

COLLECTIVE LABOUR AGREEMENT

BETWEEN

COLLINS & AIKMAN CANADA INC.

(hereinafter called the “Company”)

AND

UNITED STEELWORKERS OF AMERICA

**on behalf of its
LOCAL UNION 67**

(hereinafter called the “Union”)

13/1901

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**COLLECTIVE LABOUR AGREEMENT
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This Agreement has been made and entered into this **12th** day of **April, 2002**, effective **April 15, 2002**, by and between Collins & Aikman Canada Inc., Kitchener, Ontario, (“The Company”) and Local 67 of the United Steelworkers of America (“The Union”).

ARTICLE 1 PURPOSE/RECOGNITION

PURPOSE

1.00

- a) The purpose of this Agreement and the mutual desire of the parties is to promote and maintain cooperation and harmony, to provide for an orderly collective bargaining procedure and an amicable and prompt method of settling any differences which may arise between the Company and the Union.
- b) The Company and the Union mutually agree that neither party will discriminate against any employee because of race, religion, colour, age, sex, marital status, disability or any other prohibited ground of discrimination as contained in the Ontario Human Rights Code, nor shall there be any discrimination, coercion or intimidation as a result of an employee's Union activities or membership.
- c) It **is** understood that wherever the pronoun “he” **is** used it shall be construed as meaning male or female.

RECOGNITION

1:01 The Company recognizes the Union as the sole Collective Bargaining Agency for all hourly paid production and maintenance employees

below the rank of full time Shift Manager except Laboratory Technicians, Quality Assurance Technologists, Draftsmen, Full Time Department Clerks, and Guards who are sworn in as special constables.

1:02 The Company agrees to negotiate with the accredited representatives of the Union on all matters pertaining to hours of work, rates of **pay** and general working conditions for the employees covered by this Agreement.

1:03 Persons who are excluded from the bargaining unit shall not perform work which replaces production or maintenance employees on their regular jobs and overtime, except in the event of an emergency, or for the purpose of training, taking inventory, experimental work.

ARTICLE II DEDUCTION OF UNION DUES

2:01 Any employee covered by this Agreement who **is** a member of the Union in good standing on the effective date of this Agreement shall, as a condition of employment, maintain membership dues.

2:02 Any person hired as a new employee or any employee transferred into the bargaining unit on or after the effective date of this Agreement shall sign an application for membership in Local Union No. 67 U.S.W.A. and **an** authorization for the deduction of dues and shall, as a condition of employment, maintain membership in the Union to the extent of paying membership dues.

2:03 Any employee who **is** in the bargaining unit and who **is** not a member of the Union shall become a member of the Union not later than fifteen (15) days after the effective date of this

Agreement and shall, as a condition of employment, **maintain his membership in the Union** to the extent of paying membership dues. An employee who is on lay off, on leave of absence, or absent due to injury or illness shall comply with the requirement of this Section not later than fifteen (15) days following his return to work.

2:04 Section 2:01, 2:02 and 2:03 shall not apply to an employee who is denied membership in the Union or whose membership therein has been terminated for reasons other than his failure to tender the amount of monthly membership dues, as determined by Local Union No. 67 in accordance with the Constitution of the U.S.W.A., and which are uniformly required of all members as a condition of acquiring or retaining membership therein.

2:05

- (a) In the event any employee fails to become a member of the Union as provided in Section 2:02 or 2:03 above, the Union shall give written notice to the Company and to the employee of such failure. Such employee shall not be retained on a job in the bargaining unit unless he has, within fifteen (15) days after receipt of such notice, presented evidence that he has become a member of the Union, or that he was denied membership **for** reasons other than his failure to tender the monthly membership dues in such amount as may be fixed by the local Union in accordance with the procedure prescribed by the U.S.W.A. Constitution.
- (b) Any employee who has become a member of the Union and who thereafter fails to maintain his membership in the Union to the extent of

paying membership dues shall not be retained in a job in the bargaining unit. provided that the Union shall have given written notice to the Company and to such employee of such failure and such employee shall have failed to comply with the provisions of this Article within thirty (30)days after the receipt of such notice.

2:06 All present employees, new employees and employees transferred into the bargaining unit on or after the effective date of this Agreement shall have their membership dues deducted from their wages by signing the authorization for deduction form. The authorization form for deduction of dues which has been signed by present employees in the bargaining unit under the provisions of all previous Collective Agreements between the parties shall be authorization for the Company to deduct membership dues in accordance with the provisions of this Agreement.

2:07 The authorization forms for deduction of dues which have been, or which may be, executed shall be irrevocable for the duration of this Collective Agreement and any extension or renewal thereof, and if the termination of this Agreement and any extension or renewal thereof is followed by the execution of a new Agreement. these authorizations shall be deemed to be automatically renewed for the duration of such new Agreement. Any authorization shall cease to be effective upon termination of employment or upon transfer to an occupation outside the bargaining unit.

2:08

(a)The Company shall deduct from the pay of each member of the bargaining unit, weekly,

such Union dues, fees and assessments in accordance with the Constitution of the Union.

- (b) The Company shall remit the amounts so deducted, prior to the fifteenth (15th) of the month following, by cheque as directed by the Union, payable to the International Secretary-Treasurer.
- (c) The monthly remittance shall be accompanied by a statement showing the name of each employee from whose pay deductions have been made and the total amount deducted for the month. Such statements shall list the names of employees from whom no deductions have been made and the reasons why, along with any forms required by the International Union.

2:09 It is the responsibility of the Union to notify the Company from time to time of changes in the amount of Union dues, not later than the twenty-fifth (25th) of any calendar month. Changes so notified shall be effective on the first payday of the following month.

2:10 The authorization referred to in Section 2:06 above, shall be completed in triplicate on Union forms supplied by the Company. The original shall be retained by the Company and one copy retained by the employee and the other by the Union.

2:11 The Union shall indemnify and save the Company harmless from any claims, suits, judgments, attachments and from any other form of liability as a result of the Company making any deductions in accordance with the foregoing authorizations and assignments, and the Union will make refunds directly to all employees from whom a wrongful deduction was made.

ARTICLE III NEGOTIATING PROCEDURE

UNION REPRESENTATION

3:01 A Plant Negotiating Committee not to exceed five (5) Union members who are regular employees of the Company and who have at least **two (2) years** of seniority shall be selected by the Union. The Company shall be informed by the Union of the personnel of this Committee.

3:02 The Union shall keep the Company informed of those members in all departments who are authorized to represent the Union in dealing with the Company.

3:03 The Company agrees to pay for meetings with the Union for the purposes outlined below. Such payment shall be made at the regular hourly rate of the employee attending the meeting.

- (a) The Company will pay for grievance meetings attended by two (2) ~~or~~ more members designated by the Union in connection with the processing of formal grievances at Step 1, Step 2 and Step 3 of the grievance procedure.
- (b) The Company will pay the Plant Negotiating Committee as defined ~~in~~ Section 3:01 above, for all time spent at any meeting called by the Company.
- (c) The Company will pay the Plant Negotiating Committee eight (8) hours for every meeting during negotiation sessions for the renewal of the Collective Agreement between the Company and the Union at which an Officer of the Ministry of Labour is not in attendance. Such time will be paid for at the straight time regular hourly rate to a maximum of eight (8) hours per day, per Committee member.

(d) A Labour - Management Committee consisting of **the Plant Negotiating Committee and an** equal number of Management representatives shall meet once per month for no longer than two and one-half (2 1/2) hours. The Labour Management Committee shall jointly discuss items of mutual interest and concern relating to working conditions, job security, health and safety, training, scheduling, productivity, staffing and quality issues. Planned changes and/or the introduction of new technology **will** be communicated as a regular order of business at these joint meetings, before implementation, and the impact of such changes and/or technology jointly discussed in order to reduce or eliminate any anticipated difficulties.

3:04 The Company will pay the Local Union President, or in his absence from work, the Local Union Acting President for the hours spent in the conduct of legitimate local Union matters concerning the administration of the Collective Labour Agreement. Such payment in total will not exceed twenty-four **(24)** hours in any one week. Payment **will** be made at the level of the highest skilled trades job in the plant, plus any applicable interim increase whether boxed or unboxed, or his regular hourly rate, whichever **is** the higher. In addition to the above, the Union President, or Acting President, shall also be eligible for payment at this rate as provided in Section 3:03 and 3:06 above, including payment for grievance meetings held after his regular shift.

3:05 The Local Union President will retain seniority on his job during the term of his office. **For the purpose of his union duties, the Union President hours shall be maintained on second shift (7:00 am to 3:00 pm).**

3:06

- (a) The Union will receive **1800** hours of Paid Union Time for **2002 and 1200** hours for each full year, commencing **January 1, 2003** and pro-rated for any partial years thereafter. These payments are exclusive of payments otherwise provided under the terms of the Collective Agreement. It is understood that Paid Union Time will be used by the Union Representatives to compensate for time lost from their regular hours while engaged in Union business activities.
- (b) Plant Negotiating Committee members and stewards shall first obtain the permission of the Immediate Supervisor or the Plant Manager before leaving their workstations. A Plant Committee member will contact the appropriate Management representative before conducting Union business in a department other than his own. Permission will not be unreasonably withheld.
- (c) It is understood that payment will be made as reported on the time sheet at the rate of pay for the employee concerned. The Company and the Union will jointly bear the responsibility for maintaining accurate records of hours paid by the Company. Any time required for local Union business activities by the designated Union Representatives in excess of the hours allotted above will be the responsibility of the Union.

NEGOTIATING AND GRIEVANCE PROCEDURE

3:07 The following procedure shall be followed in negotiations for the settlement of complaints or grievances on the part of the employees.

Any employee who has a complaint relating to the interpretation, application, administration or alleged violation of this agreement shall first, with or without Union Representation, discuss the matter with his immediate supervisor in order to resolve his complaint. Such a complaint must be brought to the attention of the Supervisor within thirty (30) calendar days of the date upon which the affected party has become aware of the situation giving rise to the matter in dispute.

- (a) Step 1 - Failing resolution of the complaint, an employee shall next, with his steward, who may call in the Chief Steward, discuss the matter with the Shift Manager or Senior Shift Manager in order to reach a settlement: any negotiations started with the steward may be continued with him. The Shift Manager or Senior Shift Manager shall communicate his decision no later than five (5) normal working days of the date of notification.
- (b) Step 2 - Failing settlement through the Shift Manager or Senior Shift Manager, the complaint shall be referred in writing by the Chief Steward to the Plant Superintendent. The Plant Superintendent and the Senior Shift Manager or a designated appointee shall meet with the Chief Steward and any applicable Union Representatives within five (5) normal working days of receipt of the written grievance. A decision at this Step must be reached within five (5) normal working days **of this meeting**, unless time **is** extended for further investigation by mutual consent. A copy of the grievance shall be sent to the Human Resources Department on the day the grievance is lodged with the Plant Superintendent.

- (c) Step 3 - Failing settlement through the Plant Superintendent, the Plant Negotiating Committee shall submit the written statement of the grievance to the Plant Manager and a meeting shall be held with the Negotiating Committee, the Plant Manager, Human Resources Manager or a designated appointee at a time mutually agreed upon within five (5) normal working days from receipt of the written statement of the grievance. A written decision at this Step must be reached within five (5) normal working days after the conclusion of the meeting, It is understood that an International Representative of the U.S.W.A. may participate at this Step. It is agreed and understood that the time limits set out in Step 1, Step 2 and Step 3 may be extended by mutual agreement in writing and signed by both parties. It is also agreed that if it is proven that the Company did not respect the time limits set out in Step 2 or Step 3 for the said grievance, the grievance will be settled in favour of the Union.

ARBITRATION

- (d) Step 4 - Any Grievance which has not been settled after being properly carried through all previous steps of the Grievance Procedure may be referred to Arbitration by the written notification of either party, provided such notification is made within thirty-five (35) calendar days of receipt of the Step 3 response.

An impartial Arbitrator shall be selected by the parties or if such parties fail to agree upon the selection of an Arbitrator within ten (10) working days of notification of appeal to Arbitration, then the Minister of Labour for the Province of Ontario shall designate the Arbitrator.

3:08 The jurisdiction of the Arbitrator shall be limited to the matter in dispute and he shall not have jurisdiction to change, modify or disregard any provision of this Agreement, nor substitute any new provision in lieu thereof, nor to give any decision inconsistent with this Agreement. The Arbitrator shall not have authority to decide a question involving a general wage level demand.

3:09 All decisions of the Arbitrator arrived at in accordance with the provisions of this Agreement shall be final and binding upon all parties concerned.

3:10 Upon mutual agreement in writing between the Company and the Union, a Board of Arbitration may be substituted for a single Arbitrator and all provisions of this Article will continue to apply so far as they are relevant. Such Board shall be composed of one person appointed by the Company, one person appointed by the Union, both of whom shall choose and agree to a third person to act as a Chairperson, but in the event that the respective nominees fail to choose a third person within ten (10) normal working days, the Ontario Minister of Labour shall be asked to appoint the Chairperson.

3.11 On a question pertaining to "Time Standards" a representative of a reputable Industrial Engineering firm shall be retained as Chairman and whomever is so selected shall be required to make or have made a thorough time study of the standard disputed and to report to the Board the information obtained from his study. No additional person shall be employed by the Chairman to make studies without the consent of the Board members representing both parties. Both members of the Board may make, or have made, such time studies as they may require for submission to the Board.

3:12 Each of the parties hereto shall jointly and equally bear the expenses of the Arbitrator. In the case of a Board of Arbitration, each party shall bear the expense of the Arbitrator appointed by it and the parties shall jointly and equally bear the expense of the Chairperson.

3:13 Nothing contained in this Article shall prohibit an employee from presenting a personal complaint directly to Management.

3:14 Both parties to this Agreement undertake to abide by the Labour Relations Act of the Province of Ontario to the effect that no employer who is a party to a Collective Agreement shall declare or cause a lock-out and no employee, bound thereby, shall go on strike during the term of this Agreement. There shall be no slow-down or stoppage of work causing interference with production during the term of this Agreement.

In the event of any strike, slow-down, sit-down, or concerted stoppage of work, either partial or complete, the Union shall, at the request of the Company, forthwith inform the Company as to whether or not the same was authorized by the Union.

3:15 A claim by an employee, other than a probationary employee, that he has been unjustly discharged or suspended from his employment shall be treated as a grievance, if a written statement of such grievance is lodged with the Plant Manager within five (5) normal working days after the employee has been discharged or suspended. All preliminary Steps of the grievance procedure prior to Step 3 will be omitted. Such discharge or suspension grievance may be settled by confirming the Company's decision in dismissing or suspending the employee, or by reinstating the employee with full compensation for time lost, or

by any other arrangement, which is just and equitable in the opinion of the Arbitrator.

3:16

- (a) **An** employee who claims that he has been laid off inconsistent with his seniority rights may protest in writing to the Human Resources Manager within five (5) working days of such alleged violation of seniority rights. If the employee's claim is upheld he will be placed on the job to which his seniority entitles him, and receive a pay adjustment as set out in Section 3:16 (c).
- (b) If such written protest is made more than five (5) normal working days after such alleged violation of seniority rights and his claim is upheld, he will be placed on the job to which his seniority entitles him, but any pay adjustment will only be made from the date on which such protest was made as set out in Section 3:16 (c).
- (c) Any pay adjustment will be the difference between any earnings or remuneration the employee has received during the period for which adjustment is made and the earnings he would have received had he been properly placed.

3:17

- (a) The Company agrees that no employee who has successfully completed the probationary period will be disciplined or discharged without just cause. It is understood that a representative of the Union will be present at any disciplinary proceeding. Failure of the Union to provide a representative on the affective shift will not invalidate the disciplinary measure.

- (b) When an employee is suspended or dismissed without notice, he shall have the right to discuss the matter with his Steward for a reasonable period of time before being required to leave the plant premises.
- (c) Where an employee is disciplined causing a reprimand to be documented and placed on the employee's file, such document shall be retained on the employee's active disciplinary record for a period of one (1) year following the date of the reprimand.
- (d) Should no further disciplinary action become necessary during the one (1) year period, the document shall no longer be considered a part of the employee's active disciplinary record.
- (e) Any further disciplinary action taken during the one (1) year period shall cause all active reprimands to be retained as part of the employee's active disciplinary record until the expiration of the one (1) year period applicable to the most recent reprimand.
- (f) In the event that the employee is on leave of absence, Weekly Indemnity, or lay off for a period of thirty-one (31) or more consecutive calendar days, such one (1) year period shall be extended by the number of calendar days the employee is on leave, Weekly Indemnity or lay off.

**ARTICLE IV
HOURS OF WORK AND OVERTIME
RATES OF PAY**

4:01 The normal working hours for all employees in the bargaining unit shall consist of eight (8) hours per day and forty (40) hours per week,

Monday to Friday inclusive. The hours of work **listed below do not constitute a guaranteed** minimum or maximum of hours in a day or week.

1st Shift - 11:00 PM to 7:00 **AM**

2nd Shift • 7:00 AM to 3:00 PM

3rd Shift - 3:00 PM to 11:00 PM

- (a) The normal starting shift of each week shall be at 11:00 PM Sunday night. The last normal working shift will finish at 11:00 PM Friday night.
- (b) It **is** understood that the hours of work per day and week on certain operations may be flexible to meet operating requirements, but any decision regarding changes in hours will be discussed with the Plant Negotiating Committee and if a conclusion **is** not reached, the subject matter can be negotiated and forty-eight (48) hours notification given to the employees concerned. The Company will supply the Union with the current list of hours of work.
- (c) Employees will not be unreasonably retained or moved onto a shift out of their normal rotation.

4:02 All hours worked in excess of normal hours as defined in Section 4:01 of this Article shall be considered as overtime. Overtime at the rate of one and one-half times ($1\frac{1}{2}X$) the regular rates of pay will be paid as follows:

- (a) For all hours worked in excess **of** eight (8) hours in any twenty-four (24) hour period.
- (b) For all hours worked from 11:00 PM Friday to 11:00 PM Saturday and at this rate only.

- (c) Payment for **all** hours worked from 11:00 PM Saturday to 11:00 PM Sunday shall be at double the regular rate of pay and at this rate only.
- (d) An employee called in at the Company's request for work not continuous with his scheduled shift, will be paid for a minimum of four **(4)** hours at one and one-half times (~~1^{1/2}X~~) his regular rate of pay or at one and one-half times (~~1^{1/2}X~~) his regular rate of pay for the hours worked, whichever is greater. If the *call-in* is during the hours when overtime is payable at the double time rate under Section 4:02 (c), then payment for the four **(4)** hours minimum or for hours worked, as stipulated above, will be at the double time rate.

The minimums will not apply when such unscheduled work forms a continuous period with the employee's regularly scheduled working hours and commences within one and one-half (~~1^{1/2}~~) hours of **his** regularly scheduled working hours.

- (e) **An** employee reporting for work on his regular shift, if sent home before the close of his regular shift, and required to report back for work within the twenty-four **(24)** hours period, shall be paid time and one-half (~~1^{1/2}X~~) for **all** hours worked on call back prior to the start of his next regular shift.
- (f) No overtime will be paid in the following cases:
 - (i) Under conditions applying to the regular shift changes.
 - (ii) Changes of hours at the request of the employees.
 - (iii) For the time spent by members of the Plant Negotiating Committee in meetings

paid for by the Company. However, the **time lost by a member of the Plant** Negotiating Committee from his regular scheduled hours, due to conducting legitimate Local Union matters pertaining to the administration of the Collective Labour Agreement or Supplementary Agreements, shall be considered as part of **his** normal shift hours in determining overtime on his regular shift.

(g) Overtime will not be paid twice for the same hours worked.

4:03 It **is** understood by the Union and employees that the right to schedule hours of work **is** a management function and that it **is** an obligation of each employee to work the hours scheduled within the provisions of “The Employment Standards Act.”

SHIFT PREMIUMS

4:04 A night shift premium will be paid for each hour of work for the shifts commencing in accordance with the schedule as described below:

If the hours worked during any one day extend over more than one shift, the premium paid shall be that which **is** applicable to the shift during which the greater number of hours are worked. Should the condition exist wherein such hours are equally divided between two (2) shifts, the higher premium will apply to all hours worked that day.

If an employee should work four (**4**) hours over on a shift where a higher premium **is** applicable, the higher premium will apply to those overtime hours.

SHIFT	AMOUNT
Afternoons - 3:00 PM to 11:00 PM	\$0.55
Nights - 11:00 PM to 7:00 AM	\$0.60
Effective April 15, 2003	
Afternoons - 3:00 PM to 11:00 PM	\$0.60
Nights -11:00 PM to 7:00 AM	\$0.65
Effective April 15, 2004	
Afternoons - 3:00 PM to 11:00 PM	\$0.65
Nights - 11:00 PM to 7:00 AM	\$0.70

4:05 The Company will permit one fifteen (15) minute rest period per eight (8)hour shift. The Company will permit one fifteen (15)minute rest period where shifts are three (**3**) hours or more, but less than five (5)hours.

The Company will permit one (1)twenty (20) minute lunch period for all employees who work more than five (5)hours.

ARTICLE V DESIGNATED HOLIDAYS

5:01 The following thirteen (13)holidays, if not worked, namely: New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Remembrance Day, December **24**, Christmas Day, Boxing Day and two (2) floating holidays, the dates of which are to be mutually agreed upon by April 1st of the year in which the designated holiday occurs, will be **paid** for at the regular rates for the normal shift hours during such holiday period at average hourly earnings. Such payment shall, however, be

made only if the employee completes his regular scheduled shifts immediately preceding **and** immediately following any such specified holiday, **with** the following exceptions:

- (a) In the case of absence before and/or after a designated Holiday caused through bereavement in the immediate family as defined in Article 6:09(a).
- (b) In the case of one (1) Union official who **is** designated to attend the funeral of a fellow employee on the day preceding or subsequent to a designated holiday.
- (c) In the case of an employee who **is** acting as a pallbearer on the day preceding or subsequent to a designated holiday.
- (d) In the case of an employee who **is** injured on the job and **is** unable to continue working and **is** not eligible for a Workplace Safety and Insurance Board claim.
- (e) In the case of an employee who **is** absent on either the day before or the day subsequent to a designated holiday because of personal illness or injury. Such illness or injury to be verified by a doctor's certificate or advice immediately after commencement of the shift to the Shift Manager, guard's office, First Aid or Human Resources Department. The Company reserves the right to verify such report through the nurse's personal visit to the ill or injured employee or by other means.
- (f) In the case of a Union official who, in the performance of his Union duties **is** required to be absent from work and is therefore unable to complete his regular scheduled shift before or after a designated holiday. In such case he shall obtain permission, in advance, from his Production Manager for such absence.

- (g) In the case of an employee who **is** absent on the day previous or subsequent to a designated holiday by reason of answering a call for, or serving **as** a Juror or subpoenaed Witness.
- (h) **An** employee who would otherwise qualify for a designated holiday, except for having been laid off within five (5) normal working days prior to such holiday shall receive payment for such holiday.
- (i) In case of an employee who **is** absent on either the day before or the day subsequent to a designated holiday due to an act of God.

5:02 If any such designated holiday falls on Saturday or Sunday it shall be observed on Monday. If two (2) successive designated holidays fall on a Friday, Saturday, Sunday or Monday, they will be observed on Friday and Monday.

5:03 If the designated holidays as specified above are worked, then payment shall be made at the rate of two (2) times, plus holiday pay and at this rate only. If the hours worked do not constitute a normal shift, straight time will be paid for the balance of such normal shift, but in any event, payment shall be made for not less than four (4) hours work at two (2) times, plus holiday pay.

5:04 If one of the designated holidays specified above falls within the vacation period of an employee otherwise eligible for such holiday pay, he shall be paid for such holiday. If the employee *so* requests, he will be granted an additional day off work, without pay, at a time mutually agreeable between the employee and the Company if arranged prior to the scheduled vacation period. This Section shall not apply to the December 24th. Christmas Day, Boxing Day and New Year's

Day designated holidays, or the floater holiday **should it** be observed on or **about the** Christmas/New Year's period.

5:05 For purposes of this Agreement, the time constituting a designated holiday period shall be considered as starting at 11:00 PM on the day preceding such holiday and ending at 11:00 PM on the day of such holiday.

ARTICLE VI WAGES AND SPECIAL CONDITIONS

6:01 When work is available on an employee's regular job and he is requested to do other work, he will be paid at the rate earned on the temporary job or his regular hourly rate or Utility Operator rate, whichever is higher, for the hours worked. Assignment for production work will be made from available utility operators. In the event insufficient utility operators are available, the assignment will then **be** made to the least senior qualified and available employee within the classification required at utility rate or regular hourly rate, whichever **is** higher for the hours worked. **This** will include the first assignment only and will not include any subsequent assignments.

6:02 When an employee **is** transferred from his regular job to another job because of lack of work, or at his own request or because he no longer has the qualifications for his regular job, he shall be paid the regular hourly rate of the Job to which he is transferred.

6:03

(a) When due to stock or operating conditions, an employee is requested by the Company to

remain on the premises, a full-time allowance will be made for all delays amounting to **six (6)** minutes or over. However, such employee may be required to accept work which he is able and equipped to perform other than his regular assignment during such periods and shall then be paid at the rate earned for the temporary operation or his regular hourly rate, whichever **is** higher.

- (b) In case of machinery or power breakdown or other causes beyond the Company's control causing an interruption in production. the employee shall be paid at his regular hourly rate for all delays amounting to **six (6)** minutes or over during the period he is required to remain on the premises. If the employee is required to accept work which he is able and equipped to perform other than his regular assignment during such period, the method of payment shall be set forth in section **6:03** (a).

6:04 An employee reporting for work who has not been notified not to report, and who **is** not provided with alternative work, or an employee who has been notified to report for work and is not provided with alternative work, shall be paid a minimum of four **(4)** hours, at his regular hourly rate but this is not to apply in cases of machinery or power breakdown or other causes beyond the Company's control.

6:05 No payment shall be made under Section **6:03** and **6:04** above for lost time as the result of a stoppage of work by or through the Union or its members.

6:06

- (a) For the purpose of payment of average hourly earned rate under Section **5:01**, the employee's average hourly earned rate shall be calcu-

lated by dividing the straight time earnings, **exclusive of all premiums or overtime, by the** straight time hours worked in the last week in which the employee has worked at least twenty-four (24) straight time hours.

- (b) For the purpose of payment of regular hourly rate, the employee's regular hourly rate shall be the rate of his classification as shown in Appendix "B" plus any applicable interim increase whether boxed or unboxed.

6:07 Experimental work and the taking of inventory shall be paid at the regular hourly rate of the employee so engaged.

6:08 An employee injured at work shall be paid at the regular hourly rate for necessary time lost from his regular hours of work for treatment in the factory first aid centre. An employee injured at work and referred by the Company for out of plant treatment or examination by a physician or a hospital shall be paid at the regular hourly rate for necessary time lost from his regular shift for the first authorized treatment.

BEREAVEMENT

6:09

- (a) In the event of bereavement in the employee's family which shall include father, mother, spouse, sister, brother, son, daughter, father-in-law, mother-in-law, daughter-in-law, son-in-law, brother-in-law, sister-in-law, spouse's sister-in-law, spouse's brother-in-law, grandparent, spouse's grandparent, grandchild, or dependent as defined under Article 1:01 of the Life Insurance and Welfare Benefit Plan at the time of death, the employee will be granted permission to be absent and will be paid for the time lost on regular hours for three (3)

consecutive days. surrounding the date of the funeral or memorial service. Saturdays, Sundays, vacations and Holidays will be discounted in determining three (3) consecutive days.

- (b) For the purposes of this Section, a half-brother or half-sister ~~shall~~ be considered as brother or sister, a stepparent or foster parent shall be considered as parent, a stepson or stepdaughter or foster son or foster daughter shall be considered as a son or daughter.
- (c) It is understood that “in-law” relationships will be broken by divorce but not death of the blood relative who established the “in-law” relationship, unless and until the in-law relative or employee remarries.
- (d) When the Company is notified, during an employee’s vacation or Holiday, that a death has occurred in the employee’s family, the vacation or Holiday **will** be extended by the length of bereavement taken, that **is**, up to three days, and the employee will receive Bereavement Pay for those days, provided they are regular work days, in accordance with 6:09(a) and 6:09(f).
- (e) For purposes of this Section, common-law relationships shall be included provided that the name of the common-law spouse and the commencement date of the cohabitation have been made known in writing at least six (6) months prior to the death.
- (f) It will be the responsibility of the employee to make claim for payment through the Human Resources Department to provide evidence satisfactory to the Company to support his claim. Payment for such lost time will be at

the employee's regular hourly rate on a **straight time basis**, exclusive of all **types of** bonuses and premiums.

JURY DUTY

6:10 When an employee **is** required to serve on a jury, or **is** a subpoenaed Witness, or **is** required to report for jury duty and **is** subsequently not required to serve, which prevents him from performing his regular work with the Company, he shall be paid a make-up for time lost representing the difference between any fees received from the court and his regular hourly rate, exclusive of any premiums for the period of such service.

Should an employee receive a call for jury duty or is a subpoenaed Witness, which may interfere with a previously scheduled vacation period, he shall immediately inform the Company in writing of such call for jury duty or as a subpoenaed Witness and of his desire to have his vacation period rescheduled and the Company upon receipt of such written request will reschedule his vacation period. It **is** understood that subpoenaed witness under this section refers to proceedings in a court of law.

6:11

(a) Employees will be paid on a weekly basis and **direct deposit records** will be distributed as follows:

- 1) **11:00 PM - 7:00 AM** Shift - on the fourth normal shift of each regular workweek.
- 2) **7:00 AM - 3:00 PM** Shift - on the fourth normal shift of each regular workweek.
- 3) **3:00 PM - 11:00 PM** Shift - on the third normal shift of each regular workweek.
- 4) When a designated Holiday as defined in Section **5:01** **is** celebrated on Thursday or Friday - one (1) day earlier.

- (b) The Company agrees to provide the Union with the current Wage Schedule and Job Classifications, which form part of the Collective Labour Agreement.

TIME STANDARDS

6:12 The determination of time standards is a management function and all new standards shall be given a reasonable trial by employees affected. A trial of two (2) weeks shall be considered **as** reasonable. New standards and changes of time standards shall be explained by the Shift Manager or Senior Shift Manager with an Industrial Engineer to the operators concerned, and the departmental representatives. Data used in the determination of standards shall be available for reference. The new or changed standards shall be posted in the department and shall become effective the first shift twenty-four (24) hours after posting except where standards are revised **as** a result of change in specification but no change in method, or where elements are eliminated from an established standard, in which case the revised standard shall become effective at the start of the first shift after posting.

6:13 There shall be no reduction in time standards, without a corresponding change in method, operation, layout, or product specification, or unless mutually agreed to.

6:14 Any disputed standard shall be negotiated through the procedure established in Article III. If any adjustment is made as a result of negotiations, any retroactive payment adjustment will be made for a period of three (3) weeks prior to the filing of a grievance or to the date of the setting of the Standard, whichever date shall be the later. It is further agreed that, where there is a standard

in dispute, the Union may, at the third step of the **grievance procedure, with the approval of the Company**, use the services of a U.S.W.A. Time Study Engineer who may observe and/or study the job in dispute.

6:15 No assistance ~~shall~~ be given to an employee while such employee is being studied for the purpose of setting time standards, nor shall a study be taken of a supervisor for this purpose.

6.16

- (a) When an operation covered by time standards becomes subject to a change in method, operation, layout or product specification including the introduction of new models of an existing product and therefore goes off-standard, employees will be paid their regular hourly rate for hours worked on such off-standard operation, subject to (b) and (c) below.
- (b) An estimated temporary standard may be issued as soon as possible: and employees will then be paid according to the efficiency earned on such estimated temporary standard.
- (c) Within thirty (30) production days from the date of issue of an estimated temporary standard, but excluding any shut-down periods affecting the operation, a regular time standard will be issued.

ARTICLE VII SENIORITY

7:01 Seniority is preference or priority by length of service with definite rights qualifying employees for employment when work is available, the purpose of which is to provide a declared policy of work security measured by length of service.

PROBATION PERIOD

7:02

- (a) **An** employee will be considered a probationary employee and shall have no seniority rights until he has completed sixty (60) regular worked days or four hundred and eighty (480) regular worked hours (whichever occurs first) within twelve (12) consecutive months following his date of hire. Upon completion of such probationary period, his name **will** be entered on the seniority list of the bargaining unit showing his date of hire **and his regular hourly rate will be increased to that of his current job classification.**
- (b) Should the application of the provisions of this Agreement result in two (2) or more employees having their hire dates the same day, their relative position on the seniority list will be decided once by lot and the outcome shall constitute the basis on which the provisions of this Agreement will be applied to each employee.
- (c) Notwithstanding the provisions of Section 7:02 (a) above, employees hired as students will be considered as probationary employees during their term of employment with the Company. Such employees shall not be employed prior to May 1st and will be terminated no later than the week following the Labour Day weekend.

ACCUMULATION OF SENIORITY

7:03 Seniority shall be the accumulated time an employee is employed by the Company in a position within the Bargaining Unit.

LOSS OF SENIORITY

7:04 An employee shall lose his seniority rights and his employment deemed terminated for any of the following reasons:

- (a) Voluntary termination of employment with the Company.
- (b) Unauthorized absence exceeding five (5) days consecutive normal working days.
- (c) Discharge, where such discharge is not reversed under the provisions of the Grievance Procedure.
- (d) Failure to return to work following lay off within seven (7) days after the employee has been notified as per Section 7:17 of this Article.
- (e) Failure to return to work on expiration of leave of absence or extension thereof as defined in Section 7:21.
- (f) After continuous lay off of one (1) year for those employees having less than one (1) year of seniority at the time of lay off and after two (2) years for those having one (1) year but less than five (5) years of seniority at the time of lay off and after five (5) years for those with five (5) years of seniority and over at the time of lay off.
- (g) Upon retirement from the Company.

TRANSFER OF SENIORITY

7:05

- (a) When an employee with seniority is transferred to another department or is recalled from lay off to a department other than the

department from which he was laid *off*, he will continue to accumulate seniority in his former department for a period of three (3) months and upon completion of three (3) months satisfactory service in the new department, his seniority, including accumulation, will be transferred to the new department.

- (b) When an employee *is* displaced to another department under Section 7:15 his seniority shall be established in the new department immediately on transfer, solely to prevent displacement from the department by employees with less plant seniority. Similarly, job seniority shall be established in the new department but only when the employee has attained the qualifications required to maintain the production standard of the job. Such employee will, however, be eligible for recall to his former department as provided for in Section 7:07.

7:06

- (a) When an employee with seniority *is* transferred to another job within his department, other than the job from which he was laid *off*, he will continue to accumulate seniority on his former job ~~for~~ a period of three (3) months and upon completion of three (3) months satisfactory service on his new job, his seniority including accumulation, will be transferred to the new job.
- (b) When an employee *is* displaced to another job under Section 7:15, his seniority shall be established on the new job on transfer solely to prevent **his** displacement from the job by employees with less plant seniority but only if the employee has attained the qualifications required to maintain the production standard

of the job. Such employee will, however, be eligible for recall to his former job as provided for in Section 7:07.

7:07 When, due to decreased production in one job or department, the employee is transferred to a different job or department, the employee shall be subject to recall in accordance with seniority rules, as follows:

- (a) If the employee has been in the new job or department for less than three (3) months, he must return to the job or department from which he was displaced.
- (b) If the employee has been in the new job or department for three (3) months or more, he may return to his former job or department only through application for transfer.

NOTICE OF LAY OFF / RESIGNATION

7:08 When layoffs take place, the Company shall, whenever possible give employees affected seven (7) days notice of such lay off.

An employee who desires to leave the employment of the Company shall, whenever possible notify the Senior Shift Manager seven (7) days in advance.

POSTING OF SENIORITY LIST

7:09 A seniority list shall be posted in the plant showing the accumulated seniority status of employees. This list shall be revised at least once per year. A copy of this list posted shall be given to the Union President. The Company's service records shall be available for reference to the members of the Plant Negotiating Committee to the extent reasonably necessary to ascertain the accuracy of the seniority list.

WORK PREFERENCE - LONG SERVICE EMPLOYEES

7:10 Employees who have given long and faithful service to the Company and who are unable to perform their regular work shall be given preference on other work they are qualified to perform, at the prevailing rate of pay for such work.

POSITION OUTSIDE OF THE BARGAINING UNIT

7:11

- (a) An employee who accepts a position with the Company, which is outside of the Bargaining Unit on or after April 15, 1994, shall retain his accrued seniority to the date of transfer for a period of six (6) months (the time out being omitted). Employees who do not return to the Bargaining Unit on or before the expiration of the six (6) month period shall forfeit all accumulated seniority.
- (b) An employee who has been employed in a position outside of the Bargaining Unit, prior to April 15, 1994, for less than six (6) months and who is being permitted by the Company to return to the Bargaining Unit, shall displace the most junior employee actively at work in the Plant provided his accumulated seniority up to the date of transfer out of the Bargaining Unit is greater than that of such junior employee.
- (c) An employee who accepted a position outside of the Bargaining Unit prior to April 15, 1994, shall retain the seniority he had accumulated up to the date of his transfer out of the Bargaining Unit and, if permitted by the Company, shall be returned to the Bargaining Unit by displacing the most junior employee

actively at work in the plant provided he has sufficient seniority credit to do *so*.

DEFINITION OF QUALIFICATIONS

7:12 “Qualifications”, “Qualified”, and “satisfactory service” as referred to in this Article shall be determined by the Company on the basis of such items as experience, competence, physical fitness, **skill**, knowledge, adaptability, efficiency, responsibility and integrity.

LAY OFF PROCEDURE

7:13

- (a) In the case of a temporary lay off of one week's duration or less, in any **twelve (12)** month period, employees in the department affected by the layoff will not be eligible to displace employees of other departments. Should another temporary layoff occur within the **twelve (12)** month period, then the provisions of Article 7:15 would apply.
- (b) When layoffs of longer than one (1) week's duration occur, employees shall be entitled to exercise their seniority rights in accordance with the lay off and recall provisions of this Agreement.

7:14 Operators employed on jobs known as “Key Operations” shall not be subject to lay off other than on the basis of job seniority. Such “key operations” are identified in Appendix “B”.

7:15 In the event it becomes necessary to reduce the number of employees in a department for a period of time in excess of a period of a temporary reduction as stipulated in Section 7:13 the Company will, in determining which employees are to be laid **off**, recognize the principle of seniority in displacement of employees from a **job**, and

lay off will be in order of seniority of employees of the department and also subject to the limitations of key operations and qualifications, and according to the following procedure:

- (a) A probationary employee who is displaced from the job on which he is employed will be laid off, except that he may be placed on a vacant job for which he has the necessary qualifications.
- (b) Subject to subsection (c) below, an employee with seniority who is displaced from the job on which he is employed shall:
 - (i) Displace the least senior employee, having less seniority than his own, on the job on which he has seniority, provided he has the qualifications required to maintain the production standard of that job. If he is the least senior employee on his job, he shall
 - (ii) Displace the least senior employee, having less seniority than his own, in the department in which he has seniority, on a job for which he has the necessary qualifications. If he is the least senior employee in his department, he shall
 - (iii) Displace the least senior employee, having less seniority than his own, in the plant, on a job for which he has the necessary qualifications. If he is the least senior employee in the plant, he will be laid off, except that he may be placed on a vacant job for which he has the necessary qualifications.
- (c) If an employee at the time of lay off under the provision of paragraph (b) above, has satisfactory service on another job in his department

or the plant, and has the qualifications required to maintain the production standard of that **job**. he may return to it and displace the least senior employee, provided he notifies the Company of his intentions within five (5) normal working days of his displacement.

RECALL PROCEDURE

7:16

- (a) Whenever it **is** necessary to recall employees who have been laid off, the order of recall will be generally in the reverse order to lay off according to the following procedure:
- (i) If the vacancy to which an employee **is** to be recalled **is** on a key operation, those employees with previous satisfactory service on that operation, who have been laid off and retain seniority status, will be recalled in order of seniority.
 - (ii) Employees who have been laid off and retain seniority status, and have the necessary qualifications, will be recalled in order of seniority.
- (b) No new employee shall be hired to fill vacancies until employees who have been laid off and retain seniority status and have the necessary qualifications to fill the vacancy have been recalled to work.

7:17 Employees are required to keep addresses up to date *so* they can be located whenever production warrants rehiring. Employees who fail to do this and cannot be located when there **is** an opportunity to work shall lose their seniority.

An employee notified of recall must inform the Company of his intention to return, within three (3) normal working days, after notification by reg-

Registered letter or courier to the latest address. Failure to notify of intention to return will be interpreted as refusal to do so. If the employee desires to return to work, he must do so within seven (7) calendar days after he has notified the Company of such intention. Failure to do so will result in complete loss of seniority.

In the event that an employee is unable to return to work due to **illness**, injury or pregnancy, and so notifies the Company within seven (7) calendar days of notification of recall, **his** seniority status shall be preserved during the period of illness, injury or pregnancy as governed by Section 7:04 (f). Seniority status shall be forfeited following failure to report for work after a second notification following recovery from illness, injury or pregnancy. It is the employee's obligation to notify the Company immediately upon recovery from such illness, injury or pregnancy.

7:18 Any of the provisions of the lay off or recall procedure may be superseded by other arrangements, for legitimate reasons, when negotiated between the Company and the Plant Negotiating Committee.

JOB POSTING

7:19

- (a) When a job vacancy occurs within the Bargaining Unit, it shall be posted on the bulletin boards for two (2) full normal working days. Postings will occur for the initial vacancy and two (2) subsequent vacancies only.
- (b) **An** employee with at least **six (6)** months of seniority who wishes to apply for a posted job, shall do so by completing a job posting application form and submitting it to the Human Resources Department on or before the clos-

ing date identified on the posting. **An** application for a **job** posting **will be considered as** acceptance of the **job** if the employee is chosen as the successful applicant.

- (c) **An** employee who is to be absent on approved vacation may **file** a job posting form with the Human Resources Department no earlier than three **(3)** days prior to the commencement of his vacation, for a vacancy he anticipates will occur during his absence.
- (d) Except as otherwise provided in this section and subject to the qualifications of the applicant and the necessity of maintaining an efficient work force, the most senior qualified applicant will be given the job. In the case of a Skilled Trades Apprentice or a Lead hand, candidates shall be evaluated on qualifications and other relevant criteria and where two **(2)** or more candidates are deemed to be equally qualified and suitable for the position, the most senior of the applicants will be awarded the job.
- (e) The Company will not consider an application from any employee who has successfully bid on a vacancy within the **six (6)** month period immediately preceding the date of the currently posted vacancy. Notwithstanding the above, the Company reserves the right to consider an applicant who had successfully bid on a vacancy within the preceding **six (6)** months in circumstances where the refusal to consider the applicant would result in recruitment outside the Company becoming necessary.
- (f) **(1)** In the event that it is determined that an employee is unable to attain the existing standards of quality and efficiency of the job within the first ten **(10)** working days

of his date of transfer to the new job. he will be returned to his former job. Such employee will not be considered as having been a successful applicant for purposes of determining his eligibility for future postings. An employee whose health is adversely affected as a result of a job transfer will be returned to his former job. This medical diagnosis must be supported by documentation from a doctor.

- (2) Should the successful applicant inform the Company within ten (10) working days from the effective date of his appointment that he wishes to return to his former job, he shall be returned to his former job within two (2) weeks of his request. Such employee will not be eligible for future postings until six (6) months have elapsed since his date of return to his former job.
 - (3) Where the successful applicant on a job posting (other than for a Lead hand or Skilled Trades Apprentice position) is to be returned to his former job under (1) or (2) above, the next senior qualified applicant for the same job posting shall be granted the job.
 - (4) A successful applicant on a job posting who has been moved to the new position and who is subsequently adversely affected by a decision made under (1) or (2) above, shall be returned to his former job. Such employee will not be considered as having been a successful applicant for purposes of determining his eligibility for future postings.
- (g) The job posting procedure shall apply to the filling of all vacancies in the bargaining unit of four (4) weeks duration or longer. All employees with recall rights to the classification/

department shall first be returned in accordance with the recall provisions of this article before vacancies are posted.

- (h) It is understood that an eligible employee will be allowed to post within his classification.

7:20 The Company may assign bargaining unit employees temporarily without the need for a job posting for a period not in excess of four **(4)** weeks. Assignments for production work will be made from available utility operators who are immediately able to perform the work in question. In the event that there are **insufficiently trained** utility operators, **training of utility operators shall take priority**. In the event that there are insufficient utility operators available, the assignment will be made to the least senior qualified and available employee.

LEAVE OF ABSENCE

7:21 Leave of absence may be granted to employees with seniority status under certain conditions without loss of seniority privileges. Application for such leave shall be in writing, on a Leave of Absence **Form**, and the employee shall be given written advice of the decision. Leave of absence shall be granted under the following circumstances, provided the granting of such leave does not interfere with the efficient operation of the plant.

- (a) Leave of absence not exceeding three **(3)** months and subject to extension for periods of three **(3)** months, up to one **(1)** year for employees with up to ten **(10)** years seniority and two **(2)** years for employees with over ten **(10)** years shall be granted for certified non-occupational sickness or injury. Leave of absence may be granted for bereavement or

- serious personal necessity. Under extreme circumstances, a request for further extension of leave of absence by **an** employee and supported by the Union would receive consideration.
- (b) Leave of absence not exceeding three (3) months may be granted during slack periods, but those who are granted such leave must return to work within seven (7) days after notice of recall has been sent in order to retain seniority standing.
 - (c) Employees who are engaged in service with the Country's Armed Forces shall be considered on leave of absence and shall accumulate seniority during such service, in accordance with federal legislation.
 - (d) **An** employee elected or appointed to a position to engage in Union Duties with the United Steelworkers of America, Canada Labour Congress, the Ontario Federation of Labour or Local 67 shall, at the written request of the Union, be granted special leave of absence for a period not exceeding the term of this Agreement, subject to renewal, to a maximum of four (4) individuals. When leave is granted for this purpose, the members shall accumulate their seniority during the full term of leave only if they return to active service with the Company on the expiration of the leave. It is understood that this section does not apply to the provisions in Article III for the administration of the Local Union.
 - (e) A female shall be granted a leave of absence during pregnancy in accordance with the provisions of the Employment Standards Act of Ontario based on medical certification providing confirmation of the pregnancy and the estimated date of delivery.

The time period of such leave shall not exceed that **permitted under the Employment Standards Act of Ontario** and seniority shall continue to accrue throughout the period of the leave.

The employee shall give notice in writing to the Human Resources Department at least three **(3)** weeks prior to the date she plans to return to work. She shall provide a doctor's certificate confirming the date of the birth and her fitness to return to regular duties.

- (f) An **employee** who becomes the parent of a child **shall** be granted leave of absence following the birth of the child or the coming of the child into the custody and control of a parent for the first time. Such leave shall be granted in accordance with the provisions of The Employment Standards Act of Ontario.
- (g) **An** employee injured on the job, who subsequently becomes a Workplace Safety and Insurance Board case, and is placed on leave of absence, shall accumulate seniority during such period.
- (h) **An** employee on an approved leave of absence who needs to have such leave extended, shall report to the Human Resources Department at least three **(3)** normal working days prior to the expiry date of his leave or his intended date of return if prior to the expiry date of the leave, so that his return to work may be arranged.
- (i) Subject to physical qualifications, such employee will be entitled to return to the job he left. If his former job **is** no longer available or if his seniority no longer qualifies him for his former job, he will be given the job to which he would have been displaced had he been at work, if this can be readily established, or such other suitable job which is consistent with his seniority.

**ARTICLE VIII
VACATIONS**

8:01 Hourly rated employees of the Company who have accumulated one (1) or more years of continuous service with the Company as of December 31 of the previous year, shall be entitled to vacation with pay **on the following basis, as indicated below, as a percentage of their earnings for the twelve (12) month period ending the last day of the previous taxation year.**

Continuous Service as of Dec. 31 of the Previous Year	Weeks of Vacation Entitlement	Percentage of Earnings
Less than one (1) year	.83 of a day per month rounded up if a half day is the result	Four (4) percent
One (1) year of service but less than five (5) years	Two (2) weeks	Four (4) percent
Five (5) years of service but less than ten (10) years	Three (3) weeks	Six (6) percent
Ten (10) years of service but less than fifteen (15) years	Four (4) weeks	Eight (8) percent
Fifteen years of service but less than twenty-five (25) years	Five (5) weeks	Ten (10) percent
Twenty-five (25) years of service or more	Six (6) weeks	Twelve (12) percent

8:02 **An** active employee who accumulates and is credited in the current calendar year, with five (5), ten (10), fifteen (15), twenty-five (25) years of

continuous service shall receive, after such service is credited, one (1) additional **week** of **vacation** with pay amounting to two percent (2%) of his earnings for the twelve (12) months ending the last day of the previous taxation year. At the discretion of the Company, the additional weeks of vacation may be granted prior to the date on which such service is credited, however, vacation pay paid in advance shall be deducted from the final pay if the employee ceases to be actively employed or if employment is terminated for any reason prior to the qualification date. An employee who qualifies under this Subsection after December 24th shall be granted vacation for the remaining days of the year only.

8:03 When an individual leaves the employ of the Company prior to the vacation date and has qualified for vacation pay as outlined in Section 8:01 and 8:02, he shall be paid the amount of the vacation earned at the time of separation.

8:04 Employees who, when laid off for an indefinite period, receive their vacation pay and return to work during the vacation year will have the value of previously paid vacation pay deducted from their vacation pay as specified in Section 8:01 and 8:02 above.

8:05 The Company will schedule a summer vacation period of two (2) weeks during the months of July or August for all eligible employees and will designate this period by March 15. Employees will submit a completed Vacation Request Form to the Company by April 15. Vacation periods for employees eligible for a third, fourth, fifth or sixth week of vacation will be scheduled by the Company giving due consideration to production requirements and employee requests according to seniority. It is understood

that the third, fourth, fifth or sixth week of vacation need not be granted together nor consecutively with the other two (2) weeks. If the employee **is** unable to take his vacation for reasons of an approved leave of absence for sickness, injury, pregnancy, or other unforeseen circumstance his vacation will be rescheduled. Employees who do not apply for their vacation time prior to April 15 will have their vacation approved on a first come first served basis.

- (a) When it **is** necessary to continue uninterrupted production in order to meet scheduled requirements and a full shutdown of operations **is** not appropriate, a sufficient number of volunteers will be sought from employees who are qualified to perform the jobs required. Failing the achievement of full voluntary crews, the required number of employees by job classification shall be scheduled to work on a reverse seniority basis and their vacation rescheduled for another time. **An** estimate of the number of employees required will be provided at the time of notice and the recruitment **of** volunteers will commence immediately thereafter.

8:06 Vacation pay shall be paid on the regular payday immediately prior to the employee's vacation.

8:07 In cases of emergency when **it** may be necessary to arrange for employees to work during the fifth or sixth week of their vacation, such employees required to work any or all of these weeks shall elect to reschedule his vacation. **An** employee may be requested to work during his fourth week of vacation and if he **so** agrees, he shall elect to reschedule his vacation.

8:08 When an employee with one (1) or more years of seniority has been unable to work for a portion of the preceding vacation year because of verified sickness, injury or pregnancy and for those reasons only, and the vacation pay calculated in accordance with Article VIII is less than four hundred and fifty dollars (**\$450.00**) for an employee in each week of vacation pay, the vacation pay will be increased to the above minimum providing the employee has worked three (3) months or more during the vacation year. **This three (3) month qualifying period does not apply to those employees on pregnancy leave.**

8:09

- (a) The following shall be included as earnings for the purpose of calculating vacation pay: Wages Paid, Overtime Premiums, Night Shift Premium, Vacation Pay paid in the preceding year, Designated Holiday Pay, Workplace Safety and Insurance Board Payments for Lost Time, Short Work Week Benefits paid under the Supplemental Unemployment Benefit Plan, Weekly Indemnity payments and O.H.I.P. Premiums which are regarded as income under the Income Tax Act.
- (b) Workplace Safety and Insurance Board Lost Time Earnings shall be calculated on the basis of the most recent Workplace Safety and Insurance Board's Accident Cost Statement available on the calculation date. Additional lost time payments made subsequent to the calculation date which were not included in the current year's vacation pay shall be included in the following year's vacation pay calculation.

8:10 Former employees of the Company who had completed at least five (5) years of continu-

ous service and who are rehired by the Company shall, upon completion of five (5) years of continuous service, have their prior service with the Company recognized for vacation entitlement purposes only.

**ARTICLE IX
FUNCTIONS OF MANAGEMENT**

9:01 The management of the Plant and its direction of the working forces, including the right to hire, suspend or discharge for just cause, and the right to relieve employees of their duty because of lack of work or for other legitimate reasons, is vested exclusively in the Company. This right shall not be used to discriminate against any employee as an individual nor to violate the terms of this Agreement.

9:02 The Company reserves the right to discharge for just cause including but not restricted to the following: insubordination, chronic absence or tardiness, continued unsatisfactory workmanship, dishonesty.

**ARTICLE X
HEALTH AND SAFETY**

10:01 The Company and the Union agree to cooperate to the fullest possible extent toward the prevention of accidents and to provide a safe, healthful working environment for all employees. Four (4) members of the bargaining unit appointed by the Union and four (4) members of management appointed by the Company shall constitute a Joint Health and Safety Committee and shall meet once per month for the purpose of promoting safety and accident prevention. Every reasonable effort will be made to provide representation

for all three shifts. The Committee will be co-chaired **by a member chosen by the Union** and a member chosen by Management. **An** agenda will be submitted to the members of the Committee by the co-chairs prior to each meeting. Members **will** be entitled to take such time from work as **is** necessary to carry out their duties. Payment for time spent performing their duties will be at regular or premium rate as may be proper. The Company will provide such training to the members of the Committee as **is** deemed necessary by the Committee to carry out their duties.

10:02 Concerns generated by the Joint Health & Safety Committee, which are unable to be resolved within the Committee (or otherwise by statute) may be referred through the Labour-Management Committee for discussion **and** resolution. Failing resolution, the matter may be taken up as a grievance at Step 2 of the Grievance Procedure.

10:03 Two members of the Joint Health and Safety Committee, one chosen by the Union and one chosen by the Company shall inspect the physical condition of the workplace at least once a month.

10:04 A worker may refuse to work when he has reason to believe that the equipment, machine or device he **is** to use or operate or the physical condition of the workplace **is** likely to endanger himself or another worker. The worker shall promptly report the circumstances of the refusal to the worker's supervisor. No employee will be disciplined in the event he has complied with the Occupational Health and Safety Act, as it is now written or hereafter amended.

10:05 The Company will, in consultation with the Joint Health and Safety Committee, provide training, equipment, information and supervision to workers to protect their health and safety.

10:06 It is understood that an employee injured in the plant will receive a copy of the completed **Form 7**.

10:07 **A** return to work committee will consist of up to ~~three~~ **(3)** members from each of management and the **Union**, and meet once per month to discuss workers with occupational injury or illness and restrictions. **A** representative of the Company and of the **Union** from the return to work committee will meet with the injured worker, or a worker with an occupational disease, who has been absent from work for **a** period of five **(6)** working days **or** more, prior to **his** return to a modified job **or** their **pre-injury** job if the worker **is** returned with restrictions.

ARTICLE XI MISCELLANEOUS

11:01 Bulletin Boards with locks will be furnished by the Company where the Union may post notices relating to matters of business connected with Local **67**, U.S.W.A.

11:02

- (a) Wash up allowance will be paid at the employee's straight time rate of pay for the time period allocated for that purpose immediately following **his** regular shift.
- (b) Employees will be eligible for Wash up allowance in accordance with the prevailing agreement between the Company and the Union.

11:03 The Company shall refund the full cost of C.S.A. approved safety shoes to a maximum of **one hundred and ten dollars (\$110.00)** subject to the **following** terms and conditions:

1. Reimbursement will be made only to employees who have a minimum of three (3) months continuous service following the achievement of seniority and who submit an authorized receipt certifying purchase of approved safety shoes.
2. Reimbursement will be made only once in any twelve (12) month period for each eligible employee, with the first payment establishing the twelve (12) month period for each individual employee, except as provided in paragraph 3 below.
3. Where an eligible employee's shoes have materially worn out an additional pair to a maximum of **one hundred and ten dollars (\$110.00)** will be allowed when approved by **Human Resources**.

Safety glasses purchased on the written prescription of a physician or a registered optometrist, subject to a maximum of one hundred dollars (\$100.00) during any period of 24 consecutive months, will be reimbursed to **any employee required to wear eye protection as designated by the Company**.

11:04 In accordance with the Ontario Labour Relations Act, the Life Insurance and Welfare Benefit Plan, Supplemental Unemployment Benefit Plan, Pension and Severance Award Plan, Appendix "A". Appendix "B", Letters of Understanding #1 through #10, shall form part of the Collective Labour Agreement.

ARTICLE XII
DURATION OF AGREEMENT

12:01 Amendments to this Agreement may be made by mutual consent of both parties. Proposed amendments shall be submitted in writing by the party desiring a change, and negotiations thereon shall start within twenty (20) days of such notice. During the negotiations and thereafter, if no conclusion is reached, the provisions of this Agreement shall remain in effect.

12:02 This Agreement shall become effective as of April **15, 2002** and shall remain in full force and effect in respect to all its terms until midnight April **14, 2005**, and shall continue in effect thereafter from year to year for further periods of one (1) year unless either party gives written notice of termination or written notice of proposals for amendment to the other party prior to, but not more than three (3) months prior to the expiry date or any yearly period thereafter. In the event of written notice having been given by either party as provided herein, negotiations shall commence within fifteen (15) days of receipt of such notice with a view to completing a new Agreement. Should such negotiations extend beyond the expiration date, this Agreement shall not expire but shall continue in full force and effect in accordance with the Labour Relations Act of Ontario, or until a new Agreement is entered into by the parties, whichever date shall occur first.

DATED AT KITCHENER THIS **28 DAY OF JUNE ,**
2002.

Signed on behalf of the parties hereto **by** their
duly authorized representatives.

COLLINS & AIKMAN CANADA INC.

D. Crawford

M. Hogan

H. Champagne

UNITED STEELWORKERS OF AMERICA
on behalf of its LOCAL 67

R. Snyder

D. Schurter

D. Paff

N. Lamothe

C. Snyder

R. Shantz

S. Finn

G. Penny (*International Rep*)

LETTER OF UNDERSTANDING # 1

April 15, 2002

Mr. Rae Snyder
Resident, U.S.W.A. Local 67
141 King Street East
Kitchener, Ontario, N2G 2K8

Dear Mr. Snyder,

RE: HEAT RELIEF

On those days when it becomes necessary, one employee designated by the Union will take an outside temperature check on Plant One property at 9:00 a.m., 11:00 a.m. and at a reasonable frequency thereafter until 1:00 a.m. The Union shall determine the individual(s) who will be responsible for performing temperature checks and will ensure that normal production processes will not be adversely affected as a result. The Company reserves the right to verify the temperatures reported.

When the outside temperature is twenty-eight (28) degrees Celsius or more, communication of the temperature reading shall be the responsibility of the designated Union representative. Notification of the employees shall not occur, unless and until the Company has been advised. In addition, when temperatures are extreme, extra relief will be provided as necessary.

Employees in the plant who cannot tolerate the heat, after discussing available alternatives with the Shift Manager, will, after four hours, on an individual basis, and upon submission of a Heat Relief Absence Request Form, be permitted to leave the plant, to a yearly maximum of eighteen

(18)hours and will not be required to see a doctor, and/or make a hospital visit. It is understood that in such cases production and customer needs will continue to be met through the transfer of other employees. Moreover, it is understood that if there are not enough employees to perform the work available, the Company and the Negotiating Committee will meet to discuss possible solutions.

Should the Company introduce engineering controls which reduce the temperature in the facility, both parties agree to review this letter of understanding and modify it accordingly.

During the period from Victoria Day to Labour Day weekend, each employee will receive one (1) additional fifteen (15)minute break per shift.

Yours sincerely,

Matt Hogan
Human Resources Manager

LETTER OF UNDERSTANDING # 2

April 15, 2002

Mr. Rae Snyder
President, U.S.W.A. Local 67
141, King Street East
Kitchener, Ontario
N2G 2K8

Dear Mr. Snyder,

RE.: OVERTIME DISTRIBUTION

Whenever overtime work is required for weekends and designated holidays, the following procedure will be used.

In order for **an** employee to work overtime, he has to fill out an "Overtime Availability Form". By filling out this form, the employee will advise the Company of his availability to work overtime. This form must be placed in the designated box by Wednesday at **4:00 pm** each week for overtime starting the following Friday at 11:00 P.M. The Shift Manager or designated appointee will acknowledge receipt by signing the employee's current punch card by Wednesday afternoon at the latest.

An employee who is not at work at the time he has to complete the "Overtime Availability Form" may do *so* in advance for overtime which may take place during designated holidays or Sundays.

A tentative overtime schedule will be posted by 3:00 EM. on Thursday for the following weekend.

Overtime work on weekends and designated holidays **will** be offered/scheduled in the following sequence:

1. To employee(s) by job classification on the line and shift the overtime *is* scheduled. If any vacancies occur, they shall be filled **as** set out below.
2. The most senior employee(s) in the classification on the shift the overtime **is** scheduled.
3. The most senior employee(s) in the classification in the department.
4. The most senior employee(s) **in** the plant with previous experience.

Whenever daily overtime work **is** required during the regular work week, it will be offered/scheduled on the shift with which the overtime work **is** continuous (before or after) up to four (**4**) hours in the following sequence:

1. To employee(s) by job classification on the line.
2. The most senior employee(s) in the classification.
3. The most senior employee(s) in the plant with previous experience.

GENERAL PROVISIONS

1. It **is** the responsibility of management to determine and schedule the overtime hours by using the completed forms received from employees in accordance with the sequence above. Only employees who submit an "Overtime Availability Form" are eligible under this procedure.
2. Employees who complete the "Overtime Availability Form" and are selected to work will be considered scheduled for that overtime

opportunity and will be notified that they are scheduled. Any offers of overtime for subsequent steps will be recorded and if refused, employees will not be considered eligible under any of the subsequent steps in this overtime distribution sequence.

3. It is understood that employees who have completed the "Overtime Availability Form" and refuse to work overtime in accordance with step 1 of the weekend overtime may be subject to disciplinary measures.
4. "Odd jobs" or "Open jobs" (defined as jobs not held by any employee(s) for job seniority purposes) will be offered/scheduled to the most senior qualified employee(s) in the Plant.
5. Employees will not be scheduled to work more than twelve (12) continuous hours in any twenty-four (24) hour period.
6. A vacation week shall start on Sunday and end on Saturday. Employees shall not be scheduled for hours during their vacation week(s).
7. No transfer of offers shall be agreed either between employees and employees or employees and management.
8. Employees deprived of overtime because the Company did not follow the procedure properly will be paid for the overtime hours deprived.

Yours sincerely,

Matt Hogan
Human Resources Manager

LETTER OF UNDERSTANDING # 3

April 15, 2002

Mr. Rae Snyder
President, U.S.W.A. Local 67
141 King Street East
Kitchener, Ontario
N2G 2K8

Dear Mr. Snyder,

PLANT CLOSURE

- 1) In the event of a full closure of the plant, the Union shall be provided with a minimum of nine (9) weeks notice of a closure.
- 2) Following such notification, the Company will meet with the Union to discuss and consider any suggestions the Union might have to avert such closure.
- 3) If discussions between the Company and the Union do not result in averting the closure, the parties will meet to address the manner in which the closure is carried out.
- 4) In the event of a partial closure of the plant, the Company will meet with the Union in the same manner as described in (2) and (3) above, where such closure will result in the lay off of all bargaining unit employees in a single department.

Yours sincerely,

Matt Hogan
Human Resources Manager

LETTER OF UNDERSTANDING # 4

April 15, 2002

Mr. Rae Snyder
Resident. U. S. W. A., Local 67
141 King Street East
Kitchener, Ontario
N2G 2K8

Dear Mr. Snyder,

RE: INTRODUCTION OF NEW TECHNOLOGY

Current and future trends in manufacturing have required individual workers to take greater responsibility and be more directly accountable for the production process. The introduction of complex technological advances, more highly automated processes, intricate problem solving methods and sophisticated mathematical validation concepts, necessitates the development of complex new skills by the workforce through retraining.

As process improvements are undertaken, both parties recognize the importance of minimizing disruption to the workforce while acquiring the necessary skills to implement the changes. With this objective in mind, it is agreed that:

- (a) The Union will be notified (at the time of project approval) when the introduction of technology will have a significant impact on the workforce either because of reduction in jobs or where new skills will need to be acquired.
- (b) Where the success of a change to equipment, operation, or procedure is dependent upon the

acquisition of additional knowledge or skill on the part of the employee, retraining **will** be provided to the employees involved.

- (c) Whenever **it** is reasonable **and** practical to do so. the Company will reduce the workforce through attrition when a technological change necessitates a reduction in the workforce.

Yours sincerely,

Mathew Hogan
Human Resources Manager

LETTER OF UNDERSTANDING # 5

April 15, 2002

Mr. Rae Snyder
President, U.S.W.A. Local 67
141 King Street East
Kitchener, Ontario
N2G 2K8

Dear Mr. Snyder,

RE: ALLOCATION OF DESIGNATED HOLIDAYS

Further to the provisions of Article V, Section 5:01, the Designated Holidays during the Christmas Period in **2002, 2003 and 2004** shall be allocated as follows:

2002

Shutdown after the last regular shift on **Monday**, December **23, 2002**. Holidays: Christmas Eve Day - **Tuesday**, December **24, 2002**; Christmas Day - **Wednesday**, December **25, 2002**; Boxing Day - **Thursday**, December **26, 2002**; Floater - **Friday**, December **27, 2002**; Remembrance Day - **Monday**, December **30, 2002**; Floater - **Tuesday**, December **31, 2002**; New Year's Day - **Wednesday**, January **1, 2003**.

Production is scheduled to resume at 11:00 PM **Wednesday**, January **1, 2003**.

Shutdown after the last regular shift on **Tuesday**, December **23, 2003**. Holidays: Christmas Eve

Day - **Wednesday, December 24, 2003**;
Christmas Day - **Thursday December 25, 2003**;
Boxing Day - **Friday, December 26, 2003**; Floater
- **Monday, December 29, 2003**; Floater - **Tues-
day, December 30, 2003**; Remembrance Day -
Wednesday December 31, 2003; New Year's Day
- **Thursday, January 1, 2004**.

Production **is** scheduled to resume at 11:00 EM.
Thursday January 1, 2004.

2004

Shutdown after the last regular shift on
Thursday, December 23, 2004. Holidays:
Christmas Eve Day - **Friday, December 24,
2004**; Christmas Day - **Monday December 27,
2004**; Boxing Day - **Tuesday, December 28,
2004**; Floater - **Wednesday, December 29, 2004**;
Floater - **Thursday December 30, 2004**; New
Year's Day - **Friday, December 31, 2004**.

Production **is** scheduled to resume at 11:00 EM.
Sunday January 2, 2005.

Employees who are veterans will be allowed, upon
request, to have Remembrance Day off, without
pay.

Yours sincerely,

Matt Hogan
Human Resources Manager

LETTER OF UNDERSTANDING #6

April 15, 2002

Mr. Rae Snyder
President, U.S.W.A. Local 67
141 King Street East
Kitchener, Ontario
N2G 2K8

Dear Mr. Snyder,

RE: APPRENTICESHIPS

This letter shall serve to confirm the agreement reached between the parties regarding Apprenticeships and the addition of the following classifications to the Bargaining Unit.

- 1) Electrician - Apprentice
- 2) Mechanic - Apprentice
- 3) Tool & Die - Apprentice
- 4) Any other trade as agreed between the Company and the Union.

If there **is** a requirement for personnel in the Maintenance Department, the Company will meet with the Labour-Management Committee, discuss employee requirements and consider the apprenticeship program in filling the openings.

It **is** understood, should a lay off be required in the Maintenance Department, the Apprentice will be the first subject to lay off in the respective trade. In the event of lay off, the seniority of the Apprentice will be automatically transferred to his former department and he will return to his previous job, providing he has the seniority to do *so*.

The procedure would also apply in the following situations.

- 1) The Company deems his performance at work or school unsatisfactory, resulting in removal from the Apprenticeship program.
- 2) The Apprentice wishes to withdraw from the program.

An Apprentice who has been laid off shall be subject to recall in accordance with Article VII. Wages will be a percentage of the base of the Journey person rate (but not less than the current Press Operator's rate) in each respective classification as provided by the following schedule:

<u>Electrician</u>		<u>Mechanic</u>	
<u>Period</u>	<u>% of Rate</u>	<u>Period</u>	<u>% of Rate</u>
1st year	60	1st year	60
2nd year	70	2nd year	70
3rd year	80	3rd year	80
4th year	90	4th year	90
5th year	95	Completion	100
Completion	100		

Upon completion of the program and receipt of the provincial Certificate of Qualification, the Apprentice and his accumulated seniority will be immediately transferred to the Journey person classification and pay rate for the respective trade.

Yours sincerely,

Matt Hogan
Human Resources Manager

LETTER OF UNDERSTANDING #7

April 15, 2002

Mr. Rae Snyder
President, USWA Local 67
141 King Street East
Kitchener, Ontario
N2G 2K8

Dear Mr. Snyder:

**RE: ARRANGEMENTS FOR
WASHUP PERIODS**

This letter is to identify the current provisions for wash up allowances as agreed between the parties from time to time. The provisions detailed below will remain in effect until such time as the situation warrants further review at the request of either party.

Employees who are working in DIRTY JOBS as outlined below will be paid the applicable wash up allowance for the time required to wash up immediately following their regular shift. Such payment will be paid at the employee's regular hourly rate of pay.

All BCM jobs	18 minutes
Mould Operator	18 minutes
Forming	18 minutes
Pedersen Unloader	18 minutes
Fibre Inspector	18 minutes
Fibre Line Operator	18 minutes
Oven Operator	18 minutes
Mould Maintenance	18 minutes
Maintenance	18 minutes
Mould Operator	18 minutes
Moulding Press Operator	18 minutes

Sprayer	18 minutes
Aeroreturns	18 minutes
Blender Operator	18 minutes
All Lead Hands	
(on a "as needs be" basis)	18 minutes
All other employees	6 minutes

MAINTENANCE AND TOOLING

All Maintenance and Tooling employees will be granted wash up time as and when required.

CLOTHING

The Company will make available protective coveralls for employees in the Maintenance Department. Having regard to cost, quality and durability, the Company shall attempt to supply protective coveralls of a style and type suitable to the employee concerned. Employees in other departments will be issued protective clothing as necessary on an individual basis.

Yours sincerely,

Matt Hogan
Human Resources Manager

LETTER OF UNDERSTANDING #8

April 15, 2002

Mr. Rae Snyder
President, U.S.W.A. Local 67
141 King Street East
Kitchener, Ontario
N2G 2K8

Dear Mr. Snyder,

RE: SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

Pursuant to the terms of the Collective Agreement effective **April 15, 2002** the Company agrees as follows: "After all payments have been made as required by Article X Section 6 (b) of the Supplemental Unemployment Benefit Plan, the Company will commence negotiations with the Union to reach an agreement for the equitable distribution of the remaining assets of the SUB fund and if agreement is not reached within a period of ninety (90) days, the funds shall be divided into equal amounts among **all** the employees at that date on the active payroll of the Company who have Credit Units uncanceled and remaining to their credit, in amounts proportionate to such Credit Units."

Yours sincerely,

Matt Hogan
Human Resources Manager

LETTER OF UNDERSTANDING #9

April 15, 2002

Mr. Rae Snyder
President, USWA Local 67
141 King Street East
Kitchener, Ontario
N2G 2K8

Dear Mr. Snyder:

RE: MEMORANDUM OF AGREEMENT
- DECEMBER 21, 2001

The Memorandum of Agreement dated December 21, 2001 regarding the transfer of operations from 265 Breithaupt Street to 51 Breithaupt Street, Kitchener, Ontario, will be recognized during the life of this Collective Labour Agreement.

Yours truly,

Matt Hogan
Human Resources Manager

LETTER **OF** UNDERSTANDING #10

April 15, 2002

Mr. Rae Snyder
President, USWA Local 67
141 King Street East
Kitchener, Ontario
N2G 2K8

Dear Mr. Snyder:

RE: MEMORADUM OF AGREEMENTS
PRIOR TO APRIL 15, 2002

ALL Memorandums **of** Agreement or any other agreement dated prior to April 15, 2002 between the Company and the Union or any **of** it's members will only be honoured if it **is** included as part **of** this Collective Labour Agreement.

Yours truly,

Matt Hogan
Human Resources Manager

**APPENDIX "A" OF COLLECTIVE
LABOUR AGREEMENT**

INTERIM INCREASE

1. The amount of the interim increase shall be calculated and recalculated as provided below on the basis of the Consumer Price Index published by Statistics Canada (1986= 100) and hereinafter referred to as the C.P.I.

2. FIRST YEAR OF THE AGREEMENT

The base for calculation: the average C.P.I. for the months of January, February and March, **2002**.

(a) The **first** adjustment will be calculated and paid as of the pay period commencing **July 14, 2002**. It will reflect one cent (**\$0.01**) per hour for each full .083 points that the average C.P.I. for the months of April, May and June, **2002** exceed the base for calculation.

(b) The second adjustment will be calculated and paid as of the pay period commencing **October 20, 2002**. It will reflect one cent (\$0.01) per hour for each full .083 points that the average C.P.I. for the months of July, August and September, **2002** exceed the base for calculation.

(c) The third adjustment will be calculated and paid as of the pay period commencing **January 19, 2003**. It will reflect one cent (\$0.01) per hour for each full .083 points that the average C.P.I. for the months of October, November and December, **2002** exceed the base for calculation.

(d) The fourth adjustment will be calculated and paid as the pay period commencing **April 20, 2003**. It will reflect one cent (\$0.01) per hour for each full .083 points that the average C.P.I. for the

months of January, February and March **2003** exceed the base for calculation. This adjustment will be folded into the occupational and day work rates on April **20, 2003**, as specified herein.

3. SECOND YEAR OF THE AGREEMENT

The base for calculation: the average C.P.I. for the months of January, February and March, **2003**.

(a) The first adjustment will be calculated and paid as of the pay period commencing **July 20, 2003**. It will reflect one cent (\$0.01) per hour for each full .083 points that the average C.P.I. for the months of April, May and June, **2003** exceed the base for calculation.

(b) The second adjustment will be calculated and paid as of the pay period commencing **October 19, 2003**. It will reflect one cent (\$0.01) per hour for each full .083 points that the average C.P.I. for the months of July, August and September, **2003** exceed the base for calculation.

(c) The third adjustment will be calculated and paid as of the pay period commencing **January 18, 2004**. It will reflect one cent (\$0.01) per hour for each full .083 points that the average C.P.I. for the months of October, November and December, **2003** exceed the base for calculation.

(d) The fourth adjustment will be calculated and paid as of the pay period commencing **April 18, 2004**. It will reflect one cent (\$0.01) per hour for each full .083 points that the average C.P.I. for the months of January, February and March, **2004** exceed the base for calculation. This adjustment will be folded into the occupational and day work rates on **April 18, 2004**, as specified herein.

4. THIRD YEAR OF THE AGREEMENT

The base for calculation: the average C.P.I. for the months of January, February and March, **2004**.

(a) The first adjustment will be calculated and paid as of the pay period commencing **July 18, 2004**. It will reflect one cent (\$0.01) per hour for each full .083 points that the average C.P.I. for the months of April, May and June, **2004** exceed the base for calculation.

(b) The second adjustment will be calculated and paid as of the pay period commencing **October 17, 2004**. It will reflect one cent (\$0.01) per hour for each full .083 points that the average C.P.I. for the months of July, August and September, **2004** exceed the base for calculation.

(c) The third adjustment will be calculated and paid as of the pay period commencing **January 16, 2005**. It will reflect one cent (\$0.01) per hour for each full .083 points that the average C.P.I. for the months of October, November and December, **2004** exceed the base for calculation.

(d) The fourth adjustment will be calculated and paid as of the pay period commencing **April 17, 2005**. It will reflect one cent (\$0.01) per hour for each full .083 points that the average C.P.I. for the months of January, February and March, **2005** exceed the base for calculation.

This adjustment will be folded into the occupational and day work rates on **April 17, 2005**, as specified herein.

5. The Interim Increase will be considered as earnings but will be boxed separately from other wage payments on the employee's time card.

6. In the event Statistics Canada does not issue the appropriate Consumer Price Index on or before the date on which an adjustment is to be calculated, any adjustment required will be made at the beginning of the first pay period following receipt of the Index.

7. No adjustments retroactive or otherwise, shall be made due to any revision which may later be made in any published Consumer Price Index by Statistics Canada.

8. Continuation of the Interim adjustments is dependent upon the availability of the official Statistics Canada Consumer Price Index calculated on the same basis and in the same form as that published for April, 1985.

9. Each adjustment specified in the Interim Increase will replace the previous adjustment, if any, in its entirety, except the fourth adjustment in the first year of the Agreement, the fourth adjustment in the second year of the Agreement and the fourth adjustment in the third year of the Agreement, will be folded-in as specified herein.

10. Method of Fold-In

Daywork Rates • the total amount of Interim Increase to be folded-in as specified herein will be unboxed and added to the maximum of the day work rates.

**APPENDIX "B" OF COLLECTIVE LABOUR AGREEMENT
NEGOTIATED WAGE RATES**

The following is a list of the wage rates for **all** Classifications for the duration of this Collective Agreement. It is understood that the COLA at the time of the implementation of the April 15, 2002 rate (listed below) will **begin** to accumulate from zero, and will be folded **in** according to the schedule as outlined in Appendix "A" above.

<u>Department</u>	<u>Classification / Title</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Banbury, Mill Calender	Calender Operator (Key Operation)	20.45	20.70	20.90
	Lead Hand (Key Operation)	20.37	20.62	20.82
	Compounder (Key Operation)	19.70	19.95	20.15
	Mill Operator	19.77	20.02	20.22
	Stacker	19.58	19.83	20.03
Fibre	Aeroreturns	21.58	21.83	22.03
	Aeroreturns Assist	19.58	19.83	20.03
	Blender Operator	19.58	19.83	20.03
	Fibre Line Operator (Key Operation)	19.91	20.16	20.36
	Oven Operator	19.66	19.91	20.11
	Mould Operator	19.58	19.83	20.03
	Moulding Press Operator	19.89	20.14	20.34
Sewing Machine Operator	19.91	20.16	20.36	

<u>Department</u>	<u>Classification / Title</u>		<u>2002</u>	<u>2003</u>	<u>2004</u>
		Inspector	19.58	19.83	20.03
		Trucker	19.58	19.83	20.03
		Lead Hand (Key Operator)	20.23	20.48	20.68
		Mould Maintenance	21.21	21.46	21.66
Finishing		Former	19.58	19.83	20.03
		Inspector	19.58	19.83	20.03
		Mould Operator	19.58	19.83	20.03
		Press Operator	19.58	19.83	20.03
		Utility Operator	19.83	20.08	20.28
		Roll Coat Stacker	19.58	19.83	20.03
		Trucker	19.58	19.83	20.03
		Sprayer	19.58	19.83	20.03
		Lead Hand (Key Operation)	20.23	20.48	20.68
		Finishing Line Operator	19.91	20.16	20.36
Maintenance	Carpenter	Journey person	23.79	24.04	24.24
		Tradesperson	21.65	21.90	22.10
	Die Repair	Master Lead	25.53	25.78	25.98
		Lead	24.18	24.43	24.63
		Journey person	23.79	24.04	24.24
		Tradesperson	21.65	21.90	22.10

<u>Department</u>	<u>Classification / Title</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
	Electrician Master Lead	25.53	25.78	25.98
	Lead	24.18	24.43	24.63
	Electronics	25.29	25.54	25.74
	Journey person	23.79	24.04	24.24
	Tradesperson	21.65	21.90	22.10
	Mechanic Master Lead	25.53	25.78	25.98
	Lead	24.18	24.43	24.63
	Journey person	23.79	24.04	24.24
	Tradesperson	21.65	21.90	22.10
	Oiler Journey person	23.79	24.04	24.24
	Pipe Fitter Journey person	23.79	24.04	24.24
	Tradesperson	21.65	21.90	22.10
Sample Development	Sample Maker	20.23	20.48	20.68

<u>Department</u>	<u>Classification / Title</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Shipping & Receiving				
	Lead (Key Operation)	21.07	21.32	21.52
	Janitor	19.58	19.83	20.03
	Receiver (Key Operation)	19.84	20.09	20.29
	Shipper	19.84	20.09	20.29
Probationary Employee (as per article 7:02)		\$3.00 per hour less than classification rate		

Note: (For employees on Seniority List 2 only). For the duration of this Collective Labour Agreement, a special maintenance rate of \$21.13 will be paid to those employees who are assigned to the Maintenance department.

**LIFE INSURANCE AND WELFARE
BENEFIT PLAN**

BETWEEN

COLLINS & AIKMAN CANADA INC.

AND

UNITED STEELWORKERS OF AMERICA
On behalf of its
LOCAL UNION NO. 67

**LIFE INSURANCE AND WELFARE
BENEFIT PLAN**

This Plan made and entered into this 15TH DAY OF APRIL, 2002, by and between Collins & Aikman Canada Inc., Kitchener, Ontario, hereinafter referred to as the "Company" and the United Steelworkers of America, Local Union Number 67, hereinafter referred to as the "Union."

The term "Employee" means any male or female who is in the employment of the Company, and is a member of the Bargaining Unit. referred to hereinafter in the masculine gender.

**ARTICLE I
DEFINITIONS**

1:01 "Dependent" means a person defined as follows:

- (a) Except as otherwise provided in this Plan, "spouse" means the person who is legally married to the employee and shall include a person who has been cohabiting with the employee and has been publicly represented

as the spouse of the employee for at least six (6) months, provided the name of the common-law spouse and the commencement date of the cohabitation has been made known to the Company in writing at least six (6) months before coverage is to become effective.

- (b) The unmarried, unemployed children up to 21 years of age of an employee (or over 21 years of age but under 25 years of age provided such children are in full time attendance at school, college or university).
- (c) Any child of the employee 21 years of age or over, mentally or physically infirm and wholly dependent for support upon the insured employee, before his 21st birthday, but this does not include the spouse of any such **child**.
- (d) The term "children" shall include stepchildren, foster children, and other children who depend wholly upon the employee for support and live with the employee in regular parent-child relationship.

1:02 "Retirant" means any employee who has been retired and is eligible to receive a retirement pension or disability allowance under the Pension and Severance Award Plan between the Company and the Union.

1:03 "Physician" means a medical practitioner who is registered under the Ontario Health Disciplines Act or such similar statute or law as governs the practice of medicine in the jurisdiction in which any medical, surgical or diagnostic services are rendered to an employee or his dependent.

1:04 "Lay off" means the termination of employment of an employee by the Company for an

indefinite period, caused by the decision of the Company to reduce or eliminate the work upon which the employee was engaged.

1:05 “Temporary Lay off” means the termination of work of an employee by the Company for a definite period not exceeding 31 days caused by the decision of the Company to reduce or eliminate the work upon which the employee was engaged.

1:06 “Total disability” means disability by non-occupational accident or sickness which prevents the employee from meeting the requirements of his occupation for a one (1) year period and from any occupation beginning with the second year.

ARTICLE II ELIGIBILITY

2:01 An hourly paid employee actively engaged in his duties as of the effective date of this Agreement shall be entitled to applicable benefits of the Plan for which he may be eligible (and providing he **has** fulfilled the initial eligibility requirement **as** outlined in Section 2:02). Present employees not actively at work on the above date, for any reason, shall become eligible upon the date of their return to active employment.

2:02

(a) An hourly paid employee hired after the effective date of this Plan will become eligible for the applicable benefits of the Plan on the first day of the month following the achievement of seniority status, provided that he is actively employed on the working day coincident with or next following that date. An employee not actively at work on his eligibility date for any reason will become eligible upon the date of his return to active employment.

- (b) An hourly paid employee who has become eligible for benefits by virtue of continuous service with the company acquired in a position which is outside of the bargaining unit, shall be entitled to Life Insurance and Welfare Benefits as provided by this plan, notwithstanding his status as a probationary employee within this bargaining unit.
- (c) An hourly paid employee who has become eligible for benefits under the provisions of this plan and who accepts a position outside of the bargaining unit in order to avoid a termination of employment (lay off), shall be entitled to the Life Insurance and Welfare Benefits in accordance with the plan provisions governing the job classification in which he is then employed.

2:03 Dependents: The eligible dependent or dependents of an eligible employee shall be entitled to receive benefits as stated herein on or after the date on which such dependent or dependents are properly enrolled under the Plan, except that should a dependent actually be a hospital patient on the date the insurance takes effect, the coverage, other than that provided by the Ontario Health Insurance Plan for such dependent, will be postponed until he or she is discharged from the hospital.

2:04 An employee will be considered to be single and without dependents until he has properly enrolled his dependents. He may be required to furnish such proof as the Company may reasonably require to establish the eligibility of any person claimed as a dependent.

2:05 An employee shall inform the Company promptly of any changes in his status or that of

his dependents which would affect his or their eligibility under the Plan.

2:06 Leave of Absence, Sickness, Injury or Pregnancy: When an eligible employee is granted leave of absence from work because of sickness, injury or pregnancy, applicable benefits of the Plan for the employee and his dependents will be maintained for a period commencing with the first day of the month following the date such leave commences, and equal to the amount of seniority the employee had at the start of such leave but not to exceed a maximum period of 18 months.

2:07 Expiration of Leave of Absence Benefits: An employee, who is unable to return to work at the expiration of the period of leave of absence for which he is eligible for benefits as set out above, may continue coverage for himself and dependents, for all benefits, except Weekly Indemnity and Long Term Disability, by payment monthly in advance to the Company of the total premiums applicable for such benefits. Such payment will be the responsibility of the employee. This privilege will terminate on termination of employment (including lay off) or termination of the Plan or failure to pay premiums.

2:08 Leave of Absence, Personal: An employee who is granted leave of absence for any reason other than sickness, injury or pregnancy after becoming eligible for the Plan, shall continue to be eligible for all benefits for himself and dependents, except Weekly Indemnity and Long Term Disability, until the end of the month following the month in which such absence commences.

2:09 Return From Leave of Absence or Lay off: An employee, who had previously been eligible

under the Plan and who returns to regular employment after lay off and prior to loss of seniority rights or leave of absence where benefits have expired, shall be eligible for benefits on the first day that he returns to work.

2:10 Lay off An employee who is temporarily laid off for a period not exceeding 31 days shall continue to be eligible for all benefits of the Plan.

An employee laid off for an indefinite period, whose employment is thereby terminated, shall continue to be eligible for all benefits, except Weekly Indemnity and Long Term Disability, until the end of the month following the month in which such lay off occurs.

However, if at the time of lay off the employee is eligible for Supplemental Unemployment Benefits, coverage for all benefits, except Weekly Indemnity and Long Term Disability, will be continued up to a maximum period ceasing at the end of the sixth (6th) month following the month in which such lay off occurs.

2:11 Termination of Employment: An employee, except a retirant or laid off employee, whose employment is terminated for any reason shall cease to be eligible for benefits to which he may be entitled under this Plan as of the date of termination except for extended termination benefits and the provision that Life Insurance will continue for 31 days under the conversion privilege.

2:12 Dependents of an employee or of a retirant shall cease to be eligible for benefits under this Plan on the date on which the employee or retirant ceases to be eligible, and, in the case of the death of an employee or of a retirant, at the end of the third month following the month in which said death occurs.

2:13 Retirement: **An** employee hired **on** or after April 15, 2002 will be eligible for Life Insurance as indicated in Article 3:02. **An** employee hired after April 14, 2002 shall continue to be eligible for Medical Services Benefit, Supplementary Hospital Expense Benefit, Supplementary Health Benefits and Dental Expense Benefits, provided they pay thirty percent (30%) of the cost of the above mentioned benefit premiums.

An employee hired before April 14, 2002 shall continue to be eligible for Medical Services Benefit, Supplementary Hospital Expense Benefit, Supplementary Health Benefits and Dental Expense Benefits as provided herein at disability retirement, or with 10 years of service after age 45 as long as he continues to remain eligible for retirement allowance. **An** employee retired after November 2, 1981 but **on** or before April 14, 2002 will maintain the benefits referenced above.

Based **on** current age and credited service, all existing employees hired before April 14, 2002, will be eligible for existing benefits assuming employees remain to retirement.

These benefits shall not be applicable to a person **who** may **be** eligible for a Deferred Vested Pension.

2:14 Extended Termination Benefits In all cases of termination of coverage while the Plan is in effect, the eligible employee or dependents will be covered for Supplementary Hospital Expense Benefit and Supplementary Health Benefits for a 90 day period if total disability exists continuously from date of termination and treatment is given within the 90 day period.

2:15 Where an insured person is insured under another group insurance plan for Medical Services, Supplementary Hospital or Supplementary Health, benefits will not be payable with respect to that portion of any eligible expense for which benefits are paid by the other plan.

Benefits for eligible expenses incurred by an insured dependent will be determined on the following basis if the dependent is also insured under another group insurance plan:

- (a) Benefits will not be payable with respect to that portion of an expense which is eligible for reimbursement by another plan where the dependent is an insured person under the other plan.
- (b) Benefits will be reduced by the amount of the reimbursement made by another plan where the dependent is also insured as a dependent under the other plan.

ARTICLE III LIFE AND HEALTH INSURANCE

3:01 The Company will establish, maintain and administer a Life and Health Insurance Plan for each eligible hourly paid employee and eligible dependents which shall consist of and be limited to the benefits outlined herein.

BENEFITS

3:02 Life Insurance: A principle sum for each eligible hourly paid employee and retirant as follows:

Eligible Employee -

Effective May , **2002** - \$38,000
Effective May , **2003** - \$38,000
Effective May 1, **2004** - **\$40,000**

Eligible Retirant - Effective May 1, **2002** - \$9,000

3:03 Life Insurance Termination and Conversion Privilege:

The Policy will continue in force for a period of 31 days following termination of employment. During this period the holder of the policy shall have the privilege of obtaining, without medical examination, a policy from the insurer according to the terms contained in the insurance certificate.

3:04 Disablement Before Age 65: If an insured employee becomes totally disabled before attaining the age of 65 years, the life insurance policy will be extended without payment of premiums in accordance with the terms contained in the insurance certificate.

3:05 Accidental Death and Dismemberment Insurance: An additional principle sum of \$38,000(effective May 1, **2002**), \$38,000(effective May 1, 2003) and **\$40,000**(effective May 1, 2004) will be paid in the case of accidental death or dismemberment of an eligible employee. The principle sum will be payable in the case of death or loss or loss of use of both hands, both feet or sight of both eyes or any two of those members when such loss occurs within 365 days of the date of the accident and is caused by external violent and accidental means. Payment of one-half of the above principle sum will be provided for in the case of loss or loss of use of one hand, one foot or sight of one eye, under the same conditions. The contract will contain such limita-

tions and conditions as are normally found in contracts issued in Ontario for insurance of this type.

LONG TERM DISABILITY

3:06 Long term Disability Plan: Effective April 15, 1999, the Company shall provide Long Term Disability Benefits as herein prescribed to an eligible employee possessing two(2) years of credited service and being totally disabled from any occupation. Such benefits will commence following exhaustion of Weekly Indemnity benefits and will cease in the event of the following occurrence:

- (a) on the month following the month of recovery, or
- (b) on the month following the month of death, or
- (c) on the month following the month in which monthly payments equals months of credited service, or
- (d) on the month in which the employee qualifies for a Disability Pension or a full total disability award from the Workplace Safety and Insurance Board.

To be eligible and continue to be eligible for this benefit such employee shall provide medical evidence or attend a medical examination as required from time to time.

The amount of maximum monthly benefit shall be one thousand (\$1,000)dollars payable for each month of credited service to a maximum duration of forty-eight (48)months of payment. **The maximum monthly benefit amount increases to \$1100.00 effective April 15, 2003.**

It is understood that Article 2:02 shall have no meaning to the Long Term Disability Plan.

Recurrence of Disability: This provision shall take precedence over any recurrent disability provision under the Company's Accident and Sickness Indemnity Plan; whereas, if a disabled employee while receiving Long Term Disability payments recovers and returns to full-time active employment and becomes disabled within three (3) months of his return to work, a new disability qualifying period shall not be required if disability results from the same cause. In this event the employee will resume his benefit for any balance of Long Term Disability benefit payments only.

Rehabilitation: Refusal to undergo reasonable rehabilitation shall result in disqualification from Long Term Disability.

3:07 ACCIDENT AND SICKNESS INDEMNITY

(a) Accident Benefits

If an eligible employee is totally disabled from meeting the requirements of **his** occupation **due** to a non-occupational accident or sickness, payment as outlined below will be made to such employee while under the care of a physician for a period not exceeding 52 weeks.

(b) Benefits for disability caused through accidental injury as described above will be paid commencing with the first working day the employee is unable to report due to his disability.

(c) Sickness Benefits

If an eligible employee is totally disabled due to a non-occupational sickness, payment as outlined below will be made to such employee while under the care of a physician for a period not exceeding 52 weeks.

- (d) Benefits for disability caused through non-occupational sickness described above will be paid commencing with the 8th day the employee has been declared disabled by his physician and is unable to report for work due to sickness. (This period shall include 5 plant working days).
- (e) Benefits for disability caused through surgery which required either a general or local anaesthetic will be paid commencing with the first day of hospital confinement or the day of outpatient surgery excluding cosmetic surgery
- (f) Benefits for disability caused through sickness, which necessitates confinement in a hospital for a period of at least one full day commencing during the waiting period, will be paid Commencing with the first day of disability for which the employee is eligible for a Daily Hospital Expense Benefit as a result of hospital Confinement.

3:08 The date upon which disability terminates shall be the last day prior to the day upon which the employee's attending physician states the employee is able to resume work.

3:09

- (a) Weekly Indemnity Benefit: The amount of Weekly Indemnity Benefits will be an amount equivalent to 66 2/3 % of the employee's average hourly earnings, excluding all premiums, times 40 hours or 66 2/3 % of the employee's average insurable earnings over the last 27 weeks of insurable employment (as used by the Employment Insurance Commission), whichever is the greater, to a maximum of \$550.00 per week, or the most recent E.I. maximum, whichever is higher. **This Weekly Indemnity maximum benefit increases to \$575.00 per week effective April 15, 2003.**

- (b) The amount equivalent to 66 2/3% shall be rounded off to the nearest dollar. In cases where part of the dollar is equal to or greater than 50 cents, the amount shall be rounded off to the next highest dollar.
- (c) If the earnings index under the Employment Insurance Act should change the criteria for maximum benefits, the Company may elect to adjust the maximum benefit of \$550.00 per week to the extent of maintaining the minimum qualification requirements of the Weekly Indemnity Plan for Employment Insurance Act premium reductions. **This Weekly Indemnity maximum benefit increases to \$575.00 per week effective April 15, 2003.**
- (d) In consideration of the amounts of the Weekly Indemnity Benefits outlined in (a) above, the Union and its members agree:

To forego the total rebate or savings to which they might be entitled, in whole or in part, under the Employment Insurance Act, as a result of the Weekly Indemnity Plan becoming and remaining approved for any reduction of premium, and that all such monies shall be retained by the Company.

- (e) Should the provisions included in this Section 3:09 fail to meet or fail to continue to meet the criteria required to maintain the Weekly Indemnity Plan as an approved plan for premium reductions under the Employment Insurance Act, the Company and the Union will, following the effective date of such legislation or change in the regulations, commence negotiations to amend these provisions providing that such amendments do not increase the aggregate cost of Weekly Indemnity to the Company before the enactment of the legislation or change in the regulations

3:10 An employee who has received the maximum benefits he is entitled to receive for one disability, who has recovered from that disability and has been back to work for a period of 14 calendar days, will be entitled to benefits with respect to a subsequent period of disability due to the same or related causes.

3:11 Indemnity Calculation: Weekly Indemnity payments will be paid on the basis of a 5 day work week and partial weeks will be paid on a daily basis calculated at 1/5 the weekly benefit for each regular working day.

3:12 A female employee shall be entitled to Weekly Indemnity Benefits resulting from pregnancy or related causes only when the Employment Insurance Commission eliminates this benefit or the benefit period for pregnancy or related causes is not covered by E.I.

3:13 Medical Services Benefit: The Company will remit **the** monthly premiums to the Ontario Health Insurance Commission on behalf of each eligible employee and eligible dependent(s), if any, to qualify him or them for the O.H.I.P. benefits in effect. Such premiums shall be paid by the Company for each month an employee or dependent(s) **is** eligible under Article II Eligibility. For each month in which the employee or dependent(s) is not eligible under this Plan, the amount of the premium will be deducted from his pay.

3:14 Supplementary Hospital Expense Benefit: In addition to making premium payments as defined in 3:13 above, the Company will provide Supplementary Hospital Expense Benefits for any eligible employee and eligible dependent for the amount charged by the hospital for room and board in excess of the expenses covered by the provincial hospital insurance plan **for semi-pri-**

vate accommodation up to a maximum of \$225 for each day of confinement to a maximum of 365 days during any one benefit period. This benefit is extended to cover substance abuse and mental health rehabilitation.

Successive periods of confinement in a hospital shall be considered as occurring during one benefit period unless the employee returns to work and completes at least fourteen (14) calendar days of full time employment, or is separated by an interval at least one (1) month before commencement of the later confinement, or unless the later confinement is due to causes wholly different from those of the prior confinement; or in the case of a dependent, successive periods of confinement are separated by an interval of at least three (3) months or unless the later confinement is due to causes wholly different from those of the prior confinement.

3.15 Supplementary Health Benefits: The Plan will provide for each eligible employee and eligible dependent(s) the following Supplementary Health Benefits:

Maximum Benefit: the maximum amount payable under this benefit in respect of any individual in a calendar year will be \$30,000 per covered person.

Extension of Benefits: If an employee or any eligible dependent is totally disabled on the date of termination of the employee's insurance because of termination of employment, benefits will be continued in respect of the disabled individual during total disability for a period of up to ninety (90) days following the date of such termination.

Eligible Expenses: Eligible expenses mean reasonable and customary charges for the follow-

ing services, providing that such services are prescribed by a physician licensed to practice medicine. "Reasonable and customary charges" exclude charges which are in excess of those usually made for the service, treatment or supplies in the absence of insurance, or in excess of the general level of the charges in the area;

1. Services of qualified physiotherapists up to a maximum of \$600 per calendar year, and registered nurses providing such nurse or physiotherapist is not ordinarily resident in the patient's home and is not a relative of the patient;

2. Hospital outpatient services and diagnostic laboratory and x-ray examinations not covered by a provincial hospital or medical insurance plan or any other hospital plan;

3. Drugs that can be only obtained by a written prescription of a physician and dispensed by a physician or by a registered pharmacist;

4. Rental (or purchase at the discretion of the Company) of wheel chair, hospital bed or oxygen set or other remedial appliances as prescribed by a physician;

5. Trusses, braces and crutches;

6. Artificial limbs (excluding myoelectric appliances) or eyes or other prosthetic appliances;

7. Oxygen, plasma or blood transfusions, surgical dressings or bandages;

8. Ambulance services which are certified by the attending physician as necessary, including any conveyance which is officially designated as an ambulance in an emergency;

9. The services of a dental surgeon including dental prosthesis required for treatment of a fractured jaw or for the treatment of accidental

injuries to natural teeth within six (6) months of **the accident where the injury was caused** by external, violent and accidental means;

10. That portion not covered by a government hospital or medical **care** insurance plan of a fee for services of a Chiropractor, Osteopath or Podiatrist for a maximum of twenty (20) treatments in any calendar year and for not more than one (1)x-ray examination per calendar year;

11. Services of a duly licensed medical practitioner rendered while the employee or dependent **is** travelling or resident outside the Province of Ontario, payment to be limited to the amount of the charge which is in excess of the Ontario Medical Association Schedule of Fees and **up** to the amount which would be reasonably considered for payment if the service were rendered in Ontario;

12. Eye glasses purchased on the written prescription of a physician or registered optometrist, subject to a maximum of two hundred and **seventy-five dollars (\$275.00)** during any period of twenty-four (24)consecutive months, excluding glasses for cosmetic purposes, and safety glasses where a prescription **is** not required;

13. Hearing aids on the written prescription of a medical doctor to a maximum of eight hundred dollars (\$800.00). including repairs and batteries, in any period of sixty (60)consecutive months. In the case of growing children (up to age eighteen(18)), an additional allowance of four hundred dollars (\$400.00) per three (3)year period shall be available for replacement ear pieces. **The maximum of \$800.00 as stated above increases to \$1000.00 effective April 15, 2003;**

14. Treatment by radium or radioactive isotopes;

15. Services of a qualified and registered clinical psychologist in good standing up to sixty dollars (\$60.00) for the initial visit and up to fifty dollars (\$50.00) per hour for subsequent treatments to a maximum of seven hundred dollars (\$700.00) during any calendar year;

16. Services of a Registered Massage Therapist up to **forty** dollars (**\$40.00**) per treatment for a maximum of **fifteen (15)** treatments during any calendar year, provided such treatments are prescribed in writing by the patient's attending physician;

17. Services of a regularly qualified speech therapist which are certified in writing as necessary by the patient's attending physician or dentist up to a maximum of four hundred dollars (\$400.00) during any calendar year;

18. Remedial footwear or inserts as prescribed by a physician or a doctor of podiatric medicine up to a maximum of \$1000 per calendar year;

19. Smoking cessation patches up to a maximum of one (1) course of treatment per calendar year.

LIMITATIONS

The insurance under this benefit does not cover charges in respect of

- injuries or sickness for which benefits are payable under any Workplace Safety and Insurance Act ;
- services of a physician or surgeon except as provided under "Eligible Expenses";
- self-inflicted injuries which are not accidental;

- injury or sickness resulting from war or from engaging in a riot, illegal disturbance of the peace or criminal act:
- addiction to drugs or alcoholism unless under the care of a physician:
 - any service for which the individual is riot required *to* pay or for which benefits arc received under any other group insurance policy:
 - services for which benefits arc payable under any government hospital or medical care insurance plan unless legally permitted.

DENTAL EXPENSE BENEFIT

3:16 The Company will provide all eligible employees and eligible dependents the Dental Plan benefits as follows:

Basic services - 100% of applicable O.D.A. Dental Fee Guide.

Restorative services -- dentures - 100% of applicable O.D.A. Dental Fee Guide.

Restorative services -- crowns & bridges - 50 % of applicable O.D.A. Dental Fee Guide.

An employee with seniority and his eligible dependants shall become eligible for Dental Plan Benefits on the first of the month following the completion of six (6) months of continuous service with the Company.

Regardless of the O.D.A. Procedure Codes used from year to year, the Company will ensure that the Dental Benefits continue to be covered as specified above. Coverage will be based on the ongoing Ontario Dental Association Schedule fee guide from the year previous to the present year for the following oral care expenses:

Type A basic services - 100%

a) Diagnostic Services

Services provided by a general practitioner and required to evaluate existing conditions. including:

- i) Consultations
- ii) Oral Exams. bitewing x-rays (each limited to once every 5 months, twice in a calendar year)
- iii) Complete mouth x-rays or panoramic films (limited to once every 24 months.)

b) Preventative services

Services required to prevent dental disease, including dental cleaning, oral hygiene instructions, and application of fluoride (each limited to once every 5 months, twice in a calendar year).

c) Routine restorative services

Services required for treatment of dental cavities. including amalgam. acrylic or composite fillings and preformed stainless steel crowns.

d) Routine surgical services

Routine extractions and related anaesthesia are covered. provided they are not preparatory to orthodontic services.

e) Space maintainers

This includes charges for space maintainers where they are used as a preventative measure to maintain space. Charges for space regainers involving the movement of teeth or otherwise used for orthodontic purposes are not covered.

f) Major surgical services

Major oral surgery, necessary suturing, post-operative treatment and related general anaesthesia, including alveoloplasty, gingivoplasty, osteoplasty and frenectomy. Surgical services that are preparatory to orthodontic services are not covered.

g) Periodontal services

Services required for the treatment of the soft tissues and bone supporting the teeth, including gingivectomy and osseous surgery. Periodontal services incidental to orthodontic treatment are not covered.

h) Endodontics services

Services required for the diagnosis of treatment of diseases of the tooth pulp, root canal or periapical area.

i) Dental repair services

Services required for rebasing and relining of removable full or partial dentures or for repairs to broken dentures, including addition of teeth to a denture to replace at least one natural tooth while insured, once in any 2 calendar years.

Type B - Major restorative ser ———

a) Dentures - 100%

Services required for the replacement of missing teeth through the use of removable dentures, including laboratory charges for prosthodontics materials. Coverage for both partial and full dentures is included once in any period of 3 years. Coverage is subject to limitations as defined below.

b) Crowns & bridges - 50%

Major restorative services required for the restoration of teeth, for the reconstruction of a tooth or for the replacement of missing teeth through the use of fixed bridges. It includes crowns, inlays, onlays, fixed bridges and cast restorations.

Predetermination of Oral Care Benefits

There will be times when you want to find out what payment you may expect to receive from the Insurance Carrier before you begin a plan of oral treatment. This process is called predetermination and we strongly urge you to use it whenever the anticipated cost of the oral treatment exceeds \$300.

Simply have your dental practitioner write out a treatment plan for you and take this to your Plan Administrator for transmittal to the Insurance Carrier. We will send you a statement of the amount payable by the insurance plan. This will allow you to determine your own financial obligation prior to the commencement of treatment.

Limitations

No reimbursement will be made for expenses resulting from:

- Services payable under any Workplace Safety and Insurance Act or any other statute;
- Services payable under any government plan;
- Self-inflicted injuries;
- Service required as a result of war or hostilities of any kind;

- Services required as a result of your participation in a criminal offence;
- Services performed by a person who is ordinarily resident in the patient's home;
- Services for which reimbursement is payable due to the legal liability of any other party to the extent of such reimbursement;
- Services other than those provided by a dental practitioner except those services which may be performed by legally qualified auxiliary personnel under the supervision of a dental practitioner, or those services which may be performed by a periodontal practitioner under the terms of the practitioner's license;
- Cosmetic services;

Crowns placed on a tooth not functionally impaired by incisal or cuspal damage;

- Dentures and bridgework (including crowns and inlays forming the abutments) to replace any teeth removed before the claimant became insured under this benefit or to replace a tooth or teeth congenitally missing;

Dentures which have been lost, stolen or mislaid;

- Prosthetic devices which were ordered before the claimant became insured under this benefit, or which were ordered while the claimant was insured but are installed more than 30 days after termination of the insurance;
- Replacement of an existing partial or full denture, bridgework, crown inlay, onlay, or periodontal splinting unless;
 - (i) the existing denture, bridgework, crown inlay, onlay or periodontal splinting is at least three years old and the replacement

takes place **at** least one year after the claimant became insured under this benefit,
or

- (ii) the replacement is required to replace an immediate temporary denture which was installed while the claimant was insured under this benefit:
- The addition of teeth to an existing partial denture or bridgework unless the addition is required to replace one or more teeth removed while the claimant is insured under this benefit.

ARTICLE IV GENERAL PROVISIONS

4:01 The employee shall complete any application or questionnaire relating to himself **and** pertinent information concerning his dependents of the facts pertaining to a claim for benefit presented by him to the insurer through the Company. Any additional documentation required by the Company and not the Insurer will be paid by the Company.

4:02 The Company shall issue or cause to be issued a certificate to each employee eligible for benefits which **will** describe the benefits and privileges provided by the insurer.

4:03 The Company shall have the right, and an employee claiming payment of disability shall afford **an** opportunity, to examination of the person of the employee or his dependent, by a physician appointed by it when and as often as it may reasonably require while a claim for benefit is pending.

4:04 Exclusions - General: Benefits outlined in this Plan for employees or dependents, where

applicable, will not be payable for sickness or injury covered by **Workplace Safety** and Insurance Board or other laws for which the employee is entitled to receive indemnity, or contracted or sustained as a direct or indirect result of war; engaging in a riot, illegal disturbance of the peace, criminal act or addiction to drugs or alcoholism unless under the care of a physician.

4:05 No employee shall be eligible for payment of an indemnity claim either full or in part for any period for which an employee is receiving other income to which the Company is either directly or indirectly a contributor. If an employee who is temporarily laid off and is receiving Employment Insurance suffers an injury or illness, he would not be excluded from coverage under the Plan, providing he is otherwise eligible.

4:06 No payment of claim will be made if the employee fails to meet the requirements of the insurer with respect to proof and time limitations under regulations normally included in policies written in Ontario.

4:07 Legislation: If at any time a Federal or Provincial Government passes legislation which directly or indirectly has the effect of providing benefits similar to one or more of the benefits described in the Plan for which the employees as a class shall be eligible, this Plan shall terminate in respect of that benefit or benefits upon the expiration of thirty (30) days after the proclamation of such statute or upon the date the statute comes into effect, whichever is later. During such thirty (30) day period or such longer period as may expire after date of proclamation of the statute, the parties will meet for the purpose of negotiating any amendments required or desirable to assure that the aggregate of the statutory benefits and the benefits provided under this Plan

shall approximate in kind and money value the benefits provided under the Plan before said statutory enactment.

4:08 Claim to be filed within ninety (90) days: Proof of claim forms furnished by the Company must be submitted to the Company by the employee within ninety (90) days after the commencement of any disability for which weekly sickness and accident indemnity benefits are payable.

4:09 If a disagreement shall arise between the Company or its insurer as the case may be, and an employee as to whether such employee is, or continues to be suffering from bodily injury or sickness of a degree, extent, and type that gives rise to a claim for benefits under the Plan, such disagreement shall be resolved as follows:

The employee or disabled person shall be examined by a physician appointed for that purpose by the Company or the insurer and by a physician appointed for that purpose by the Union. If they shall disagree concerning the kind and nature of the disability, the question shall be submitted to a third physician, selected by the said two (2) physicians. The opinion of the third physician, after examination of the disabled person and consultation with the other two(2) physicians, shall be accepted by the Company or the insurer, the Union and the employee as irrefutable evidence of the facts herein disclosed, and the degree, extent and type of disability suffered by the disabled person. The fees and expenses of the third physician shall be shared equally by the Company or the insurer and the Union.

4:10 If a disagreement shall arise between the Company and an employee with reference to eligibility for benefits or payment of claims under the

Plan, or if a disagreement shall arise between the Company and **the Union as** to whether the Company has provided and continues to provide benefits as hereinbefore described, such disagreement may be taken as a grievance as outlined in Article III of the Collective Labour Agreement with the Union, omitting, however, all steps preceding presentation of the grievance to the Human Resources Manager.

4:11 Subrogation: Where an employee or dependent receives Weekly Indemnity Benefits, or other payments to him on his behalf by reason of bodily injury or sickness in respect of which some third party is under legal liability, the Company or the insurer at the Company's option, shall be subrogated to the employee's or dependent's right to compensation for the cost of the benefits and/or services provided in respect of such bodily injury or sickness to the extent of the amount paid by the Company either directly or indirectly, or through coverage provided by the insurance policy in respect thereof and the employee by acceptance of the benefits, will undertake that he or the dependent so entitled to compensation, shall prosecute such claim against a third party at the expense of, and to the extent directed by the Company and pay over to the Company what it is entitled to receive as aforesaid together with any expenses it may have paid or incurred, from any monies recovered from such third party, and he or the dependent will do all acts, and execute all documents necessary to permit the Company to obtain the benefit of this Section.

4:12 Termination or Modification: The Plan is subject to such amendment from time to time as may be necessary to meet the requirements of any applicable federal or provincial laws, orders or regulations, and the relevant provision of the Insurance Act of Ontario shall be deemed to apply

except to the extent that such provisions may be waived or are superseded by the express provisions of this Plan.

4:13 In the event of termination of the Collective Labour Agreement by strike or lockout, the benefits described in this Life Insurance and Welfare Benefit Plan shall be provided for ninety (90) days following termination.

The termination of this Plan shall not have the effect of automatically discontinuing the payment of benefits insofar as it effects the benefits payable with respect to disabilities which were suffered or incurred **prior** to the date of termination.

DATED AT KITCHENER THIS 28 DAY OF JUNE, 2002.

Signed on behalf of the parties hereto by their duly authorized representatives.

COLLINS & AIKMAN CANADA INC.

D. Crawford
M. Hogan
H. Champagne

UNITED STEELWORKERS OF AMERICA
on behalf of its LOCAL 67

R. Snyder
D. Schurter
D. Paff
N. Lamothe
C. Snyder
R. Shantz
S. Finn
G. Penny (*International Rep*)

PENSION AND SEVERANCE AWARD PLAN

This Plan made and entered into this 15TH DAY OF APRIL 2002, by and between Collins & Aikman Canada Inc., Kitchener, Ontario, hereinafter referred to as the "Company" and the United Steelworkers of America on behalf of its Local Union Number 67, hereinafter referred to as the "Union".

ARTICLE I DEFINITIONS

- (a) The term "employee" means any male or female who is in the employment of the Company, and is a member of the Bargaining Unit, and referred to hereafter in the masculine gender.
- (b) The term "Credited Service" means the service of an employee which has been and remains credited to him or would be credited to him if re-employed in accordance with Article II of this Plan.
- (c) The term "Normal Retirement Date" shall mean the first day of the month following the month in which an employee's 65th birthday occurs, or his 65th birthday if it should fall on the first day of the month.
- (d) The term "Statutory Benefit" means any old **age** or disability benefit payable under any Federal or Provincial legislation, as now in effect, or under any future Federal or Provincial legislation amending, superseding, **sup**plementing, or incorporating existing Federal or Provincial Legislation, but such term does not include Workers' Compensation, Workplace Safety and Insurance Board or a benefit payable pursuant to Occupational **disease** laws, the Blind Persons Act, or a benefit

payable on a “needs test” basis or solely on account of service in the Armed Forces or other national service, or a benefit payable to or in respect of dependents or a benefit payable under the Old **Age** Security Act, Canada.

For the purpose of this Plan, the amount of such Statutory Benefit shall be the amount of Statutory Benefit that an employee or retirant shall be eligible to receive as of the date he first becomes eligible to receive such Statutory Benefit, and if the employee or retirant either does not apply for or loses part or all of **such** Statutory Benefit through delay in applying for such benefit, by earnings while eligible for such benefit, or other act or failure to act, the amount of the Statutory Benefit may be estimated and the estimated amount applied where the term Statutory Benefit occurs.

- (e) The term “**Old Age Security Date**” means the first day of the month in which the employee or retirant first becomes eligible (or could become eligible but for some act or failure to act by him or by another on his behalf, such as leaving Canada, failing to make timely application or failing to notify the proper authority of his address), for the benefit under the Old Age Security Act, Canada, as in effect on the 15th day of April, **2002**.
- (f) The term “**totally and permanently disabled**” means disabled by bodily injury or disease which shall presumably permanently, continuously and wholly prevent the employee, during the remainder of his life from meeting the job requirements of any job covered by the Collective Labour Agreement, except disability which (1) was contracted,

suffered or incurred while the employee was engaged in, or resulted from his having engaged in, a criminal enterprise, or (2) resulted from willfully self-inflicted injury, or (3) can be established as due to service in the Armed Forces of any country.

- (g) The term "**through no fault of his own**" as applied to an employee's disability shall mean that the disability shall not have resulted from or been occasioned by conditions listed under factors (1), (2) and (3), Section (f) preceding.
- (h) The term "**Retirant**" means a person who has been retired and is eligible to receive a retirement pension or disability allowance under the Plan.
- (i) The term "**permanent closing of a section of the Plant**" shall be interpreted to mean, one wherein seniority rights cannot be recognized in another area because of contractual commitments between the Union and the Company.
- (j) The spouse of the employee for purposes of any spouse's benefits payable under the Plan, "**spouse**" means the person who is legally married to the employee, except in the case of a person who has been co-habiting with the employee and has been publicly represented as the **spouse** of the employee for at least one (1) year immediately preceding the time when that person's status is required to be determined for the purpose of this Plan.
- (k) The Company and the Union acknowledge that the provisions and administration of Pension Plans in Ontario are regulated by legislation and mutually agree to comply fully with all relevant legislative provisions. Should

there be any difference between the plan provisions and those required by legislation, the legislative provisions shall prevail.

ARTICLE II RULES OF SERVICE

- (a) The following rules shall govern the determination of service to be credited to an employee as continuous service **under** the Plan.
- (b) Subject to **the** provisions contained in the following sections of this Article II, an employee's credited service for all purposes under **this** Plan shall date from his original date of employment and shall terminate as of his normal retirement date provided he is otherwise eligible for participation under the Plan.

An employee who commences employment with the Company after April 15, 1991 shall become a plan member on the first of the month immediately following the **accumulation** of two (2) years of continuous service.

When the calculation of service of an otherwise eligible employee involves a period **in** days amounting to fifteen (15) days or more, such period shall constitute one (1) additional month of service, but **if** the period is fourteen (14) days or less, such days are to be disregarded entirely. **Such** calculation shall not, however, be a factor in determination of service required as a condition of eligibility under the Plan.

- (c) Effect **of** Lay off on Credited Service

Lay off Commencing Prior to July 1, 1964

- 1. An employee who **has** been re-employed within one (1) year after having been laid off for lack of work or because he was then unsuited

to perform the work available may secure **recognition for his prior service under the Agreement**, as set forth below:

- (a) If such re-employment occurs within six (6) months, the time out shall not be deducted and prior service shall be retained.
 - (b) If such re-employment occurs between six (6) months and one (1) year, the time out in excess of six (6) months shall be deducted but prior service shall be retained.
2. An employee who has been re-employed more than one (1) year after having left the employ of the Company for any cause, shall lose credit for all time out and for prior service and shall be classified as a new employee, except that an employee who had five (5) or more years service credit at the time of termination may regain such prior years of service under the provisions of Section (d) of this Article II.

Lay off Commencing On Or After July 1, 1964

1. An employee who has been re-employed after having been laid off on or after July 1, 1964, for lack of work or because he was then unsuited to perform the work available, may secure recognition for his prior service under the Agreement as set forth below:
 - (a) If such re-employment occurs within six (6) months, the time out shall not be deducted and prior service shall be retained.
 - (b) If such re-employment occurs after six (6) months, but prior to loss of recall rights, under the terms of the Seniority provi-

sions of the Collective Labour Agreement, the time out in excess of six (6) months shall be deducted but prior service shall be retained.

- (c) Any employee who is rehired after voluntarily leaving the service of **the** Company or after having been discharged or having lost the right to recall under **the** Seniority provisions of the Collective Labour Agreement, shall be classified as a new employee and shall lose all prior service regardless of the length of time he was out of the employ of **the** Company, except that an employee who had five (5) years or more of service **at** the time of leaving may regain his prior years of service under the provisions of Section (d) of **this** Article II.
- (d) Any employee, other than one who has received a termination or severance payment, with five (5) or more years of service to his credit at the time of leaving the service of the Company for any reason, who shall have served five (5) years continuously after being rehired, shall have his service credit for any prior period or periods of five (5) years or more, together **with** that for any intervening period or periods of service of less than five (5) years which were terminated otherwise than by voluntary resignation or discharge, restored and thereafter such periods of service shall be regarded as constituting one continuous period, the time out being omitted.

Notwithstanding the above, an employee who has previously received an entitlement under Article VII, Deferred Vested Pensions, shall not receive credit for those

years of service for which payment has already **been** made except that such years shall be credited for purposes of establishing eligibility for retirement.

- (c) An employee shall be granted credited service for a period of up to one (1) year while in receipt of lost time benefits (which commenced on or after January 1, 1990) under the Ontario Workers' Compensation Act, Workplace Safety and Insurance Board or for the period during which an employee is entitled to approved Pregnancy Leave or Parental Leave (which commenced on or after December 20, 1990) under the Ontario Employment Standards Act.
- (f) The time during which an employee is on **an** official leave of absence shall be included in his years of service, but only if said employee returns to active service with the Company after the expiration of such leave, except however that the period of leave by reason of employment in any capacity by the International Union or affiliated body shall be excluded in determination of continuous service.

In the case of leave of absence commencing by reason of employment with the International Union service may be accumulated and credited to a maximum of three (3) years.

- (g) **The** records of the Company shall be presumed to be conclusive of the facts concerning the credited service of an employec in accordance with this Article II unless shown beyond **a** reasonable doubt to be incorrect.
- (h) In the case of retirement by reason of disability, the credited service of an employec shall terminate on the last day of active service.

- (i) Service rendered by an employee after his normal retirement date shall be included in computing pensions or allowances under this Plan.
- (j) Notwithstanding the above, absences from the plan which are deemed to be credited service are limited to the maximum permitted under the Income Tax Act and Regulation.

ARTICLE III NORMAL RETIREMENT - AGE 65

"A" ELIGIBILITY

- (a) Each employee who has reached the sixty-fifth (65th) anniversary of his birth shall be retired from active service and awarded the retirement pension hereinafter provided.
- (b) In the event an employee is absent from active employment on the date on which his normal retirement would occur and provided that such absence is a Company approved leave of absence or lay off, and provided that the employee retains his seniority under a Collective Labour Agreement from the time that he was last actively employed, he shall be able to apply for and receive a Retirement Pension based on his credited service as of the **last** day of his active employment without being required to return to active employment.
- (c) No employee shall be continued in the active service of the Company beyond the normal retirement date unless the Company shall determine that his retirement would not be in its best interests. Any employee so continued in service for a period not to exceed one (1) year after the attainment of age sixty-five (65) shall, nevertheless, be awarded any retire-

ment pension herein provided, but the payment of **such** pension **shall** be suspended until the date of retirement determined by the Company or such earlier date **as** may be requested by said employee. Thereafter, the employee shall be retired from active service and the pension to said employee shall be paid as hereinafter provided.

"B" AMOUNT OF PENSION

The amount of the monthly pension to an employee retired pursuant to the provisions of this Article III shall be the Basic Benefit Rate as set forth in Article XV multiplied by his years of credited service.

ARTICLE IV SPECIAL EARLY RETIREMENT

"A" ELIGIBILITY

An employee who **has** attained age sixty-two (62) and **has** ten (10) or more years of credited service, or an employee who has attained age fifty-five (55) but not age sixty-two (62) and who **has** thirty (30) or more years of credited service, may elect to retire on or after the effective date of this Plan and shall be entitled to a monthly pension

"B" AMOUNT OF PENSION

The amount of the monthly pension payable to an employee retired pursuant to the provisions of this Article IV shall be:

1. **A** basic pension determined by multiplying his years of credited service by the Basic Benefit Rate as set forth in the Pension Benefit Rates according to Article XV.

Plus

2. **A** monthly supplemental pension payable each month **up** to and including the month in which the retirant's sixty-fifth (65th) birthday occurs or upon his eligibility for Old Age Security Pension. whichever is earlier. The amount of such Supplementary Pension to be determined by multiplying the Supplementary Benefit Rate as set forth **in** the Pension Benefit Rates according to Article XV by the number of years of credited service **up** to a maximum of thirty (30)years of service.

ARTICLE V
RETIREMENT PRIOR TO AGE 62
EARLY RETIREMENT

“A” ELIGIBILITY

1. An employee who has attained age sixty (60) **and** who has ten (10)or more years of credited service. may elect to retire **on** or after the effective date of this Plan, and prior to his normal retirement date. and shall be entitled to a pension.
2. **An** employee who **has** attained age fifty-five (55), but not age sixty (60), and whose combined years of age and credited service shall total eighty-five (85)or more. may elect to retire, **on** or after the effective date of this Plan, and prior to his normal retirement date, and shall be entitled to a pension.

“B” AMOUNT OF PENSION

The amount of the monthly pension payable to an employee retired pursuant to the provisions of this Article V shall be:

1. A basic pension determined by multiplying his years of credited service by the Basic Benefit Rate applicable as set forth in Pension Benefit Rates according to Article XV. Each monthly payment of the basic pension whether becoming payable before, on, or after the Old Age Security Date, is to be reduced by the lesser of (i) or (ii) below.

Plus

2. A monthly supplemental pension payable each month up to and including the month in which the retirant's sixty-fifth (65th) birthday occurs or upon his eligibility date for Old Age Security Pension, whichever is earlier. The amount of such Supplemental Pension to be determined by multiplying the Supplementary Benefit Rate as set forth in the Pension Benefit Rates, according to Article XV by the number of years of credited service up to a maximum of thirty (30) years of service. The amount of the monthly Supplemental pension shall then be reduced by the lesser of (i) or (ii) below.
 - (i) Four tenths of one percent (4/10 of 1%) of the total amount so computed for each month by which the effective date of his pension precedes the first day of the month coincident with or next following the sixty-second (62nd) anniversary of the retirant's birth.
 - (ii) Four tenths of one percent (4/10 of 1%) of the total amount so computed for each month by which the retirant's credited service at the effective date of his pension is less than thirty (30) years.

The reduction of four tenths of one percent (4/10 of 1%) shall be applied separately to both the Basic Pension and Supplemental Pension.

**ARTICLE VI
DISABILITY ALLOWANCE**

**“A” ELIGIBILITY FOR DISABILITY
ALLOWANCE**

- (a) Each employee who through no fault of his own has become totally and permanently disabled and whose credited service has been ten (10) years or more, shall be retired from active service and be granted a disability allowance on the basis of service credited only to the last day of employment plus a maximum of one (1) year additional credited service for the period from the last day of active employment while on Company approved leave of absence for sickness or injury including compensable injury without return to active employment.
- (b) If any retirant who is in receipt of a disability allowance ceases to be totally and permanently disabled, or if he shall engage in any work similar to the job requirements of any job in the bargaining unit, his disability allowance may be terminated at the Company's option. If so terminated by the Company, he shall be rehired in a capacity consistent with his seniority and his physical and mental ability, provided he promptly applies for such work.
- (c) Each retirant to whom a disability allowance has been granted may be required from time to time, but not more frequently than at six (6) month intervals, to report at a reasonable place for physical re-examination and if such retirant shall neglect or refuse to be so re-examined, the disability allowance shall be discontinued until the continuance of his disability is verified by such an examination.
- (d) If any retirant re-enters the service of the Company at the time such disability

allowance is discontinued, he shall be eligible for a retirement pension or further disability allowance under **this** Plan. In such a case the period of absence on disability shall be considered as a leave of absence and not a break in the continuity of his credited service.

- (e) No retirant receiving a disability allowance under this Article VI shall be entitled to any other pension or allowance under any Article of this Plan.
- (f) When a disability allowance has been granted, it shall not be made effective as long as the employee is on leave of absence and is drawing Indemnity Benefits from an insurance or compensation plan to which the Company contributes.
- (g) Where an employee continues to be totally and permanently disabled until his normal retirement date, his disability benefit will cease with the payment for the month immediately preceding his normal retirement date and he will be entitled to receive, commencing on his normal retirement date, the normal pension benefit accrued to his credit to the date of commencement of his disability benefit determined in accordance with Article III - Normal Retirement and the provisions of the plan as in effect at the date he became totally and permanently disabled.

"B" AMOUNT OF ALLOWANCE

The amount of the monthly allowance payable to an employee retired pursuant to the provisions of this Article VI shall be:

1. A basic allowance determined by multiplying his years of credited service by the Basic

Benefit Rate as set forth in the Pension Benefit Rates according to Article XV.

Plus

2. A monthly Supplemental allowance payable each month up to and including the month in which the retirant's sixty-fifth birthday occurs or upon his eligibility date for Old Age Security Pension, whichever is earlier. The amount of such Supplemental Allowance to be determined by multiplying the Supplemental Benefit Rate as set forth in the Pension Benefit Rates according to Article XV by the number of years of credited service up to a maximum of thirty (30) years of service less the amount of any Statutory Benefit to which the retirant may be or becomes eligible for prior to his Old Age Security Date, excluding any reduced regular C.P.P. benefit the retirant may be in receipt of.

ARTICLE VII DEFERRED VESTED PENSION

"A" ELIGIBILITY

1. An employee who terminates employment with the Company following completion of two (2) years of service as a member of the plan, but who is ineligible for a Pension, Disability Allowance or Severance Award, shall upon application not earlier than sixty (60) days prior to his normal retirement date, be eligible for a pension under this Article and shall be considered a retirant under this Plan. but for no other purpose, and shall be entitled to his vested interest under this Article (but no other benefit) commencing with the month following the month in which he attains age fifty-five (55) years.

2. The provisions dealing with Deferred Vested interest in each previous Pension and Severance Pay Agreement are to continue to apply to a former employec whose services with the Company were terminated during the term of such Agreement.
3. Notwithstanding **the** provisions of Article VII, the Deferred Vested Retirement Pension shall not be less than the Deferred Life Annuity prescribed by the Pension Benefits Act, 1965 of Ontario, and the same guarantee of pension payments shall apply in respect of such Deferred Life Annuity, as if he retired under Article III, Normal Retirement.

"B" AMOUNT OF PENSION

The amount of the monthly pension payable to a retirant under the provisions of this Article VII shall be:

A basic pension determined by multiplying his years of credited service, up to his last clay of active employment, by the Basic Benefit Rate as set forth in the Pension Benefit Rates, Article XV (a).

ARTICLE VIII SEVERANCE AWARD

- (a) When it becomes necessary to release an employec with five (5) or more years of credited service who is retired (1) because through no **fault** of his own is no longer able to meet the requirements of his job and who cannot qualify for transfer to another job within the local plant, **arid** who cannot **qualify** for a disability allowance or (2) one whose employment is terminated because of the permanent closing of the plant or a section there-

- of, he shall be paid a Severance Award calculated in the following manner:
- (1) **Any** such employee who has five (5) years of credited service but less than ten (10) will be awarded a Severance Award of one (1) week's average **pay** for each **year** of service.
 - (2) Any such employee who has ten (10) years of credited service but less than fifteen (15) **will be** awarded a Severance Award of one and one **half** (1 1/2) week's average pay for each year of service.
 - (3) Any such **employee** who has fifteen (15) or more years of credited service will be awarded a Severance Award of two (2) week's average pay for **each year** of service.
- (b) "Average **Pay**" as expressed in the foregoing Section (a) shall be in an amount equal to **the** employee's regular wages for a regular non-overtime work week.
- (c) **An** employee whose employment has been terminated and who has received a Severance Award as above provided will not be reemployed by the Company except at the Company's option and then only with the **status** of a new employee.
- (d) The provisions of this Article VIII shall not apply in the case of any lay offs for reasons other than those which are set out in Section (a) of this section.
- (e) The provisions of this Article VIII shall not be considered as part of the Registered Pension Plan and the benefits as defined above shall not be paid from the Pension Plan.

ARTICLE IX
FORM OF BENEFIT

(a) **NORMAL FORM OF BENEFIT - MEMBERS WITHOUT SPOUSES**

Where an employee does not have a spouse on the date on which Pension payments commence and subject to guarantee periods as otherwise provided by this plan, the normal form of Pension Benefit is payable monthly in equal instalments on the last day of each calendar month during the lifetime of a retired member.

(b) **NORMAL FORM OF BENEFIT - MEMBERS WITH SPOUSES**

Where an employee has a spouse on the date on which Pension payments commence, the normal form of Pension Benefit is payable monthly on the last day of each calendar month during the lifetime of the retired member and continuing after the death of the member, to his spouse for her remaining lifetime in an amount equal to 60% of the amount payable to the member. In such cases the amount of pension payable to the retired member will be actuarially reduced.

A member who has a spouse on the date Pension payments commence may not elect any other form of Pension unless:

- (i) The amount of Pension payable to the survivor of the member and his spouse is not less than 60% of the Pension payable during the Joint lives of the member and his spouse, or
- (ii) The employee delivers to the Company, within the twelve (12) month period immediately preceding the date upon

which payment of **the Pension** is to commence, the written Waiver of the employee and the employee's spouse in the form prescribed under the Pension Benefits Act and this Waiver is *not* revoked by either the employee or his spouse prior to the commencement of the Pension.

- (c) SUPPLEMENTAL PENSION BENEFITS payable pursuant to Article IV, Article V, and Article VI are not payable to a surviving spouse and will cease at the end of the month in which the retiree's death occurs.

(d) OPTIONAL FORM OF BENEFIT

In lieu of the normal form of Pension payable under Paragraph (a) and (b) above, an employee may elect, except in respect of a Disability Pension payable under Article VI and subject to Paragraph b (ii), to receive one of the following optional forms of Pension Benefit by giving written notice of such election to the Company prior to the commencement date of the employee's monthly Pension payments. The optional forms of Pension Benefit will be the actuarial equivalent of the Pension Benefit the employee would otherwise have received under the normal form taking into account the value of any Death Benefit otherwise provided by this Plan, if any, and are as follows:

- (i) Life, Guaranteed 10 years or 15 years

An employee who retires may elect to receive an actuarially reduced amount of Monthly Pension which will continue to him during his remaining lifetime, but will be guaranteed to be payable, in any event, for not less than 120 or 180 months.

Payments to be made after the retirant's death will be continued to his beneficiary, or if none, his estate.

- (e) An election of an optional form of Benefit under (i) above may be cancelled at any time provided written notice of the revocation or change is received by the Company prior to the commencement date of the employee's monthly Pension payment, but no new election may be made thereafter.

ARTICLE X DEATH BENEFIT

(a) If an employee dies:

- (1) While employed by the Company prior to the commencement of his Pension, but after completing two (2) years of service as a member of the plan; **or**
- (2) After terminating employment with the Company with an entitlement to a Deferred Pension,

The member's spouse will be entitled to receive a Death Benefit in an amount equal to the commuted value of the Deferred Pension commencing on his normal retirement date to which the employee was entitled or would have been entitled under Article VII if he had terminated his employment immediately before his death. The spouse may elect to receive the benefit in one of the following forms:

- (i) A lump sum payment; **or**
- (ii) An Annuity payable for the spouse's lifetime, as may be provided by the amount in (i), commencing either immediately or

on the first day of the month **on** or next following the date at which the spouse attains age 65.

If the spouse fails to make an election within ninety (**90**) days of being advised of the entitlement under this Section, the spouse will be deemed to have elected the immediate Pension described in paragraph (ii).

- (b) **If** an employee dies prior to the commencement of his Pension and he has no spouse, the employee's beneficiary or, **if** none, his estate will receive a lump sum equal to the commuted value of the Deferred Pension to which the employee was entitled or would have been entitled under Article VII if he had terminated his employment immediately before his death.

The right to designate or to revoke a designation of a beneficiary pursuant to this Section is to be exercised by the execution by the employee or retirant, **and** by delivery to the Company, of an instrument in writing, which expressly provides that the designation **or** revocation, whichever is the case, is made with reference **to** this plan.

Upon delivery to the Company, prior to or on **or** after the death of the employee or retirant, of a designation **or** a revocation of a designation of a beneficiary made pursuant to the foregoing paragraphs of this Section, the designation or revocation, even if it is contained in a Will, or an instrument purporting to be a Will, relates back to and has effect as and from the date of its execution but without prejudice to the Company, the Trustees, or any Insurance **Company** on account of any payment or payments made under this Plan.

- (c) If an employee dies following the commencement of his Retirement Pension **and** before he has received a total of sixty (60) monthly Pension payments, the balance ~~of~~ the sixty (60) monthly payments, exclusive of any monthly Supplemental Pension, will continue to be paid to his beneficiary or, if none, to his estate unless the retiree was receiving a Joint & Survivor Pension or has elected a ten (10) or fifteen (15) year Guarantee period, in which case the provisions of the elected option will apply.

ARTICLE XI GENERAL PROVISIONS

- (a) The Company shall have the sole responsibility and authority consistent with the provisions of this Plan for the operation **and** administration of the Plan and the policies of administration shall be determined by the Company whose decision with respect to any questions shall be final and binding for all purposes, subject to the provisions of Article **XI** of this Plan.
- (b) Neither this Plan nor any action taken by the Company or its representative shall be construed as giving any employee any right to be retained in the employment of the Company, and all employees shall remain subject to discipline, discharge or lay off to the same extent as if this Plan had not become effective, without liability on the part of the Company for a retirement pension or other allowance other than wages due and unpaid and any Severance Award to which an employee may be entitled under the Agreement.

- (c) Assignment of Retirement Pension or Disability Allowances, or Severance Awards, under the Collective Labour Agreement will not be recognized except when approved by the Company, and any Retirement Pensions or Disability Allowances, or Severance Awards may be suspended or terminated if an assignment thereof or any transfer of an interest therein by operation of law or otherwise is made, or if the same is attached or seized under or by virtue of legal proceedings.
- (d) In the case of an otherwise eligible employee who is regularly employed on a "part time" basis, the amount of the pension or allowance shall be reduced to an amount which will have the same proportionate relationship as the regular hours of such an employee have to the normal hours of a "full time" employee.
- (e) Any employee shall give proof of age by evidence satisfactory to the Company when requested *to do so*.
- (f) All applications for Retirement Pension or Disability Allowance must be made out on forms approved by the Company.
- (g) The Company will assume no superannuation responsibility for termination or retirement pensions or allowances or otherwise to employees who are not eligible under the provisions of this Plan.
- (h) The Union shall be furnished with such pertinent information as it may reasonably request, from time to time, concerning the operation of this Plan in *so far as it affects* retirants thereunder whom it has represented.

ARTICLE XII
GRIEVANCE PROCEDURE: INFORMATION

- (a) If any dispute shall arise between the Company and any employee, former employee or retirant represented by the Union with reference to eligibility, age, credited service or amount of pension or allowance, or suspension or termination of pension or allowance, such dispute may be taken up as a grievance under the grievance procedure of the Collective Labour Agreement then in effect between the company and the Union omitting, however, all steps prior to the presentation of the grievance to the Human Resources Manager.

If any such grievance shall be taken to arbitration in accordance with such procedure, **the** Arbitrator or Board of Arbitration shall have only the authority to interpret and apply the provisions of this Plan, and of any applicable provisions of the Collective Labour Agreement relating to Grievance Procedure, but shall have no authority to alter, add to or subtract from any such provisions in any way. The decision of the Arbitrator or Board of Arbitration on any grievance properly referred shall be binding upon the Company, the Union and the employee, former employee or retirant. If any dispute shall arise as to whether any employee, former employee or retirant, who is represented by the Union, is or continues to be permanently or totally disabled, as defined in this Plan, such dispute shall be resolved as follows:

Such employee, former employee, or retirant shall be examined by a physician appointed for that purpose by the Company and by a

physician appointed for that purpose by the Union and their decisions, if they shall be in agreement, shall be final **and** binding. If they shall disagree, the issue shall be submitted to a third physician selected by the said two physicians. The decision of such third physician after examination of the person concerned and consultation with the other two physicians appointed by the parties shall be binding upon the Company, the Union and the employee, former employee, or retirant concerned. The fees and expenses of any such third physician **shall** be borne equally by the Company and the Union.

- (b) The Union shall be furnished with such pertinent information as it may reasonably request, from time to time, concerning the operation of this Plan and the administration of this Plan insofar as it affects retirants thereunder whom it has represented.

ARTICLE XIII FINANCING

- (a) The Company shall establish a Pension Fund which shall consist of **a** trust fund or funds and/or an Insurance Company, or Government Annuities Branch contract or contracts for the purpose of providing the Benefits under this Plan.

The Company shall pay currently into the Pension Fund, such amounts as the **actuary**, retained by the Company, shall certify to be necessary to provide the current service costs and for amortization within the period prescribed by law of any unfunded liability or experience deficiency after taking into consideration the assets of the Pension Fund and

such other factors as may be deemed relevant. The Company **at** its option may, from time to time, pay into the Pension Fund additional amounts.

(b) Disbursement from Pension Fund

The Pension Fund shall be used, on proper authorization of the Board in accordance with the Agreement, to pay such pensions, allowances or awards as are payable under the Plan.

- (c) The pensions, allowances or awards which shall be payable in accordance with the provisions of the Plan shall be paid solely from the Pension Fund and each employee or retiree or other person who shall claim the right to any payment under the Plan shall be entitled to look only to the Pension Fund for such payment, and no liability for the payment of pensions, allowances or awards under the Plan shall be imposed upon the Board, the Company, or the officers, directors or stockholders of the Company save to the extent to which the Company shall fail to carry out the provisions of (a) of this Article XIII.

ARTICLE XIV UNDERTAKINGS

- (a) The Company agrees that during the term of this Plan or any extension thereof, this Plan shall continue in effect without modification or change insofar as it may be applicable to employees represented by the Union, except as provided in Section (c) below.
- (b) The Union agrees that during the term of this Plan or any extension thereof, neither the Union nor any of its representatives shall (1)

make any demands that this Plan be changed in any respect or terminated or that a new pension Plan or additional severance awards be established for the employees represented by the Union or that the Company contribute or pay any greater amount for employees than it is required to pay under the provisions of this Plan, (2) engage in or continue to engage in or in any manner encourage or sanction any strike or other action which will interfere with work or production in the Company's plant for the purpose of securing any such change. increase or termination; except during the last seventy-five (75) days of the term of this Plan or any renewal thereof. the Company shall not have any obligation to negotiate or bargain with the union with respect to any of the matters contained in this Plan, except as provided in Section (c) below.

- (c) The only exception to the above Sections will be that if Federal or Provincial Legislation is made effective after the date hereof, providing for contributions by the Company or changes in the present method of financing Company pension payments and accrual of funds. or should changes be made in the Old Age Security Act 1951 (as amended), the Company shall have the option to amend, and/or integrate this Plan by notice in writing to the Union, provided that the aggregate benefits a retiring individual employee shall receive **under** such amended Plan is not thereby reduced in amount, so that the amount such individual shall receive from the Company when added to that part of the benefits provided by any government plan which are financed or paid for by a compulsory contribution from the Company, shall not be less than the amount of benefits provided under this Plan.

- (d) Should the Company elect not to amend, and/or integrate the Plan as provided in Section (c) above and as a result benefits to the individual retiring employee in the aggregate are lessened thereby, the Union shall have the right to re-open for re-negotiations, with respect only to the affected benefit, sixty (60) days after the official proclamation of such change, modification, or supplementation, and negotiations with respect only to the affected benefits will commence within fifteen (15) days, and if negotiations are not completed before termination of the notice period, this Plan shall continue in full force and effect thereafter, subject to termination upon thirty (30) days written notice.

Such notice shall be given only on such date as will allow for termination of this Plan to coincide with the termination of the Collective Labour Agreement then in effect. In the event of such termination, the provisions of this Plan shall continue to operate in the manner as provided in the Labour Relations Act of Ontario.

ARTICLE XV PENSION BENEFIT RATES

(a) Basic Benefit Rate

Effective April 15, 2002 the basic benefit rate shall be **thirty-three dollars (\$33.00)** per month per year of credited service.

Effective April 15, 2003 the basic benefit rate shall be **thirty-five dollars (\$35.00)** per month per year of credited service.

Effective April 15, 2004 the basic benefit rate shall be **thirty-six dollars (\$36.00)** per month per year of credited service.

(b) Supplemental Allowance

Fifteen dollars (\$15.00) per month per year of service to a maximum of thirty (30) years of credited service.

- (c) For the purpose of calculating the amount of Pension, **but** not for **the** purpose of establishing eligibility or for any other purpose, credited service as determined under Article II of this Plan. will **be** adjusted to the nearest one-twelfth (1/12) of a year, **up** to and including the third decimal.

ARTICLE XVI
EFFECTIVE DATE, DURATION
AND TERMINATION

Umbrella Provisions

In the event of termination of the Collective Labour Agreement by strike or lock-out, the benefits described herein shall **be** provided for ninety (90) days following termination. Termination of this Plan shall **not** have the effect of automatically discontinuing the Pension Plan insofar as it affects the pensions of those retiring before the termination date and no pension granted prior to such termination shall be reduced, suspended or discontinued except as specifically provided in the Pension Plan.

It is understood that amendment to the Pension Plan in accordance with this Plan, is subject to approval of the Board of Directors of the Company, subject to obtaining and retaining such acceptance of the Pension Plan by such Pension Authorities and Commissions and subject to obtaining and retaining such acceptance of this Plan by the relevant Tax Authorities to establish that the Company is entitled to deduct the

amount of its contributions to the Pension Fund as an expense before taxes under the provisions of the Income Tax Act, or any other applicable tax laws, as now in effect or as hereafter amended or adopted, the Company agrees with the Union that the Company will provide the pensions and pay the Severance Awards provided for herein which are awarded to those who become eligible therefore during the term of this Plan or any renewal thereof. No action in performance of the terms of this Plan and consistent herewith shall be construed or interpreted to be a violation of any of the terms of any Collective Labour Agreement between the Company and the Union.

Should such approval or acceptance of the above named authorities be refused or withdrawn, negotiations will be started by the parties in an effort to make such changes as are required to obtain approval. In the event of failure in such negotiations, but in any case not later than the effective date of such refusal or withdrawal, this Plan will be terminated. In such event, either the Union or the Company may apply to the Ontario Labour Relations Board for permission to terminate the Collective Labour Agreement then in effect (solely for the purpose of obtaining Conciliation Service on the matter in dispute) and the other party shall join in such application. If, subsequent to notice of termination of the Collective Labour Agreement or subsequent to termination of this Plan under these circumstances the parties settle any differences between them then the Collective Labour Agreement if terminated, shall be reinstated to continue in full force until termination according to its provisions.

DATED AT KITCHENER THIS **28 DAY OF JUNE, 2002.**

Signed on behalf of the parties hereto by their duly authorized representatives.

COLLINS & AIKMAN CANADA INC.

D. Crawford
M. Hogan
H. Champagne

UNITED STEELWORKERS OF AMERICA
on behalf of its LOCAL 67

R. Snyder
D. Schurter
D. Paff
N. Lamothe
C. Snyder
R. Shantz
S. Finn
G. Penny (*International Rep*)

SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

This Plan made and entered into **April 15, 2002**, by and between Collins & Aikman Canada Inc., Kitchener, hereinafter referred to as the “Company” and Local Union No. 67, United Steelworkers of America, hereinafter referred to as the “Union.”

WHEREAS: The parties hereto established a Supplemental Unemployment Benefit Plan by Agreement dated October 6, 1967, and

WHEREAS: The parties have agreed to certain modifications and amendments to the Plan,

Now, therefore, it **is** mutually agreed as follows:

ARTICLE I DEFINITIONS

As used herein:

1. “Company” means Collins & Aikman Canada Inc., Kitchener, Ontario
2. “Union” means Local Union No. 67, United Steelworkers of America.
3. “Plan” means the Supplemental Unemployment Benefit Plan, established by this Agreement, between the Company and the Union.
4. “Trustee” means the trustee of the General Fund established under the Plan.
5. “Collective Agreement” means the Collective Labour Agreement, dated **April 15, 2002**, between the Company and the Union as may be amended or supplemented or any successor agreement.

6. “Bargaining Unit” means the unit of employment covered by the Collective Agreement.
7. “Employee” means an employee of the Company who, during the life of this Plan, is in the Bargaining Unit as defined in and covered by the Collective Agreement.
8. “Regular Benefit” or “Weekly Supplemental Benefit” means a Weekly Benefit as is payable under Article VII, Section 1, of this plan.
9. “Short Week Benefit” means such Weekly Benefit as is payable under Article XII of the Plan.
10. “Benefit” means a regular Benefit or a Short Week Benefit or both, as indicated by the context.
11. “Fund” or “General Fund” means a trust fund maintained under this Plan from which Benefits may be payable to employees.
12. “Seniority” means the seniority status in accordance with the Collective Agreement.
13. “Active Payroll” - An employee is on active payroll in any pay period for which he draws pay while in the Bargaining Unit.
14. “Plant” means Collins & Aikman Canada Inc., Kitchener.
15. “Employment Insurance” means the system or program, established by law, for paying benefits to persons on account of their unemployment under which an individual’s eligibility for benefit payments is not determined by application on a “means” or “disability” test, and an “Employment Insurance Benefit” means a Benefit payable under such a system.

16. "Credit Unit" means a unit, or fraction thereof, credited to an employee under the Plan.
17. "Work Week" or "Pay Period" means a calendar week beginning on Sunday at the regular starting time of the shift to which the employee is assigned or was last assigned immediately prior to being laid off.
18. "Full Week" or "Week" when used in connection with the period of lay off means (i) a period of lay off equivalent to a work week, or (ii) a work week for which an employee shall have been scheduled or offered work for less than twenty (20) hours, including hours paid for but not worked, and "full week of lay off" shall include such week, or (iii) with respect to a Short Week Benefit payable to an employee. a work week during which the Compensated or Available Hours (as in Article XII, Section 2) total less than the number of hours in his Standard Work Week, but not to exceed forty (40); provided, however, that if there is a difference between the starting time of a full week and of a week under the Employment Insurance system, the full week shall be paired with the week under the Employment Insurance system which corresponds most closely thereto in time. Each week within a continuous period of lay off does not constitute a new separate lay off.
19. (a) "Average Hourly Earnings" for the purposes of this Plan, means the straight time hourly earnings of the applicant and shall be based on the applicant's last three (3) weeks of employment in the Bargaining Unit on the most recent job on which he

had job seniority. Such "Average Hourly Earnings" shall be determined by dividing the applicant's earnings including Night Shift Bonus, but excluding overtime and all other premium payments, by the corresponding straight time hours worked during that same three (3) week period.

If a general wage increase has become effective between the period for which average hourly earnings has been calculated and the date of lay off, such general wage increase shall be added to the average hourly earnings so calculated.

In order to provide a minimum appropriate to the current wage scales in the plant, the average hourly earnings shall in no case be deemed to be less than seven dollars (\$7.00) per hour **for** the purpose **of** calculating the benefits payable.

(b) "Short Work Week Average Hourly Earnings" means the straight time hourly earnings **of** an employee and shall be determined by dividing the employee's earnings including night shift bonus but excluding all other premium payments during the last pay period preceding the Short Work Week, by the corresponding straight time hours worked during the same pay period.

20. "Dependents" means any person recognized as such under the provisions of the Dominion Unemployment Insurance Act, 1955, by the Employment Insurance Commission.

ARTICLE II ESTABLISHMENT OF FUND

The Company shall establish and maintain a Fund in accordance with this Supplemental Unemployment Benefit Plan, with a chartered bank or qualified trust company, selected by the Company as Trustee. The Company's contributions shall be made into the Fund, the assets of which shall be held invested and applied by the Trustee, all in accordance with the Plan. Benefits shall be payable only from such Fund. The Company shall provide in the contract with the Trustee that the Fund shall be held in cash or invested only in general obligations of the Government of the Dominion of Canada and/or the Government of a Canadian Province.

ARTICLE III MAXIMUM FUNDING AND TRUST POSITION

Section 1. **Maximum Funding**

There shall be a Maximum Funding of the Fund **for** each calendar month (and for each pay period when required by the provision of Section 2 of this Article). The Maximum Funding of the Fund **for** each month after the effective date of this Plan shall be determined by multiplying the sum of (a) the number of employees on the active payroll and (b) the number of persons laid off from work who are not on the active payroll but who have Credit Units by (c) \$750.00.

The above number of employees and persons shall be as determined by the Company from its records as of the latest date for which the figures are available prior to the first Monday in the month for which the Maximum Funding **is** being

determined (or prior to the pay period, if the Maximum Funding is being determined for a pay period).

Section 2. Trust Fund Position

There shall be a Trust Fund Position (stated as a percentage) for the Fund for each calendar month. The Trust Fund Position for the Fund for any particular month shall be determined by dividing the current market value of the total assets in such Funds as of the close of business on the Friday preceding the first Monday of such month, as certified by the Trustee, by the Maximum Funding of such Fund for such month. The Trust Fund Position for the fund for any particular month shall be applied in connection with such Fund for all purposes under the Plan to each of the pay periods beginning within such month; provided, however, that whenever the Trust Fund Position for the Fund for any particular month is less than ten percent (10%) such Trust Fund position shall be applied in connection with such Fund. for all purposes under the Plan only to the first pay period beginning within such month, and thereafter there shall be determined a Trust Fund Position (stated as a percentage) for such Fund for each pay period until the Trust Fund Position for a particular pay period equals or exceeds ten percent (10%) When the Trust Fund Position for a particular pay period equals or exceeds such percentage, such Trust Fund Position shall be applied in connection with such Fund for such purposes to each pay period until a Trust Fund Position for the following calendar month shall be applicable pursuant to this Section. The Trust Fund Position for the Fund for a particular pay period shall be determined by dividing the current market value of the total assets in such Fund at the close of business on

the Friday preceding such pay period, as certified by the Trustee, by the Maximum Funding of such Fund for such pay period.

Section 3. Finality of Determinations

No adjustment in the Maximum Funding or the Trust Fund Position of the Fund shall be made on account of any subsequently discovered error in computations of the figures used in making the computation, except (i) in the case of an error in bad faith, or (ii) in the case where after discovery of an error adjustment is practicable, and then the adjustment shall only be prospective in effect, unless such adjustment would be substantial in the opinion of the Company. Nothing in the foregoing shall be construed to excuse the Company from making up any shortage in its contributions to the Fund.

ARTICLE IV CONTRIBUTIONS BY COMPANY

Section 1. Company Contributions

Commencing with the pay period beginning April 29, 1979, and with respect to each pay period thereafter, for which the applicable Trust Fund Position of the Fund is less than 100%, the Company shall make a contribution to the Fund of an amount to be determined by multiplying five cents (\$ 0.05) by the total number of hours for which employees shall have received pay from the Company for such pay period (or such lesser amount as will bring the total market value of the assets in the General Fund up to the Maximum Funding for such Fund).

Commencing with the pay period beginning April 15, 1988, and with respect to each pay period

thereafter, for which the applicable Trust Fund Amount **is** less than the figure shown in Column A; the Company shall make a contribution to the Fund of an amount to be determined by multiplying the applicable figure in Column B by the total number of hours for which employees shall have received pay from the Company for such pay period (or such lesser amount as will bring the total market value of the Fund to the then applicable Trust Fund Amount in Column A, in which case, the remainder of said **total** number of hours shall be multiplied by the next lower figure in the applicable Column B).

Column A	Column B
\$ 150.00	\$ 0.13
\$ 300.00	\$ 0.12
\$ 450.00	\$ 0.11
\$ 550.00	\$ 0.10
\$ 650.00	\$ 0.09
\$ 750.00	\$ 0.08

Notwithstanding any other provision of this Plan, the Company shall not be obligated to make any contribution to the Fund with respect to any period for which the applicable Trust Fund Position of such Fund **is** 100% or more, and no contribution to the Fund for any pay period shall be in excess of the amount necessary to bring the total market value of the asset **in** such Fund up to the Maximum Funding for such Fund.

Section 2. When Contributions Are Payable

Contributions by the Company to the Fund shall be made on or before the close of business on the first regularly scheduled work day in the calendar week following the payday for the work week with respect to which contribution **is** being made.

Except that in periods in which the Trust Fund Position equals or exceeds 10%, weekly contributions may be accumulated and made on or before the close of business in the first regularly scheduled work day of the calendar week in which the Friday used for determining the Trust Fund Position falls.

ARTICLE V ELIGIBILITY FOR BENEFITS

Section 1. Application for Benefits

No persons shall be eligible for a Benefit unless and until he shall have made due application, therefore, in accordance with the procedure established by the Company under the Plan and shall have met the eligibility requirements of Section 2 of this Article.

Section 2. Eligibility for Regular Benefits

An applicant shall be eligible for a Regular Benefit only if he **is**:

- (1) on a Pregnancy or Parental Leave under the Employment Standards Act
- (2) on lay off from the Company with respect to the week for which application is made and the first day of such week **is** on or after June 11, 1968 and **if**:
 - (a) such lay off:
 - (1) was from the Bargaining Unit covered by the Collective Agreement;
 - (2) occurred in a reduction of force or temporary lay off and was not the consequence of a condition which qualified the applicant for Benefits under any Agreement

between the parties which provides for Severance Pay, Retirement or Disability Allowance or Weekly Sickness Indemnity;

- (3) was not for disciplinary reasons;
 - (4) was not a consequence of (i) any strike, slowdown, work stoppage, picketing (whether or not by employee), or concerted action, at the Company Plant, or elsewhere, or (ii) any fault attributable to the applicant or (iii) any war or hostile act of a foreign power (but not government regulation or controls connected therewith), or (iv) sabotage, or insurrection, or (v) any act of God, however, this subsection (v) shall not apply to the first two (2) weeks of lay off resulting from such cause; and
- (b) with respect to such week, the applicant;
- (1) has to **his** credit at least one-quarter (.25) Credit Units;
 - (2) has registered at and has reported to an office maintained by the Employment Insurance Commission and has reported to an employment office maintained by the manpower department and has not failed or refused to accept employment deemed suitable under such Employment Insurance; provided, however, that this requirement shall not apply with respect to a week of temporary lay off during which the employee **is** eligible for a Benefit under the Plan but **is** ineligible for Employment Insurance Benefit solely for the reason set forth in Section 2 (b), 3 (iv) of this Article.
 - (3) has received an Employment Insurance Benefit not currently under protest or was ineligible to receive such a benefit only (i)

because the week was a second “waiting week” within his benefit year under the Employment Insurance System or was an Employment Insurance System “waiting week” immediately following a week for which he received an Employment Insurance System Benefit, or occurring within less than 52 weeks since his last Employment Insurance System “waiting week” (ii) because he did not have, prior to his lay off, a sufficient period of work in employment covered by the Employment Insurance System or (iii) because of a limit under the Employment Insurance System of the period of time for which Employment Insurance benefits are payable to the applicant, provided, however, a Benefit shall be payable under the foregoing only in the period between the last day Employment Insurance Benefits were payable and the last day Employment Insurance Benefits would have been payable if the applicant had been entitled to fifty-two (52) weeks of Employment Insurance Payments; or (iv) because he was employed by the Company or otherwise compensated as defined under the provisions of the Employment Insurance System in an amount equal to or in excess of the amount which disqualified him from any Employment Insurance Benefit:

- (4)** has had at least one (1) full week of lay off by the Company in the current Employment Insurance Commission benefit period for which he received no benefit under the S.U.B. Plan, though otherwise eligible for such a benefit apart from this paragraph 4; or, has had a waiting week in

such benefit period in which he receives income sufficient to disqualify him for an Employment Insurance benefit provided he would otherwise be eligible for a benefit under the terms of this S.U.B. Plan:

- (5) has not (i) refused an offer by the Company of available work which the Company may properly require him to accept under the provisions of the Collective Agreement, or has not (ii) refused to accept work when **first** recalled pursuant to the Collective Agreement;
- (6) has appeared personally and reported during such week at the location designated for that purpose if required by the Company, pursuant to the provisions of Article XI:
- (7) was not eligible for, and was not claiming, any accident or sickness or other disability Benefit (other than a survivor's allowance) whether publicly or privately financed, or a Pension or Retirement Benefit financed in whole or in part by the Company: provided, however, eligibility for, or the claiming of any such disability Benefit shall not disqualify an applicant for a Benefit if the applicant would have been eligible for such disability Benefit had he been actively at work and the receipt of such disability Benefit payment does not disqualify him from receiving an Employment Insurance Benefit;
- (8) was not in the services of the Armed Forces of Canada:
- (9) did not receive any Employment Benefit from, or under any contract, plan or

arrangement of, any other employer; and he was not eligible for such a Benefit from, or under any contract, plan or arrangement of, any employer with whom he has greater seniority or service than with the Company;

(10) has a Benefit computed under the Plan of at least ten dollars (\$10.00); provided that any Benefits denied by reason of this paragraph shall be accumulated and paid at the end of each thirteenth week of Benefits or at the time the last Benefit is due as a result of a lay off, whichever is earlier; and

(11) was not eligible for a Short Week Benefit under Article XII.

Section 3. Appeal From Denial of Employment Insurance Benefit

(a) With respect to any week for which an applicant for a Weekly Supplemental Benefit has applied and has been denied an Employment Insurance Benefit, which denial is being appealed by the applicant through the procedure provided therefore under the Employment Insurance System, the Weekly Supplemental Benefit shall not be paid to the applicant but if the applicant is eligible to receive a Weekly Supplemental Benefit under the Plan except for such denial, of the Employment Insurance Benefit an amount equal to such Weekly Supplemental Benefit shall be withdrawn and set aside by the Trustee in a separate account until such dispute shall have been determined. If the dispute shall be finally determined in favour of the applicant, the amount in such separate account shall be

paid to him; if the dispute shall be finally determined adversely to the applicant, the amount in such separate account shall be returned to the Fund.

- (b) During the period that payment of a Weekly Supplemental Benefit for any week is suspended pursuant to subsection (a) of this Section 3, the number of Credit Units which would be cancelled because of such payment shall be held in suspension pending the outcome of such dispute: provided that if an applicant with Credit Units so held in suspension is at any time eligible to receive a Weekly Supplemental Benefit except that he does not have sufficient Credit Units (other than those held in suspension) to entitle him to such Benefit, the Trustee shall pay to him the amount of such Weekly Supplemental Benefit out of the amount previously set aside in a separate account as provided in subsection (a) of this Section 3, and shall cancel the appropriate number of the applicant's Credit Units which have been held in suspension. Upon the determination of such dispute, such Credit Units as are still held in suspension shall be cancelled or reinstated in such manner as will place the applicant in the same position with respect to Credit Units (i) as he would have been had the payment been made as applied for if such dispute shall be determined in **his** favour, or (ii) as he would have been had such payment not been applied for, if such dispute shall be determined against him or if he shall effectively withdraw his appeal against the denial of such Unemployment Insurance Benefit.
- (c) Amounts so withdrawn and set aside by the Trustee nevertheless shall be included in

computing the Trust Fund Position of the Fund. Credit Units so held in suspension, pending the outcome of such dispute, shall not be considered as cancelled in determining the number of persons laid off who have Credit Units in computing the Maximum Funding.

ARTICLE VI CREDIT UNITS

Section 1. Accrual of Credit Units

(a) Credit Units shall have no fixed value in terms of either time or money, but shall be a means of determining duration of benefits under the varying circumstances from time to time prevailing. Credit Units shall be credited to the employee currently and at the rates specified in subsection (b) of this Section, provided, however, that

(1) No employee may have to his credit in aggregate at any time more than one hundred and thirty (130) Credit Units under this Plan as specified below, no more than one hundred and four (104) of which may have been accumulated prior to June 1, 1985.

Year's of Employee's Seniority	Maximum Credit Units
Less than 5 years	52
5 years but less than 15 years	78
15 years or more	130

- (2) (a) No employee shall be credited with any Credit Unit prior to the **first** day as of which he has at least one (1) year of seniority and **is** on the Active Payroll in the Bargaining Unit, but as of such day he shall be credited with Credit Units for work weeks subsequent to his seniority date at the rate specified in subsection (b) of this Section.

For the purpose of this sub-paragraph 1 (a), 2 (a) only, an employee shall be considered to be on the Active Payroll and shall be allowed to accumulate credited seniority during:

- (i) a period of lay off not exceeding forty-five (45) days, immediately preceding the date on which he would have attained one year of seniority had he not been laid off;
 - (ii) a period of unauthorized absence not in excess of seven (7) calendar days;
 - (iii) a period of authorized leave of absence, but not exceeding the first ninety (90) days of such authorized leave of absence;
 - (iv) a period of absence while receiving Workplace Safety and Insurance Board Benefits;
 - (v) a period of disciplinary suspension, not exceeding fourteen (14) calendar days.
- (b) For work weeks commencing on or after May 22, 1970, Credit Units shall be credited at the rate of one-half (.50) of a Credit Unit for each

work week for which the employee draws pay. (Credit Units accumulated prior to May 22, 1970, having been accumulated at the rate specified in the Supplemental Unemployment Benefit Plan between the parties dated October 6, 1967).

- (c) For the purpose of accruing Credit Units under this Section, a full work week for an employee means a work week occurring while he is in the Bargaining Unit and for which he draws pay for at least twenty (20) hours. Time lost when excused for Local Union business, and a leave of absence for Local Union business, shall be included in determining a full work week under this Section.

Section 2. Forfeiture of Credit Units

A person shall forfeit permanently all Credit Units with which he shall have been credited if at any time:

- (a) he shall lose his seniority under the provisions as stipulated in the Collective Agreement;
- (b) he shall be on lay off from the Bargaining Unit for a continuous period of thirty (30) months;
- (c) he shall willfully misrepresent any material fact in connection with an application by him for Benefits under the Plan.

Section 3. Transfers Out of or Into Bargaining Unit

If an employee is transferred out of the Bargaining Unit his Credit Units shall be cancelled. They shall be reinstated, however, if he is transferred back to the Bargaining Unit with or

after he acquires at least one (1) year's seniority therein.

An employee of the Company excluded from the Bargaining Unit who has transferred to a job within the Bargaining Unit, according to the stipulations of the Collective Agreement, shall accrue Credit Units for his full weeks worked in the Bargaining Unit and shall be credited with such Credit Units when he is credited with at least one (1) year of seniority.

ARTICLE VII AMOUNT OF WEEKLY SUPPLEMENTAL BENEFIT

Section 1. Amount of Regular Benefit

- (a) The Weekly Supplemental Benefit payable to any eligible applicant for each full week of continuous lay off beginning on or after the effective date of this Plan shall be an amount which when added to his weekly Employment Insurance Benefit rate and other compensation, will equal eighty percent (80%) of his weekly straight time pay as provided in subsection (b) of this Section.
- (b) For the purpose of this Article, an applicant's weekly straight time pay shall be computed by multiplying his average hourly earnings as defined in Article I by 40.

Section 2. Employment Insurance and Other Compensation

- (a) For all purposes of this Article, "Employment Insurance and other compensation" shall mean:

- (1) all amounts by which the applicant's earnings or remuneration, or otherwise, as defined under the law of the Employment Insurance Regulations, exceed the allowable earnings under Employment Insurance Regulations;
- (2) All amounts he would have received from the Company for hours scheduled or offered him but not worked; the amount being computed on the basis of "Average Hourly Earnings" as herein defined.
- (3) the amount of all other Benefits in the nature of compensation or Benefits for Unemployment received or receivable under Municipal, Provincial, or Federal laws and regulations.

Section 3. Insufficient Credit Units for Full Benefit

If an applicant shall have available less than the full number of Credit Units required to be cancelled for the full amount of the Weekly Supplemental Benefit (as set forth in Article VIII) for any week for which he is otherwise eligible, he shall be paid only that portion of such Weekly Supplemental Benefit as bears the same relation to the full amount thereof as his available Credit Units bear to the Credit Units required to be cancelled for such full amount, but no payment shall be made if such payment would be less than two dollars (\$2.00).

Section 4. Effect of Low Trust Fund Position

Notwithstanding any of the other provisions of the Plan, if, and as long as the applicable Trust Fund Position for any week shall be less than four percent (4%), no Weekly Supplemental Benefit for such week shall be paid.

Section 5. Withholding Tax

The Trustee shall deduct from the amount of any Benefit as computed under the Plan any amount required to be withheld by the Trustee or the Company by reason of any law or regulation, for payment of taxes or otherwise to any Federal, Provincial, or Municipal Government.

Section 6. Union Dues Deduction

The Trustee shall deduct from benefits. Union membership dues of those employees who so authorize by a written assignment such amount as may be fixed by the local Union.

ARTICLE VIII

DURATION OF BENEFITS

Section 1. Number of Weeks of Benefits

The number of weeks for which an eligible applicant shall receive a Weekly Supplemental Benefit payment shall be determined on the basis of the number of his Credit Units and the Trust Fund Position applicable to the weeks for which Weekly Supplemental Benefits are paid to him. When all of an eligible applicant's Credit Units have been cancelled, he shall be entitled to no further Benefits until he shall have been credited with additional Credit Units.

Section 2. Credit Units to be Cancelled on Payment of a Benefit

The number of Credit Units to be cancelled for any Weekly Supplemental Benefit shall be determined on the basis of the (1) seniority, of the person to whom such Benefit is paid, at the time of

his lay off; **plus, up** to 45 days of credited seniority accumulation if such person was laid off not more than 45 days prior to the date on which he would have attained one (1) year of seniority, had he not been laid off, and (ii) the Trust Fund Position applicable to the week for which such Benefit **is** paid, in accordance with the following table:

And if the seniority of the person to whom such Benefit **is** paid **is**

If the Trust Fund Position applicable to the week for which such Benefit paid is:	1	5	10	15	20
	But Less Than 5 Yrs.	But Less Than 10 Yrs.	But Less Than 15 Yrs.	But Less Than 20 Yrs.	Yrs. & Over
	The Credit Units cancelled for such Benefit shall be:				
80% or over	1.00	1.00	1.00	1.00	.00
70 - 79.99%	1.15	1.00	1.00	1.00	.00
60 - 69.99%	1.30	1.15	1.00	1.00	.00
50 - 59.99%	1.50	1.30	1.15	1.00	.00
40 - 49.99%	2.00	1.50	1.30	1.15	1.00
30 - 39.99%	2.50	2.00	1.50	1.30	1.15
20 - 29.99%	3.33	2.50	2.00	1.50	1.30
10 - 19.99%	5.00	3.33	2.50	2.00	1.50
4 - 9.99%	7.50	5.00	3.33	2.50	2.00
Under 4%	No Benefit Payable				

provided, however, that one-half of the number of Credit Units required to be cancelled according to the table will be cancelled for an Unscheduled Short Work Week Benefit when with respect to such week the employee has earned from the Company an amount equal to or in excess of

eighty percent (80%) of his weekly straight time pay: and no Credit Units shall be cancelled when an employee receives (i) a Short Week Benefit for a Scheduled Short Work Week, or (ii) a Short Week Benefit for an Unscheduled Short Work Week where such Benefit is payable for a period of less than three (3) hours.

The Company shall advise the employee of the number of Credit Units cancelled for each Benefit payment and the number of Credit Units remaining to his credit after each payment.

ARTICLE LX CONDITIONS TO EFFECTIVENESS AND CONTINUATION OF PLAN

Section 1. Effect of Amended Plan

This Amended Plan on Supplemental Unemployment Benefits, when it becomes effective, shall supersede and completely replace and supplant the original Agreement on Supplemental Unemployment Benefits concluded between the parties October 6, 1967 as from time to time thereafter amended. However, until such time as this Plan becomes effective, the Plan shall be governed in all respects by the terms of the original Agreement of October 6, 1967, as heretofore amended.

Section 2. Federal and Provincial Income Tax Rulings

This Plan shall not become effective unless and until the Company shall have received from the Minister of National Revenue and the applicable Provincial Treasury Department, a currently effective ruling or rulings, satisfactory to the

Company, holding that the amendment of the Plan accomplished hereunder does not modify, alter, or change in any manner the ruling issued by the Minister or the applicable Treasury Department with respect to the Plan, including particularly the determination that Company contributions to the Plan constitute currently deductible business expenses and that such contributions are not taxable income to the Trust under the Dominion Income ~~Tax~~ Act, and applicable Provincial and/or Municipal Corporations Tax Acts, as now in effect or as may be hereafter in effect.

Section 3. Employment Insurance
Supplementation and Commission
Rulings

- (a) It is the purpose of this Plan to supplement Employment Insurance Benefits to the levels herein provided, and not to replace or duplicate them.
- (b) This amended Plan shall not become effective, and Weekly Supplemental Benefits shall not be payable to the applicants under this Plan, unless and until it shall have been established to the satisfaction of the Company by administrative ruling from the Employment Insurance Commission of the Dominion Government or competent authorities, or by amendments to the Employment Insurance Act, that supplementation (as hereafter defined) is permitted. When such ruling or amendments are obtained, Weekly Supplemental Benefits shall be paid to eligible applicants (provided that the requirements of Section 2 of this Article have **been** met) with respect to work weeks commencing on **or** after the date of the commencement of the first

work week following the date on which such rulings or amendments shall have been received.

- (c) For purposes of this Section, "Supplementation" means recognition of the right of a person to receive both Employment Insurance Benefit and a Weekly Supplemental Benefit under the Plan for the same week of lay off at approximately the same time and without reduction of the Employment Insurance Benefit because of the payment of the Weekly Supplemental Benefit under this Plan.

Section 4. Application for Rulings

The Company shall apply promptly for the rulings described in Section 2 and 3 of this Article. In the event any of the rulings are withheld because of objection to any of the provisions of the amended Plan, the Company and the Union shall meet to negotiate changes pertaining only to the clauses or sections that may have caused approval to be withheld.

Section 5. Effect of Withholding

If the Company at any time shall be required to withhold any amount from any contribution to the Fund by reason of any Federal, Provincial or Municipal law or regulation, the Company shall have the right to deduct such amount from such contribution and pay only the balance to the Fund.

Section 6. Effect of Revocation of Federal Ruling

In the event that any ruling required under Section 2 or Section 3 of this Article, having been obtained, shall be revoked or modified in such

manner as no longer to be satisfactory to the Company all obligations of the Company under the Plan shall cease and the Plan shall thereupon terminate and be of no further effect (without in any way affecting the validity or operation of the Collective Labour Agreement or any other Agreement between the Company and the Union), except for the purpose of paying the expenses of administration and paying Weekly Supplemental Benefits, all in accordance with the provisions of the Plan until the assets of the Fund shall have been exhausted except that Section 4 or Article VII shall not be applicable.

ARTICLE X MISCELLANEOUS

Section 1. Liability

- (a) The provisions of these Articles I through XIII constitute the entire Plan. The provisions of Article IV express, and shall be deemed to express, completely each and every obligation of the Company with respect to the financing of the plan and providing for benefits and payments. Without limiting the foregoing, no Benefit shall be payable from the General Fund except as stated in the Plan, and the Company shall not be obligated to provide for any benefit or payment not provided for in the Plan, or to make any contribution to the General Fund not specifically provided for in the Plan, even though the assets in the Fund should be insufficient to pay Benefits to which eligible persons would have been entitled under the Plan were the assets of such Fund adequate to pay such Benefit; and the Union shall not call upon the Company to make or provide for any such benefit or payment. The

Company shall not be obligated to make up, or to provide for making up, any depreciation or loss arising from depreciation, in the value of the securities held in the Fund {other than as contributions by the Company may be required under the provisions of Article IV, when the Trust Fund Position of the Fund is less than one hundred percent (100%)}and the Union shall not call upon the Company to make up, or to provide for making up, any such depreciation or loss.

- (b) The Company, the Trustee, and the Union, and each of them, shall not be liable because of any act or failure to act on the part of any of the others, and each is authorized to rely upon the correctness of any information furnished to it by an authorized representative of any of the others.
- (c) The Trustee shall be directed to hold or to invest the assets of the Fund only in cash or general obligations of the Government of the Dominion of Canada and/or the Government of a Canadian Province, irrespective of the rate of return, or the absence of any return thereon, and without any absolute or relative limit upon the amount that may be invested in any one or more types of investment; and the Trustee shall not be Liable for the making or retaining of any such investment or for realized or unrealized loss thereon whether from normal or abnormal economic conditions or otherwise.
- (d) Notwithstanding the above provisions, nothing in this Section shall be deemed to relieve any person from liability for wilful misconduct or fraud.

Section 2. Company Authority

Nothing contained herein shall be deemed to qualify, limit, or alter in any manner **the** Company's sole and complete authority and discretion to establish, regulate, determine, or modify at any time levels of employment, hours of work, the extent of hiring and lay off, production schedules, manufacturing methods, the products and parts thereof to be manufactured, where and when work shall be done, marketing of its products, or any other matter related to the conduct of its business or the manner in which its business is to be managed or carried on. in the same manner and to the same extent as if the Plan were not in existence; nor shall it be deemed to confer upon the Union any voice in such matters.

Section 3. To Whom Benefits Are Payable In Certain Conditions

Benefits shall be payable hereunder only to the person who is eligible therefore, except that if such a person is deceased or is unable to manage his affairs for any reason, any Benefit payable to him shall be paid to his duly appointed legal representative, if there be one, and, if not, to the spouse, parents, children. or other relatives or dependents of such person as the Company in its discretion may determine. Any payment so made shall be a complete discharge of any liability with respect to such Benefit. In case of death, no Benefit shall be payable with respect to any period following the last full week of lay ~~off~~ immediately preceding the person's death.

Section 4. No Vested Interest

No person shall have any right, title, or interest in or to any of the assets of the Fund or in or to any Company contributions thereto.

Section 5. Non-Alienation of Benefits

No benefit shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution, or encumbrance of any kind, except for deduction of Union dues, and any attempt to accomplish the same shall be void. In the event that such an attempt has been made with respect to any Benefit due to or to become due to any person, the company in its sole discretion may terminate the interest of such person in such Benefit to or for the benefit of such person, his spouse, parents, children, or other relatives or dependents as the Company may determine, and any such application shall be a complete discharge of all liability with respect to such Benefit.

Section 6. Amendment and Termination Of The Plan

- (a) The Plan shall not be amended, modified, suspended, or terminated, except as may be proper or permissible under the terms of the Plan.
- (b) Upon any termination of the Plan, the Plan shall terminate in all respects except that the assets then remaining in the Fund shall be subject to all of the applicable provisions of the Plan then in effect and shall be used until exhausted to pay expenses of administration and to pay Benefits to eligible applicants laid off or thereafter laid off. in the order, each week, of the respective date as of which they were laid off. Section 4 of Article VII shall not be applicable. In the event there are any assets in the Fund, after all of the above payments have been made, the remaining assets in the fund shall revert to the Company.

Section 7. Status of Person Receiving Benefits

Neither the Company's contributions nor any Benefit paid under the Plan shall be considered a part of the employee's wages for any purpose. No person who receives any Benefit shall for that reason be deemed an employee of the Company during such period, and he shall not thereby accrue any greater right to participate in, accrue or receive Benefits under any other employee Benefit Plan to which the Company contributes than he would if he were not receiving such Benefits.

Section 8. Armed Services

An employee who enters the Armed Services of Canada directly from the employ of the Company shall have his Credit Units cancelled, if, however, he is entitled to reinstatement according to the provisions of the Collective Agreement such cancelled Credit Units will be reinstated upon such reinstatement of employment.

ARTICLE XI ADMINISTRATION OF THE PLAN

Section 1. General

The determination of the eligibility under the Plan of any person who applies for a Weekly Supplemental Benefit and the payment under the Plan of such Benefit shall be made and administered under and in accordance with the provisions of this Article.

Section 2. Application For a Benefit

The Company shall have the right to establish reasonable rules, regulations and procedures concerning the times and places at which persons

desiring to establish eligibility for and/or to apply for a Weekly Benefit shall report in order to comply with the eligibility requirements set forth in Section 1 and 2 of Article V, and concerning the form, content and substantiation of applications for Benefits.

So far as practicable, such procedures shall require the applicant to apply for a Benefit under the Plan for any week of lay off during the same week as, or in any event, no later than four (4) weeks after he has received his Employment Insurance Benefit for such week of lay off.

The Company shall designate an office or department at the Plant where persons laid off from such Plan may appear for the purpose of complying with such requirements.

An applicant shall be required to exhibit his Employment Insurance Benefit cheque for the week with respect to which application for a Benefit under the Plan is made, or the payment receipt or similar document showing receipt of the Employment Insurance Benefit for such week; provided, however, that if the applicant was ineligible, as provided in subsection (b), 3 of Section 2 of Article V, to receive an Employment Insurance Benefit for such week, such applicant, shall, in lieu of exhibiting such cheque, payment receipt or similar document, furnish proof satisfactory to the Company that he was ineligible solely for the reason set forth.

Employment Insurance Benefits shall be presumed to have been received by the applicant on the date set forth on the cheques therefore, or, on the date on the copy of the payment receipt or similar document.

In addition, an applicant for a Benefit under the Plan may be required to state, in writing under oath, (i) whether he received or was entitled to receive any Benefit from any source other than the Plan and the Employment Insurance system, for the week with respect to which application is made, and if so, the source and amount thereof; (ii) the amount earned from all sources during such week and the source thereof; and (iii) the identity and number of his dependents; and (iv) such further additional evidence and information as the Company may deem to be material and relevant in order to enable the Company to determine whether such person is eligible to be paid a Benefit under the Plan, and if so, the amount of such Benefit.

Section 3. Determination of Eligibility

- (a) When a person files an application for a Benefit under the Plan in accordance with Section 2 of this Article, and furnishes to the Company the evidence and information required to be furnished under such Section, the Company promptly thereafter shall:
- (1) determine whether such person is an eligible person and, if he is determined to be an eligible person,
 - (2) determine the number of uncanceled Credit Units to the credit of such eligible person, and
 - (3) determine whether any Weekly Supplemental Benefit is payable to such eligible person, and, if so, the amount thereof.
- (b) If the Company determines that a Weekly Supplemental Benefit is payable to an eligible person with respect to the week for which

application for such Benefit **is** made, it shall deliver prompt written notice thereof to the Trustee setting forth the name of such eligible person and the amount of such Benefit. Upon receipt of such notice, the Trustee shall be required to make payment of such Benefit from the Fund to such eligible person within a reasonable time. If the Company determines, after a person has been paid one or more Weekly Supplemental Benefits under the Plan, that such Benefit or Benefits should not have been paid or should have been paid in a lesser amount or amounts (as the result of a subsequent disqualification for Employment Insurance Benefits or otherwise), a written notice thereof shall be mailed to such person and such person shall return the amount of overpayment to the Trustee. If such person shall **fail** to return such amount promptly, the Trustee shall arrange for an amount equal to the amount of overpayment to be reimbursed to the Fund by making a deduction from future Weekly Supplemental Benefits otherwise payable to such person *or* by requesting the Company to make a deduction from compensation payable by the Company to such person, or both. The Company **is** authorized to make such deduction from the employee's compensation and in such event pay the amount deducted to the Trustee. Except as otherwise provided in the Plan, at such time as such amount of overpayment **is** recovered by the Fund, the number of Credit Units of **such** person, *if* any, therefore cancelled with respect to such overpayment of benefits shall be restored to him, except to the extent that such restoration would raise the number of his Credit Units above one hundred and thirty (**130**) at the time thereof, and except **as** other-

wise provided in Article VI, Section 2. The payment of Benefits under the Plan **may** be made by, and the return of amounts of overpayment may be made to the representative of the Trustee appointed by it for such purpose in the Plan. Such representative may be persons employed by the Company.

- (c) If the Company determines that a person is not entitled to a Weekly Supplemental Benefit with respect to the week for which application for such Benefit is made, it shall send prompt written notice thereof to him.
- (d) In making weekly wage calculations for purposes of Benefit determination, the Company shall be entitled to rely upon the official form filed by the applicant with the Company for income tax withholding purposes, and the applicant shall have the burden of establishing that he is entitled to a greater number of withholding exemptions than he shall have claimed on such form.

Section 4. Power and Authority of the Company

The Company shall have such powers and authority as are necessary and appropriate in order to carry out its duties under this Article, including, without limitation, the following:

- (a) To obtain from employees, persons filing application for Weekly Supplemental Benefits, eligible persons, the Trustees, and elsewhere such information as the Company shall deem necessary in order to carry out its duties under this Article.
- (b) To investigate the correctness and validity of information furnished by any person who applies for a Weekly Supplemental Benefit.

- (c) To make appropriate determinations pursuant to this Article.
- (d) To determine the Trust Fund Position of the Fund in the manner and at the times specified in the Plan, including collection of the data necessary to make such determinations.
- (e) To establish appropriate procedures for giving notice required to be given under this Article.
- (f) To establish and maintain necessary records.
- (g) To prepare and distribute information explaining the Plan.
- (h) To round **out** figures, use averages and composites and employ other customary and routine accounting techniques as it may deem necessary **and** appropriate.

Section 5. Appeals Procedure

(a) First Step Appeals

The Company shall designate one (1) person to serve **as** its representative for the consideration of Appeals by applicants and the Union shall designate a representative for the same purpose. The Union employee designated as the representative of the Union shall be paid for time *lost* from work in attending meetings with the Company representative for the consideration of such appeals, by the Company through its payroll Accounts and all such payments shall be recovered by the Company from the Fund.

Any person who shall have been determined by the Company not to be entitled to any Benefits, who shall have been determined to be entitled to be paid **a** Weekly Supplemental Benefit that is lesser in amount than the amount to which such

person believes he is entitled, who questions the number of Credit Units credited to him at the time of lay off, who has more of his Credit Units cancelled than he believes correct or who is determined to be ineligible for a Benefit which termination is disputed by him, may appeal such determination by presenting an Appeal, on a form to be provided for that purpose to the Union representative. Such written Appeal must be filed within thirty (30) days following the date of notice of such determination or denial or reduction of such Benefit to such person, or within thirty (30) days after the date of mailing of a cheque of such smaller amount by the Trustee to such person. In the situation where a number of employees have filed applications for Benefits under substantially identical conditions, an appeal may be filed with respect to one of such employees and the decision thereon shall apply to all such employees. The representative receiving said written Appeal will promptly furnish one copy to the Company representative.

If the Union representative shall find that such Appeal is justified, he shall so notify the Company representative, and the Company representative and Union representative shall meet within ten (10) days from the date of the Appeal (for such extended time as may be agreed upon) to determine the disposition of such Appeal.

In the event the two (2) parties cannot agree upon the disposition of the Appeal, the Union representative, at the request of the applicant, may refer the matter to the "Board of Appeals" for disposition, on a form to be provided for that purpose, within the time limit and in accordance with the procedure set forth in Section 5 (b) of this Article XI.

- (b) (1) Within twenty (20) days after disposition of an Appeal by the Company and the Union representatives, the Union representative may request a ruling by the Board of Appeals. Such a request shall be in writing, shall specify the respects in which the Plan is claimed to have been violated and shall set forth the facts relied upon as justifying a reversal or modification of the determination appealed from. A copy of said request will be furnished to the Company representative. The board of Appeals shall have no jurisdiction to act upon an Appeal made after the time specified above or upon an Appeal which does not otherwise comply with this subparagraph. Subject to the limitations of subparagraph (2) set forth below, the handling and disposition of such a request to the Board of Appeals shall be in accordance with the regulations and procedures established by the Board. The applicant, the Union representative, or the union members of the Board of Appeals may withdraw any appeal to the Board at any time before it is decided by the Board.
- (2) In ruling upon Appeals, the Board shall have no authority to waive, vary, qualify, or alter in any manner, the eligibility requirements set forth in the Plan, the procedure for applying for Weekly Supplemental Benefits set forth therein, or any other provisions of the Plan, and shall have no jurisdiction other than to determine on the basis of the facts presented and in accordance with the provisions of the Plan:

- (i) whether the first stage of Appeal and **Appeal to the Board** were made **within** the time and in the manner specified in this Section;
 - (ii) whether the person **is** an eligible person with respect to the Benefit involved and, if so,
 - (iii) the amount of any Benefit payable;
 - (iv) whether the accrual or cancellations of Credit Units was properly determined.
- (3) There shall be no appeal from the decision of the Board of Appeals. It shall be final and binding upon the Union, its members, the person involved, the Trustee, and the Company. The Union will discourage any attempt of its members to appeal and will not encourage or co-operate with any of its members in any appeal to any court or labour board from any decision of the Board, nor will the Union or its members by any other means attempt to bring about a settlement of any claim or issue on which the Board is empowered to rule hereunder.

(c) Applicability of Appeals Procedure

The Appeals procedure set forth in this Section may be employed only for the purposes specified in the Plan. Such procedure shall not be used to appeal a denial of an Employment Insurance Benefit or to determine whether or not a Benefit should have been paid under an Employment Insurance system (Appeal procedures thereunder being the exclusive remedy therefore).

The Board of Appeals shall have no power *to* determine questions arising under any Collective

Labour Agreement, even though relevant to the issues before the Board. All such questions shall be determined through the regular procedures provided therefore by the applicable Collective Labour Agreement, and **all** determinations made pursuant to such Agreement shall be accepted by the Board.

(d) Composition and Procedure - Board of Appeals

- (1) There shall be established a Board of Appeals consisting of four **(4)** members, two (2) of whom shall be appointed by the Company (hereinafter referred to as the Company Members) and two (2) of whom shall be appointed by the Union (hereinafter referred to as the Union members) at least one of whom shall be appointed from the Bargaining Unit, the other may be an International Representative of the U.S.W.A. Each member of the Board shall have an alternate: In the event a member **is** absent from a meeting of the Board, his alternate may attend, and when in attendance, shall exercise the powers and perform the duties of such member. Either the Company or the Union at any time may remove a member appointed by it and may appoint a member to fill any vacancy among the members appointed by it. The Company and the Union each shall notify the other in writing of the members respectively appointed by it before any such appointment shall be effective.
- (2) If the members of the Board are unable to arrive at a decision by a majority vote, they shall, within five (5) working days, meet to appoint an impartial Chairman to

sit as a member of the Board to determine the matter. Failing to agree upon **such a** Chairman within ten (10) working days, they shall jointly apply to the Minister of Labour to appoint an impartial Chairman. The impartial Chairman shall be considered a member of the Board for the particular dispute and shall vote only in matters within the Board's authority to determine.

- (3)** At least one (1) Union member and one (1) Company member shall be required to be present at any meeting of the Board in order to constitute a quorum for the transaction of business. At all meetings of the Board, the Company members shall have a total of two (2) votes and the Union members shall have a total of two (2) votes, the vote of any absent member being given to the member present appointed by the same party. Decisions of the Board shall be by a majority of the votes cast.
- (4)** The Board shall not maintain any separate office or staff, but the Company and the Union shall be responsible for furnishing such clerical and other assistance as its respective members of the Board shall require. Copies of all Appeals, Reports and other documents to be filed with the Board pursuant to the Plan shall be filed in triplicate, one copy to be sent to the Company members at the address designated by them and the other two copies to be sent to the Union members at the address designated by them.

Section 6. Cost of Administrating Plan

(a) Expense of Trustee

The cost and expenses incurred by the Trustee under the Plan shall be charged to the Fund.

(b) Cost of Administrative Services Performed by the Company

The Company shall have the right to be reimbursed each year from the General Fund for the cost to the Company of services performed by it during the preceding year in carrying out its duties under the Plan (other than those incurred or in behalf of its members of the **Board** and its representatives designated for the consideration of appeals, pursuant to Section 5 (a) of the Article, which, under the provisions of this Article, are to be borne by the Company) as certified to by a qualified independent firm of certified public accountants selected by the Company.

(c) Cost of Board of Appeals

The chairman of the Board shall receive compensation in such amount and on such basis as may be determined by the other members of the Board, and such remuneration, as well as reasonable and necessary expenses of the Board for forms and stationery required in connection with the handling of Appeals shall be borne by the General Fund. Company members and Union members shall serve without compensation from the Fund.

Section 7. Reports

(a) Reports by the Company

- (1) The Company shall notify the Local Union, in duplicate, with reasonable promptness,

of the amount of the Trust Fund Position for the Fund as determined by it from time to time under the Plan, and shall furnish a statement showing the number of employees on the Active Payroll and the number of laid off persons having Credit Units, upon the basis of which such determination was made.

- (2) On or before March 1st of the final year of the Collective Agreement, the Company will furnish to the Local Union, in duplicate, a statement certified by a qualified independent firm of certified public accountants selected by the Company:
 - (i) showing the number of hours for which employees drew pay from the Company and with respect to which the Company shall have made contributions to the General Fund during each period of the preceding two years, and
 - (ii) verifying the accuracy of the information furnished by the Company during the preceding two years pursuant to subsection (a),(1) of this Section.

The Company will comply with reasonable requests by the Union for other statistical information on the operation of the Plan.

(b) Reports by the Trustee

- (1) No later than the second Tuesday following the first Monday of each month, beginning with the month following the month in which the Company shall have made its first contribution under the Plan, the Trustee shall furnish to the Union, in

duplicate, and the Company (i) a statement showing the total market value of the Fund as of the close of business on the Friday preceding the first Monday of such month; and (ii) a statement showing the amounts, if any, paid as Weekly Supplemental Benefits from the Fund each week during the preceding month.

Section 8. Grievance Procedure

No question involving the interpretation or application of the Plan, except to the extent otherwise specified in Section 5 of this Article, shall be subject to the grievance procedure provided for in the Collective Labour Agreement.

ARTICLE XII SHORT WEEK BENEFIT

Section 1. Eligibility

An employee shall be eligible for a Short Week Benefit with respect to a week commencing on or after the effective date of this Plan, or April 15, 1978, whichever shall occur later, only if:

- (a) He has at least one (1) year of seniority as of the last day of such week; and
- (b) During such week he works for the Company but his Compensated or Available Hours (determined as provided in Section 2 of this Article) total less than the number of hours in his standard work week (but not to exceed 40); and
- (c) During some part of such week he was on lay off from the bargaining unit in accordance with the provisions of sub-section 2 (a) of Article V; and

- (d) With respect to such week, he satisfies all conditions of eligibility set forth under subsection 2 (b) of Article V, except subsections (b)(2), (b)(3), (b)(4), (b)(6), (b)(11); and
- (e) With respect to such week, he is ineligible to receive a full Employment Insurance Benefit only because (i) his wages or remuneration from the Company are equal to or in excess of his Allowable Earnings under the Employment Insurance System, or (ii) he has been employed by the Company for a period which would disqualify him for a full Employment Insurance Benefit of full “waiting week” credit, or (iii) the circumstances described in (i) or (ii) above occurring in conjunction with one or more of the reasons set forth in subsection 2 (b), (3) of Article V; and
- (f) With respect to such week the Maximum Funding Position was four percent (4%) or more; and
- (g) The employee does not have a period or periods of lay off in **the** week and in the preceding or following week which occur in such sequence that the employee has a “Week of Unemployment” (as defined under the applicable Employment Insurance System) which includes some part of the week: provided, however, that when an employee returns to work for the Company after a period of seven (7) or more consecutive days of lay off, with respect to which he has established a System which starts on a day other than Sunday or Monday, he may apply for a partial Short Work Week Benefit for any hours of lay off on days within the work week in which he returned to work which **are** not included within any established Employment Insurance

System “Week of Unemployment.” Such partial Short Week Benefit shall be calculated on the basis of the number of hours for which the employee would regularly have been compensated for such days if he had not been laid off and his Compensated or Available hours for such days: and all of the eligibility requirements applicable to a Short Week Benefit for a work week shall apply to such days except the requirement of this subsection (g).

Section 2. Compensated or Available Hours

For the purposes of this Plan, Compensated or Available hours for a week shall include:

- (a) all hours for which *an* employee receives pay from the Company (including call-in pay and holiday pay but excluding pay in lieu of vacation) with each hour paid **at** premium rates to be counted as one (1) hour; and
- (b) **all** hours scheduled for or made available *to* the employee by the Company but not worked by the employee (including any period on leave of absence). When work is offered and refused, hours charged will not exceed hours made available and such hours will be charged in the following order:
 - (i) to the employees who actually perform the work offered,
 - (ii) to employees who signified their intention to work and then failed to report,
 - (iii) to employees who first refused the opportunity **for** the work in the event that insufficient employees offered to work the hours available: and

- (iv) on Saturdays and/or Sundays, all the provisions of the Section 2 will apply, except that: hours will not be charged to employees who first refuse, provided other employees are offered the work and the work **is** actually performed; and hours will not be charged to those employees who refuse, or actually work, the hours subsequently offered to them as a result of a refusal to work the hours by the employees first scheduled.
- (c) all hours not worked by the employees because of any of the reasons specified in subsection 2 (a)(2) of Article V; and
- (d) all hours not worked by the employee which are in accordance with a written agreement between the Company and the Union or which *are* attributable to absenteeism of other employees; and
- (e) with respect to any employee whose regularly scheduled work week **is** less than the standard work week (not to exceed 40 hours) for the shift on which the employee works, the number of hours by which such employee's regular work week **is** less than the standard work week (not to exceed 40); and
- (f) all hours not worked by the employee because of a change in shift resulting from a request of the employee; and
- (g) all hours not worked by the employee because of a reduction in standard work week by written agreement with the Union; and
- (h) all hours not worked by the employee because of full or partial shutdown requested or agreed to in writing by the Union.

Section 3. Determination of Amount

(a) The Short Work Week Benefit payable to any eligible employee:

- (1) for a Scheduled Work Week shall be an amount equal to the product of (i) Eighty percent (80%) of his "Short Work Week Rate" multiplied by (ii) the number by which the number of hours in his standard work week (not to exceed 40) exceeds the number of his Compensated or Available hours for such week (with any fractional hour expressed as a decimal to the nearest tenth), determined as provided in Section 2 of this Article;
- (2) for an Unscheduled Short Work Week shall be an amount equal to the product of (i) Eighty percent (80%) of his "Short Work Week Rate" multiplied by (ii) the number by which the number of hours in his standard work week (not to exceed 40) exceeds the number of his Compensated or Available hours for such week (with any fractional hour expressed as a decimal to the nearest tenth), determined as provided in Section 2 of the Article;
- (3) "Short Work Week Rate" shall be the employee's average hourly earnings as defined in Article I.

(b) For purposes of the Plan, a "Scheduled Short Work Week" with respect to an employee is a Short Work Week which the Company schedules in order to reduce the production of the Plant, department or other unit in which the employee works, to a level below the level at which the production of such Plant, department or unit would be for the week were it not

a Short Work Week, but only where such reduction of production is for the purpose of adjusting production to customer demand.

- (c) For purposes of the Plan, an "Unscheduled Short Work Week" with respect to an employee is any Short Work Week:
 - (1) which **is** not a Scheduled Short Work Week as defined in Article XII, subsection 3 (b); or
 - (2) in which an employee returns to work from lay off to replace a separated or absent employee (including an employee failing to respond or tardy in responding to recall), or returns to work after a full week of lay off in connection with an increase in production, but only to the extent that the Short Work Week is attributable to such cause.
- (d) For any Short Work Week with respect to an employee which results both from the circumstances set forth in subsection 3 (b) as well as those in subsection 3 (c) of this Article XII, (i) the Benefit for the hours of the Short Work Week attributable to the circumstances set forth in subsection 3 (b) shall be calculated on the basis that the hours attributable to the circumstances set forth in subsection 3 (c) were Compensated or Available Hours and (ii) the Benefit for the hours of the Short Work Week attributable to the circumstances set forth in subsection 3 (c) shall be calculated on the basis that the hours attributable to the circumstances set forth in subsection 3 (b) were Compensated or Available Hours. The Benefit for such a Short Week shall be the sum of Benefits calculated in both (i) and (ii).

- (e) Any Short Week Benefit computed under the preceding Sections of the Article shall be subject to the provisions of Section 3, 4, and 5 of Article VII.

Section 4. Method of Payment

A Short Week Benefit shall be paid from the Fund. No application for such Benefit shall be required of the employee except as otherwise provided in Section 5 of this Article. Any Short Week Benefit payable for a week under the provisions of this Article XII shall be in lieu of any other Benefit payable under this Plan with respect to such week except as otherwise provided under subsection 1 (g) of this Article XII.

Section 5. Application for Determination

If **an** employee believes himself entitled to a Short Week Benefit for a week under this Article XII [which he does not receive on the date when Short Week Benefits for such week are paid) he may make written application, therefore, in accordance with procedures established by the Company. The Company shall promptly determine the employee's eligibility for a Short Week Benefit, and such Benefit shall be paid or denied in accordance with such determination. If the Company determines that an employee is not entitled to a Short Week Benefit with respect to the week for which application for such Benefit is made it shall send prompt written notice thereof to him.

ARTICLE XIII GENERAL PROVISIONS

Section 1.

This Plan on Supplemental Unemployment Benefits and the **Plan** established by the provision

of Article I through XIII hereof, shall continue in effect until midnight **April 14, 2005**, except as otherwise provided in, and subject to the terms of the Plan.

Section 2. Obligations During Term of the Plan

During the term of this Plan or Agreement neither the Company nor the Union shall request any change in, deletion from, or addition to the Plan or Agreement except as provided in Article IX, Section 5.

Section 3. Changes Required to ~~Obtain~~ Rulings

Notwithstanding any other provisions of this Plan or Agreement, the Company with the consent of the Union, may during the term of the Agreement of this Plan, make revisions in the Plan not inconsistent with the purpose, structure, and basic provisions thereof, which shall be necessary to obtain or maintain any ruling required under Article IX of the Plan. Any such revision shall adhere as closely as possible to the language and intent of the Plan.

DATED AT KITCHENER THIS **28 DAY OF JUNE,**
2002.

Signed on behalf **of** the parties hereto by their
duly authorized representatives.

COLLINS & AIKMAN CANADA INC.

D. Crawford

M. Hogan

H. Champagne

UNITED STEELWORKERS OF AMERICA
on behalf **of** its LOCAL 67

R. Snyder

D. Schurter

D. Paff

N. Lamothe

C. Snyder

R. Shantz

S. Finn

G. Penny (*International Rep*)

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