corninande / Order Assembler/Checker	17.48	18.48
6. Porteur Général /General Porter	18.01	19.01
7. Opérateur de la Chambre d'étiquetage Label Room Operator	17.48	18.48

F) ENTRETIEN/MAINTENANCE

1. Technologue en instrumentation/ Instrument technologist	22.26	23.26
2. Électricien C/Electrician C	21.30	22.30
3. Mécanicien/Mechanic	20.83	21.83
4. Nettoyeur/Cleaner	17.06	18.06
5. Mécanicien de machine fixe 4B/ Stationary Engineman 4B	19.62	20.62

* Taux au début de la période d'essai. / Rate at beginning of trial period.

** Taux après cinq (5) mois travaillés s'il s'agit d'un poste clé, et quatre (4) mois travaillés pour les autres postes. / Rate after five (5) months worked for key positions, and four (4) months worked for other positions.

LETTER OF UNDERSTANDING - no 1

RE: GROUP LIFE INSURANCE, ACCIDENTAL DEATH AND DISMEMBERMENT AND COMPREHENSIVE ACCIDENT AND SICK BENEFITS AND LONG TERM DISABILITY

The Company agrees that should there be changes in the above-mentioned plans that would increase the cost to the employees or decrease the benefits under these plans, these changes will not be made before a discussion with and the agreement of the Union, providing they do not occur from circumstances outside the Company's control.

THE ATTACHED LETTER OF UNDERSTANDING FORMS AN INTEGRAL PART OF THE COLLECTIVE AGREEMENT.

13a1
13a3 13ab
 13a8

LETTER OF UNDERSTANDING - no. 2

RE: DISCIPLINARY MEASURES

Unless the gravity of the offence justifies a more severe disciplinary measure, the employee who commits an offence will be subject to a disciplinary measure according to the following sequence:

- verbal warning
- written warning
- suspension
- dismissal

Any written warning, suspension notice or dismissal notice given to the employee concerned shall specify the reasons and facts that led to the disciplinary measure and copy of the said document shall be forwarded to the Union in the five (5) following working days.

No disciplinary notices, imposed by the Company against an employee dating back more than twelve (12) months shall be retained in the employee's record nor brought against him unless during the same period he has received other disciplinary notices.

THE ATTACHED LETTER OF
UNDERSTANDING FORMS AN INTEGRAL
PART OF THE COLLECTIVE AGREEMENT.

LETTER OF UNDERSTANDING - no. 3

RE: SECOND AND THIRD SHIFTS

- a. The parties agree that the purpose of establishing a second and third shift is to increase the operational capacity and not to transfer work normally accomplished during the day shift.
- b. The meal period will be decided following an agreement between the supervisor and the employees. Employees are entitled to an unpaid thirty (30) minute meal period, which may be extended to forty-five (45) minutes.

- c. The second and third shift employees are trained during the day. However, when the second or third shift is operational, new employees can be trained on the second or third shift.
- d. When a position in a classification is open on a particular shift, it is offered on a rotational basis according to seniority to employees in the same classification working on the other shifts before being posted.
- e. The parties also agree that the terms of this letter of understanding can be modified on mutual agreement.

THE ATTACHED LETTER OF
UNDERSTANDING FORMS AN INTEGRAL
PART OF THIS COLLECTIVE AGREEMENT.

LETTER OF UNDERSTANDING NO. 4

RE: STANDARD TIMING MODEL TEST

Without limiting the Company's right to develop and apply other tests to assess mechanical abilities or other abilities at various positions, the parties agree that the standard timing model test is used for evaluation of mechanical abilities at the following key positions: Operator "A" S.P.D., Compressing Machine Operator, Machine Set-up

Mechanic and Mechanic. The Company shall inform the employee of the standard timing model test results.

THE ATTACHED LETTER OF UNDERSTANDING FORMS AN INTEGRAL PART OF THIS COLLECTIVE AGREEMENT.

LETTER OF UNDERSTANDING - no. 5

HIGH PERFORMANCE WORK ORGANIZATION

PREAMBLE

1. The Company and the Union agree that, it is to their mutual benefit and sound economic and social goal, for the Company to continuously improve processes and methods of doing work, in order to increase efficiency and the quality of work life and productivity of all employees. In this way, the Company will be able to compete effectively in the marketplace and thereby provide economically secure jobs for employees.
2. Changes may take many forms - new machinery and equipment, new processes, new products, new methods, and other non-traditional ways of working.

3. The Company and the Union recognize that High Performance Work Organization, is necessary to enable the Company to compete in its chosen market. Such a system should also enhance the quality of work life for employees by removing barriers to their involvement in the business, identifying and meeting training needs, improving their ability to do a quality job and removing obstacles.

4. The principles of a High Performance Work Organization (see attachment 1) are agreed by the Company and the Union to substantially meet these requirements and as such, to be beneficial to employees, the Company and its customers. Both parties acknowledge that a High Performance Work Organization is a broad subject but that, for the purposes of this agreement the following principles are agreed to be essential:

I. Employees should be encouraged to contribute to improving the business through active involvement in teams.

- II. Management recognizes and encourages the need for employee involvement in decision making.
 - III. The identification of efficiencies and elimination of waste is the shared responsibility of management and employees.
 - IV. Employees should be well informed, consulted about changes, trained in multi-skills, to work in new ways, and generally involved in the business.
- 7C
- 5. Both parties agree that it is not the intention of this agreement, nor is it the Company's intention in introducing the changes described above to reduce the workforce through such changes.
 - 6. Where training is required in order to facilitate the changes required and to train employees in multi-task-skills, such training will be given during regular hours and at regular pay.
 - 7. The introduction of a High Performance Work Organization will not influence or affect the bumping or recall rights of employees in the event of a layoff. The procedure for posting and filling

permanent vacancies or new positions as per the Collective Agreement shall also not be affected.

8. All employees working within the High Performance Work Organization shall have equal opportunity for training in various tasks, based on business needs, for which they are reasonably qualified and as such, shall have equal opportunity for the attainment of a multi-skilled pay rate. These multi-skilled pay rates will be developed jointly between the Company and the Union with the progression and introduction of the High Performance Work Organization.
9. Under a HPWO, all employees will be qualified on a core production role comprised of either make, pack or shipping skills. As such, an employee performing a core production role runs, maintains and change-over a production process. The skills portfolio of each employee will include operationally, technical and administrative skills consistent with the Plant skill matrix (see attachment II). The basic expectations for all employees will be to train and qualified at the "DO" level in one skill block.

10. Employees temporarily transferred to another position who have not yet attained a multi-skilled designation shall be treated as a temporary transfer and will be treated as per the Collective Agreement.
11. The intention of the High Performance Work Organization is to enhance the business performance of the Company in order to protect the employment of current employees, promote new job and business opportunities, and compensate employees for skills and contribution to the business.
12. The introduction of HPWO is in no way intended to be contrary to the Collective Agreement. Language modifications to the Collective Agreement required to accommodate HPWO principles and process will be mutually agreed upon between Union and Management through separate letters of understanding.

Implementation of the Kirkland HPWO

To rapidly make the transition of a HPWO, the management and the union need to agree to:

1. **A Full Partnership** between the Union and management.
2. Shared decision-making within the production process to design, build, and market high quality products.
3. Integration of continuous learning and skill building into the HPWO, thereby meeting the changing skill and education needs of the employees.
4. Continuous integration of leading edge technology that builds on the skills, knowledge and insights of the employees, thereby stabilizing employment and growing the business.
5. Shared technical and financial information.
6. Union leadership that advocates and motivates its membership to raise skill levels and knowledge of the process, thereby making judgments related to production and initiating positive workplace change.

7. A jointly drafted Strategic Business Plan that formulates the creation of the HPWO?

Implementation schedule

Here are the key milestone steps we will complete on our journey towards HPWO.

- ⇒ Development of the Plant mission]by June 98
- ⇒ Development of the Plant principles]by June 98
- ⇒ Development of the plant objectives and goals]by June 98
- ⇒ Development of the plant strategies]by June 98
- ⇒ Design of the key organizational elements]by Nov. 98
 - Structure within which we work
 - Tasks people do
 - Information people use
 - How decision get made
 - How people are rewarded
 - People themselves, their basic abilities and motivations
- ⇒ Implementation of the design Nov. 98 through Nov. 99

SUCCESS CRITERIA

Our HPWO will increase our competitiveness. As such, results improvement will be seen in many operational areas such as process reliability, safety, product quality, regulatory compliance, absenteeism and cost. Measures for key critical operational areas will be developed and integrated into our day to day operations. Superior performance in our plant will be recognized through a Bonus system. The bonus system will kick in when the financial contribution* for Draxis Pharma Inc. exceeds the annual budget by 10% and the qualification of 90% of employees on our HPWO.

* Contribution = revenues minus cash operating expenses.

Attachment #1

High performing work system principles

1. Respect for the capability of all employees. Management truly believes everyone can and wants to contribute to their full capacity - classism doesn't exist.
2. Common Objectives
The "adult business deal" is understood and operative.

3. Management by Principles

Clearly understood and communicated principles guide the organization's actions. All employees understand the principles and make decisions accordingly. Specific policies and rules are minimal.

4. Results orientation and focus.

Everyone is focused on the business objectives.

5. Team orientation

Most tasks and roles are integrated into appropriate teams, teams that manage a discrete part of the operation. Teams are well developed, continually improving their performance.

6. Multiskilled/total task employees are tied to the core business through the continued application of multiple skills, rather than narrow skill development and application. Employees are trained and expected to perform "total tasks", i.e. the lower skilled, as well as the higher skilled functions, in order for the team or organization to meet its goals and objectives.

7. Communications and Training

All employees receive information to effectively do their work, including broad business information. Techniques, such as team meetings and one-to-one discussions are employed to convey information and build understanding. All employees receive sufficient training to do their work and acquire the necessary skills.

THE ATTACHED LETTER OF
UNDERSTANDING FORMS AN INTEGRAL
PART OF THIS COLLECTIVE AGREEMENT

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Attachment # 2

Kirkland plant skill block

	OPERATIONAL	TECHNICAL	SYSTEMS/ADMINISTRATION
LEAD	<ul style="list-style-type: none"> -Responsible for Team results -Manages and develops others -Functional master in areas of responsibility. 	<ul style="list-style-type: none"> -Responsible for goals, results and improvements in functional area -Design new systems -Manage others activities to standards and SOPs -Lead improvement work 	<ul style="list-style-type: none"> -Responsible for goals, results and improvements in functional area -Design new systems -Manages others activities to standards and SOPs
IMPROVE		<ul style="list-style-type: none"> -Develops SOPs -Develops Midrange -Responsible for a system results -Can solve 95% of problems -Manages projects -Trains and qualifies others 	<ul style="list-style-type: none"> -Develops CBAs -Responsible for a systems results -Can solve 95% of problems -Manages projects -Trains and qualifies others
	<ul style="list-style-type: none"> -Trains others -Can problem solve based on SOPs -Provide input to improvement work -Have capability to operate additional core areas -Basic knowledge of statistics 	<ul style="list-style-type: none"> -Contributes at intermediate skill level or higher -Can problem solve based on SOPs -Can solve 80% of problems -Trains others -Basic knowledge of statistics 	<ul style="list-style-type: none"> -Gathers and summarizes data and takes action -Can problem solve based on SOPs -Uses informations systems to maintain business processes -Facilitates resolution of local issues -Basic knowledge of statistics -Trains others -Responsible for defined results areas
BASIC	<ul style="list-style-type: none"> -Able to operate all essential equipment in core area -Follows safe practices -Understands product flow, specs, and effectively makes minor adjustments to maintain quality -Perform daily activity without direction -Understand and works towards achieving Team goals -Trains others 	<ul style="list-style-type: none"> -Can maintain and c/o equipment at Basic Technical level -Follows basic problem solving process -Can perform all in process quality checks -Trains others 	<ul style="list-style-type: none"> -Effectively plans and prioritizes work for the day -Records and uses all available documentation systems -Gives and receives feedback -Accountable for personal actions, results in their area and personal development -Constructively participates in Team activities, decision making, goal setting -Trains others

THE ATTACHED LETTER OF UNDERSTANDING FORMS AN INTEGRAL PART OF THIS COLLECTIVE AGREEMENT.

LETTER OF UNDERSTANDING - no 6

Selected Issues Agreed To By Draxis Pharma Inc. And United Food & Commercial Workers International Union Local 291-P With Respect to the Acquisition of Baker Cummins Inc. Kirkland, Quebec Facility

General:	<ul style="list-style-type: none">• Draxis Pharma Inc. has struck a tentative arrangement for the acquisition of BCT's Kirkland facility. Should Draxis be successful in completing this acquisition, the Company would be fully committed to investing in and growing the facility to meet Draxis' short and long term objectives as well as positioning the facility to effectively compete for additional third party manufacturing business.• Should Draxis proceed with the possible acquisition it is imperative that the terms and conditions of the new collective agreement be agreed prior to closing the acquisition.• Although no assurance can be provided that Draxis will ultimately acquire the facility, in order to proceed, Draxis must have a clear understanding that the issues described herein are acceptable to the Union and will be implemented upon acquisition of the facility by Draxis.
Bargaining Unit:	<ul style="list-style-type: none">• Reduction of the Local 291-P bargaining unit on a progressive basis corresponding to the closing of lines 6, 8 and 9.• Reduction to occur as Ivax withdraws the business that sustains these lines.• Target bargaining unit following closure of these 3 lines approximately 46
Discontinuance of lines 8, 9:	<ul style="list-style-type: none">• Displacement to respect normal Collective Agreement provisions for "bumping" rules.
Severance Payments	<ul style="list-style-type: none">• All severance payments to be provided and determined by Ivax as per their written commitment.• Displaced employees to be severed in accordance with the terms of the current Collective Agreement.
Distribution of Pension Plan Assets:	<ul style="list-style-type: none">• BCT pension plan to be wound up and plan assets to be distributed to plan members in accordance with provincial and federal regulations.• Wind-up and distribution of assets to be undertaken as soon as possible following the completion of the acquisition.

Permanent Wage Cost Reduction:	<ul style="list-style-type: none"> • Permanent reduction in payroll costs for bargaining unit employees of 12.5% overall. • Reduction achieved through an across-the-board reduction in regular hourly labour rates in effect on the completion of the acquisition. • Reduction to take effect on the closing of the acquisition. • New labour rates reflecting the 12.5% reduction will be published in the new collective agreement.
Temporary Payroll Cost Reduction:	<ul style="list-style-type: none"> • An additional temporary reduction in regular payroll costs for bargaining unit employees of 10.0% overall. • The basis of achieving the temporary 10% reduction has been jointly determined by the Union and the Company and will consist of an increase in hours of work from 37.5 hours per week to 40 hours per week with no corresponding increase in pay, plus the elimination of all eligibility for lunch allowance payments, plus the reduction of one week of paid vacation entitlement per bargaining unit member. These vacation days will be scheduled as non-paid vacation entitlement. • The above temporary reductions are to be restored on the earlier of the achievement of a specified reasonable level of operating improvement for three consecutive months and sustained for six consecutive months retroactive to the 3 month level or the second anniversary of the acquisition. • Reasonable level of operating improvement is defined as that point in operations when revenue minus cash operating expenses reach break even.
Benefits:	<ul style="list-style-type: none"> • Health and Welfare Benefit Plan post acquisition to be the Draxis Plan (which is substantially the same as the BCI plan). * • Any enrollment periods to be waived.
Bonus Plan:	<ul style="list-style-type: none"> • Revised employee bonus plan to be developed as soon as possible after the closing of the acquisition. Bonus eligibility business targets to be developed.
Draxis Share Option Plan: **	<ul style="list-style-type: none"> • Each member of the bargaining unit to receive 1,500 Draxis options in accordance with the terms of the option plan.
Draxis Employee Share Purchase Plan: **	<ul style="list-style-type: none"> • Each member of the bargaining unit to be eligible to participate in the Draxis employee share purchase plan in accordance with the terms of the Employee Share Purchase Plan.

* 100% of benefit premiums to be paid by Draxis except for Long Term Disability Plan that will be 100% paid by the employee at the rate of \$0.808 per \$100.00 of benefit. Draxis benefit plan includes a provision for an EAP.

** Draxis Share Option Plan and Draxis Share Purchase Plan are stand alone programs and will not be negotiatble or become part of the Collective Agreement.

THE ATTACHED LETTER OF
UNDERSTANDING FORMS AN INTEGRAL
PART OF THIS COLLECTIVE AGREEMENT.

LETTER OF UNDERSTANDING - no 7

RE : AGREEMENT ON TEMPORARY MODIFICATIONS TO THE COLLECTIVE AGREEMENT

Between May 1st, 1998 and April 30, 2000, the collective agreement will be modified by the agreement described below :

The work week during this time period will consist of 40 hours per week according to the following schedule :

Work Schedule

Day Shift

Monday through Thursday	7 :30 a.m. to 12 :00 p.m. 12 :30p.m. to 4 :15 p.m.
Friday	7 :30 a.m. to 12 :00 p.m. 12 :30p.m. to 3: 00 p.m.

Afternoon Shift

Monday through Thursday	3 :45 p.m. to 5 : 30 p.m. 6 :00 p.m. to 12 :30 a.m.
Friday	2 :15 p.m. to 5 :30 p.m. 6 :00 p.m. to 9 :45 p.m.

Night Shift

Monday	12 :30 a.m. to 8 :00 a.m.
Tuesday through Friday	12 :00 a.m. to 8 :45 a.m.

Vacation Not Paid

Each employee must take one week of vacation entitlement as unpaid vacation. These five (5)

days can be taken in full or half days. The employee must give reasonable notice to the Company of his desire to take the time off, subject to prior approval from his Supervisor

Vacation for this purpose will be calculated on gross earnings for the previous vacation qualifying period, less two percent (2%).

THE ATTACHED LETTER OF
UNDERSTANDING FORMS AN INTEGRAL
PART OF THIS COLLECTIVE AGREEMENT.

SPECIAL AGREEMENTS NOT INCLUDED IN THE COLLECTIVE LABOUR AGREEMENT

DRAXIS PHARMA INC. SPECIAL AGREEMENTS NOT INCLUDED IN THE COLLECTIVE LABOUR AGREEMENT

The Company and the Union recognize the following as the sole special agreements outside the existing labour contract currently in effect:

1. Payment of Overtime

When a statutory holiday falls on a Monday, overtime done from Monday to Thursday of the previous week will be paid on Thursday of the holiday week. Overtime done from Friday to Sunday during the week prior to the holiday will be paid Thursday of the week following the holiday.

2. Hours of Work for the Cleaning Staff in S.P.D.

The following work schedule has been mutually agreed upon between the Company and the Union.

Mid-Afternoon Shift

Monday-Thursday	11:00 a.m. to 7:15 p.m.
Rest Periods	1:00 p.m. and 3:00 p.m.
Supper	5:45 p.m. to 6:15 p.m.
Friday	10:15 a.m. to 5:15 p.m.
Lunch	1:00 p.m. to 1:30 p.m.
Rest Period	3:00 p.m.

Midnight Shift

Monday	2:00 a.m. to 9:00 a.m.
Tuesday-Friday	0:45 a.m. to 9:00 a.m.

3. Friday Schedule

Employees punch **out** on Friday at 2:45 p.m. and are paid until 3:00 p.m. since they do not take their usual fifteen (15) minute break in the afternoon. Employees who work overtime take their break and are paid time-and-a-half starting at 3:00 p.m. If the employees are unable to take their break, Supervisors add fifteen (15) minutes of regular time to the time card.

The S.P.D. Daytime Cleaner punches his/her card Friday at 5:00 p.m. and is paid until 5:15 p.m. since he/she does not take the fifteen (15) minute break on Friday afternoon.

The afternoon shift cleaners punch out Friday at 8:30 p.m. and are paid until 9:00 p.m. since they do not take the two fifteen (15) minute rest periods.

4. Bridged Seniority Date

Any employment break necessitates an adjustment of the employee's date of seniority. In a memo dated January 19, 1989, the Company advised the

Union that the seniority of nineteen employees who had accumulated interrupted service periods was adjusted, with the condition that the initial hire date applies for purposes of vacation entitlement and service awards only.

The Company will continue to advise the Union in writing whenever it becomes necessary to adjust the seniority date of employees who have interrupted service periods. Furthermore, the Company is willing to apply the initial hire date for vacation purposes only, as long as the seniority has not been cancelled for these employment periods.

5. Trial of Cleaners in Operator/Checker Position

When Cleaners apply for the position of Operator/Checker, the candidate who has the most seniority during the first posting is selected and has a maximum of three months during which he/she must prove himself/herself. If he/she does not meet the position's requirements during this period, he/she will go back to Housekeeping. Otherwise, he/she will assume the position of Operator/Checker for as long as the employment period lasts. If the first candidate does not meet the productivity requirements, the second candidate with the most seniority will be given the opportunity, and so on, until everyone has had the chance to try the job.

During the second posting, candidates who have met the requirements during the one-inonth trial period will be selected first and, this time will benefit from a three-month maximum trial period. The candidates who did not have the opportunity to have a one-month trial period will be selected according to the above-mentioncd procedure.

6. Recall the Work When There is More Than One Vacant Position

If two or more positions are vacant at the same time, the recalled employees may choose one or the other vacant position according to their seniority, as long as they can do the work required by the position.

7. Short-Term Wage Compensation Plan-Payment of Non-Payable Days

13a7 If the Payroll Department is given notice before 10:00 a.m. Monday that an employee has a doctor's certificate attesting to his/her total incapacity to work, the unpaid day(s) will be paid to him/her immediately so that he/she may receive payments from the Wage Compensation Plan for each day of absence.

8. **Short-Term Wage Compensation Plan-Paid Holiday**

If an employee is completely incapacitated on a day which coincides with a paid holiday, that paid holiday is considered as a non-paid day and thus reduce or eliminate the number of days of absence without pay.

9. **Long-Term Incapacity Plan**

Employees do not have to claim sick leave compensation from the Unemployment Insurance Board when they meet the eligibility requirements of the Long-Term Incapacity Plan.

10. **Work Accidents**

If a work-related injury prevents an employee from working, the Company pays the equivalent of the employee's regular salary for the entire incapacity period and obtains a partial reimbursement of sums paid to the employee (90%) of the employee's net salary from CSST.

11. **Uniforms**

In order to reduce the amount of space taken in the lockers, uniforms are distributed twice a week to employees who give more than three uniforms to the laundry service.

12. **Employee Lockers**

The Company may check the contents of an employee's locker in the presence of said employee or his/her union representative if the employee is absent.

13. **Stationary Engineman Permit**

The Company is prepared to reimburse the annual renewal cost of the Stationary Engineman's permit to all employees who will have worked as a Stationary Engineman for the Company within a civil year.

14. **Plant Conference Room**

The Plant Conference Room is reserved for Union meetings one hour before the beginning of the day shift, and from 12:00 p.m. to 12:45 p.m., Monday to Friday. Moreover, the Union may request the Human Resources Secretary to reserve the Plant Conference Room on the very day it needs it for a one-hour period after the end of the day shift, from Monday to Friday; the reservation will be confirmed if the Conference Room is available. The Company provides office space and filing cabinets to the Union.

15. Printing of Labour Agreement

The Company is responsible for printing, at its own expense, the present Collective Labour Agreement and for providing the Union with a sufficient number of copies for actual and future employees.

SIGNÉE à KIRKLAND, QUÉBEC, ce ___ième jour de mai 1998.
SIGNED at KIRKLAND, QUEBEC, this ___ day of May 1998.

POUR LA COMPAGNIE
FOR THE COMPANY

POUR LE SYNDICAT
FOR THE UNION

DRAXIS PHARMA INC.


UNION
INTERNATIONALE DES
TRAVAILLEURS ET
TRAVAILLEUSES UNIS
DE L'ALIMENTATION ET
DU COMMERCE -
SECTION LOCALE
291P (FAT - COI) (CTC, FTO)

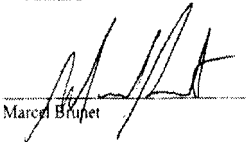
UNITED FOOD AND
COMMERCIAL WORKERS
INTERNATIONAL UNION
LOCAL 291-P (AFL-CIO) (CLC, OFL)



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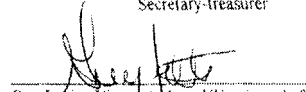

Sylvain Joly - President
President


hie Simard


André Laberge - Vice-president
Vice-president


Marcel Brûnet


Ronald Lanthier - Secrétaire-trésorier
Secretary-treasurer


Guy Jette - Vice-président délégué en chef
Vice-president chief steward


Jack Carter


Huguette Lamondon
Consultante en Relations Industrielles
Industrial Relation Consultant

May 4, 1998

Draxis Pharma Inc.
16751 Trans Canada Road
Kirkland, Québec
H9H 4J4

Madame Huguette Plamondon
Industrial Relations Consultant
Canadian Region
United Food and Commercial Workers International Union
3750 Crémazie Blvd. East,
Local 201,
Montréal, Québec
H2A 1B6

Dear Mrs. Plainondon:

By this letter, we wish to confirm our agreement concerning provisions not included in the Collective Labour Agreement, that is:

Meal Allowance

\$8.50 for the duration of the Collective Agreement.

Safety Classes

As of the effective date of the Collective Labour Agreement, reimbursement to a maximum amount of \$125.00 per 24 months for the purchase of safety glasses for the employee. The logo indicating that the glasses in question conform to safety standards must be visible on the lenses, and the frames must meet Z84/Z87 or equivalent standard. In the event that the glasses or the frames are damaged before the end of the 24 month period, the employee may request from the management authorization to replace them, and obtain reimbursement to a maximum amount of \$125.00 upon presentation of the damaged article.

Sick Days 13 a b

Payment of the first and second days of absence if the inability to carry out the regular functions due to sickness or non-employment injury is confirmed by a physician.

If the disability occurs at work, the employee will be paid for the first day of absence if the Company's physician or nurse, or the Supervisor confirms it in their absence. The employee will be paid for the second day of absence if the employee's physician confirms the inability.

Fortuitous and Temporary Interruption of Operations

Practice, in case of fortuitous and temporary interruption of operations due to external factors beyond the Company's control, such as power, water or heating shortage, is as follows: when Management authorizes employees to leave the workplace before the end of the regular working day, the non-worked hours needed to complete the daily working schedule are paid, provided that employees report to work on the next scheduled workday.

Trusting the above meets with your approval.

Yours sincerely,

Luc Simard
Plant Manager