

COLLECTIVE AGREEMENT
BETWEEN
MCGREGOR HOSIERY MILLS
AND
NATIONAL, AUTOMOBILE, AEROSPACE, TRANSPORTATION AND
GENERAL WORKERS UNION OF CANADA
(CAW-CANADA) LOCAL 40
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THIS AGREEMENT ENTERED INTO THIS 8th. DAY OF NOVEMBER, 1996

BETWEEN:

MCGREGOR HOSIERY MILLS

(Hereinafter referred to as the "Company")

OF THE FIRST PART

- AND -

NATIONAL, AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT WORKERS UNION OF CANADA

(CAW CANADA) LOCAL 40

(Hereinafter referred to as the "Union")

OF THE SECOND PART

ARTICLE I - RECOGNITION

1.01 The Company recognizes the Union as the exclusive bargaining agent of all its employees in Metropolitan Toronto, save and except forepersons, assistant forepersons persons above the rank of forepersons supervisors, office, clerical and sales staff, two (2) stock records controllers, students employed during periods of school vacation, and persons regularly employed for not more than twenty-four (24) hours per week.

ARTICLE II - MANAGEMENT RIGHTS

2.01 All the normal rights of Management shall remain vested in the Company except as specifically modified by this Agreement. Without limiting the generality of the foregoing, the Company's and its Management's rights shall include:

- (a) the right: to maintain, order, discipline and efficiency; to make, alter and enforce, from time to time, reasonable rules and regulations, policies and practices, to be observed by its employees; to discipline and discharge employees for just cause;
- (a)
- (b) the right: to select, hire and control the working force and employees; to transfer, assign, promote, demote, classify, lay-off, recall, suspend and retire employees; to introduce or change machine processes; to make studies of work assignments; to plan, direct and control plan operations; to select and retain employees for positions excluded from the bargaining unit;
- (c) the right to determine: the location and extent of its operations and their commencement, expansion, curtailment or discontinuance; the direction of the working forces; the products to be manufactured; the standards of production; the schedules of work and of production; whether to make or buy goods or services; the number of shifts; the methods, processes and means of performing work; job content and requirements; quality and quantity standards; the use of improved methods, machinery and equipment, processes and

places of manufacture; whether there shall be overtime work; the number of employees needed by the Company at any time and how many shall operate or work on any job operation, machine or production line; if an employee will be paid by the hour or on piecework; the number of hours to be worked; starting and quitting time.

2.02 In the event that it is alleged that the Company has exercised any of the foregoing rights contrary to the provisions of this Agreement, the matter may be made the subject of a grievance.

ARTICLE III - UNION SECURITY

3.01 (a) The Company agrees that, for as long as this agreement remains in force as a condition of employment all present bargaining unit employees shall become and remain members of the union.

(b) As a condition of employment, all new bargaining unit employees shall be required to join the union upon commencement of employment and shall remain members of the union.

(b)

(c) As a condition of employment, all new bargaining unit employees will be required to complete an application for membership in the local union at the time of hiring.

3.02 The Employer shall deduct union dues from each employee included in the bargaining unit. All new bargaining unit employees will be required to contribute initiation fees and monthly dues commencing from the first deduction date following date of employment. At the time that income tax (T-4) slips are made available, the Employer shall type on the amount of union dues paid by each employee in the previous year.

3.03 In the event the Union dues to be deducted pursuant hereto require a calculation to be made by the Company, the Union shall provide the Company with one (1) month's notice of the formula or basis upon which the calculation is to be made. The Company shall make such calculation once only at the beginning of each contract year and the amount resulting from such calculation shall be the amount of Union dues to be deducted from the employee for the remainder of the contract year. In case of an employee working on the Incentive Plan set out in Article 18.02 hereto the calculation shall be made upon the employee's Labour Grade Wage Rate. In order that the Company may have definite instructions as to what amount is to be deducted for weekly dues, it is agreed that the Union shall promptly notify the Company in writing, over the signature of its designated officer, of the amount of the deduction to be made by the Company for regular weekly Union dues, and the Company shall have the right to continue to rely on such written notification until it receives other written notification from the Union signed with the same formality.

3.04 The Union agrees to hold the Company harmless against all claims, demands, and expenses should any person at any time contend or claim that the Company has acted wrongfully or illegally in making such dues deduction.

3.05 At the end of the probationary period, the Company shall send to the Union written notification of the name, address, telephone number, classification and rate of pay of a new employee.

ARTICLE IV - UNION REPRESENTATION

4.01 The Company recognizes the right of the Union to appoint or select a Negotiating Committee comprising not more than four (4) seniority employees, not more than one (1) of whom shall be from any department or area set out in Article 4.02 hereof, and will recognize and deal with such Committee with respect to negotiating the renewal or modification of this Agreement at the proper time. The Negotiating Committee is a separate entity from the Grievance Committee.

The Company will pay up to four (4) employee members of the Negotiating Committee for time lost from work during their regular working hours up to the date of the first conciliation meeting, and such payment shall be at the employee's basic rate of pay exclusive of any premium or bonus.

4.02 The Company acknowledges the right of the Union to appoint or otherwise select six (6) day shift stewards who shall be seniority employees, in accordance with the following:

First Floor	- One (1) Steward
Finishing	- One (1) Steward
Shipping/Packing	- One (1) Steward
Knitting	- Two (2) Stewards
Sewing & Turning	- One (1) Steward
Examining	- One (1) Steward

One of the foregoing stewards shall be designated Unit Chair Person. Each steward must be an employee of the department or group of departments which the steward has been designated to represent.

In addition to the foregoing, the Union may appoint one (1) steward on the afternoon shift and one (1) steward on the night shift when there are four (4) or more employees working on the shift. The Union may appoint two (2) stewards on the afternoon shift and two (2) stewards on the night shift when there are twenty (20) or more employees working on the shift.

The Union's Grievance Committee shall be comprised of the Unit Chair Person, and the steward most directly concerned in the processing of the grievance. The Grievance Committee shall be limited to three (3) employees. If the Unit Chair Person and the Steward are the same person, the Union may have another steward serve as the third member of the Union's Grievance Committee.

4.03 The Union will inform the Company in writing of the identity of the stewards, and Unit Chair Person and committee members of the Union, and the Company shall not be obliged to recognize such personnel until it has been so informed. The Company will post on the bulletin board and will send to the Union a list of supervisory staff and any changes therein.

4.04 It is understood that stewards, "Unit Chair Person" and members of the Grievance Committee have their regular work to perform on behalf of the Company and that if it is necessary for a steward to service a grievance during working hours the steward will not leave their work until the steward and the steward's foreperson have made arrangements. When resuming regular work the steward will report to the steward's foreperson and, if required, give a reasonable explanation of their absence.

4.05 The steward or member of the Grievance Committee shall be paid their straight time standard rate for time spent in processing a grievance at the appropriate step of the grievance procedure during the steward or member of the Grievance Committee's regular working hours. Such payment shall not apply to time spent at arbitration.

4.06 The Grievance Committee and the Company Management Committee shall meet at times mutually agreed upon providing there is business for their joint consideration, however, either party may request a meeting once a month and such meeting will be held. Necessity for a meeting will be indicated by a letter or note, from either party to the other party, containing an agenda of the matters which it wishes to discuss. A staff representative of the Union may be present at such meeting and the Company Management may have such assistance as it requires. In addition, the Company and the Union agree to meet during the term of this agreement to discuss workplace issues that affect the bargaining unit. The employer and the union shall mutually agree upon the dates and location of these meetings, and may by mutual consent, waive these meetings.

4.07 There will be no Union activity on the premises of the Company except as specifically permitted by this Agreement or by the Company in writing.

4.08 The Company and the Union agree that there will be no improper discrimination nor interference or coercion against any employee because of such employee's membership or position in the Union or lack of membership in the Union or because of sex, marital status, colour, race, nationality, ancestry, place of origin, age or religious or political beliefs, contrary to the Ontario Human Rights Code.

The company shall recognize a human rights representative appointed by the Union. This representative shall attend grievance meetings which have as their subject a human rights matter. This right of attendance shall commence at Step 2 of the grievance procedure. All human rights grievance matters shall be dealt with in accordance with the existing grievance procedure at Article 5.

4.09 The employer and the Union agree to meet regularly during the term of this Collective Agreement to discuss the workplace issues that affect the parties or bargaining unit members.

The Employer and the Union shall mutually agree upon dates, times and places for these

meetings.

The Employer and the union agree that they may, by consent waive these meetings.

4.10 Disciplinary Action

An Employee called in for an interview for the purpose of reprimand, disciplinary action or investigation, shall have a union representative present during the interview.

An Employee shall only be disciplined in the presence of his/her union representative, if available in the facility.

The Employee shall be notified in writing of the grounds for discharge, suspension or disciplinary action at the time such action is taken. A copy of such notice shall be given to the employee's union representative.

ARTICLE V - GRIEVANCE PROCEDURE

5.01 The designated grievance procedure as hereinafter set forth shall serve as and constitute the sole and exclusive means to be utilized by the grievor for the prompt disposition, decision and final settlement of a grievance arising in respect of the interpretation, application or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this Agreement has been violated, and the specifically designated grievance procedure shall be strictly followed. Where the term "grievance procedure" is used in this Agreement it shall be considered as including the arbitration procedure.

5.02 "Grievance" shall mean the complaint or claim arising in respect of the interpretation, application or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this Agreement has been violated.

5.03 The Company shall be under no obligation to consider or process any grievance unless such grievance has been presented to the Company in writing at Step 2 of the grievance procedure within fifteen (15) days from the time the circumstances upon which the grievance is based were known or should have been known by the grievor. However, if the Company does consider or process a grievance which has been presented late, the Company shall not be stopped or precluded at any stage of the grievance procedure from taking the position that the grievance is late and not arbitrable.

5.04 All time limits referred to in the grievance procedure herein contained shall be deemed to mean "working days". "Working day" as used herein shall be deemed to exclude Saturdays, Sundays and paid holidays.

5.05 An employee shall not have a grievance until it has first been discussed to the employee's satisfaction with the employee's immediate supervisor. The employee may be accompanied by their steward, if they so wish. The employee and the steward may discuss the issue, in private, for a brief period prior to meeting with the employee's immediate supervisor. If the matter is not

settled to the employee's satisfaction, the employee shall follow the following procedure with respect to his grievance.

STEP NO. 1

If an employee has a grievance the employee shall forthwith discuss the matter with the designated Management representative. The employee's steward may accompany such employee to see the designated Management representative, if the employee so wishes. The designated Management representative shall give the grievor an answer as soon as possible, but not later than three (3) days after such discussion. If the designated Management representative's reply is not satisfactory to the grievor, the next step must be taken within five (5) days of receipt of the designated Management representative's answer, but not thereafter.

STEP NO. 2

At this step the grievance shall be reduced to writing and presented to the Personnel Manager within the aforesaid time limits, but not thereafter. Wherever the term "Personnel Manager" is used herein it shall be deemed to mean Personnel Manager of a person so designated for the purposes of this Agreement. The written grievance shall identify: the facts giving rise to the grievance; the section or sections of the Agreement claimed violated; the relief requested; and shall be signed by the employee and countersigned by the employee's steward or the Unit Chair Person. If the employee wishes the employee's steward or the Unit Chair Person may accompany the employee to see the Personnel Manager. The Personnel Manager shall give the grievor an answer as soon as possible, but not later than three (3) days after such discussion. If the Personnel Manager's reply is not satisfactory to the grievor, the next step must be taken within five (5) days of receipt of the Personnel Manager's answer, but not thereafter.

STEP NO. 3

At this step, the written grievance shall be presented to the Personnel Manager within the aforesaid time limit. A meeting will be held between the steward and Chairperson of the Grievance Committee and Management representatives within the three (3) days of the presentation of the written grievance. The grievor may be required to be present at the request of either party or may be present at his own request. A staff representative of the Union may be present, if requested by either party. Management shall give its written reply to the Chairperson of the Grievance Committee within three (3) days of such meeting.

STEP NO. 4

In the event the grievance is not settled at Step 3, the party having carriage of the grievance may request arbitration of the grievance by giving notice in writing to the other party within twenty (20) days from delivery of the decision at Step 3, but not thereafter.

If a request for arbitration is not given within such twenty (20) day period, the decision at Step 3 shall be final and binding upon both parties to this Agreement, and upon any employee involved.

If the Company does not receive the foregoing request from the Union within seven (7) days, the Company shall not be liable for any damages during the foregoing twenty (20) day period. The notice to arbitrate shall contain the name and address of the moving party's nominee to the board, and shall also specify all of the outstanding issues of the written grievance to be dealt with by the board and the remedy sought. The party giving such notice shall be bound by the same and shall be restricted at arbitration to the issues presented by the notice.

The recipient of the notice shall within five (5) days advise the other party, in writing, of the name of its appointee to the arbitration board.

The two appointees so selected shall, within fifteen (15) days of the appointment of the second of them, appoint a third person who shall be chairperson. If the recipient of the notice fails to appoint an arbitrator, or if the two appointees fail to agree upon a chairperson, within the time limits, the Minister of Labour for the Province of Ontario shall, if requested within five (5) days from the expiry of the date upon which the two appointees are to appoint a chairperson, forthwith appoint a qualified person to be chairperson.

5.06 The arbitration board shall hear and determine the matter and shall issue a decision which shall be final and binding upon the parties and upon any employee affected by it. The decision of the majority shall be the decision of the arbitration board, but if there is no majority decision, the decision of the chairperson shall govern.

5.07 The board of arbitration shall not be authorized to make any decision inconsistent with the provisions of this Agreement nor to alter, modify or amend any part of this Agreement, nor to adjudicate any matter not specifically assigned to it by the notice to arbitrate specified in Article 5.05 hereof.

5.08 Each party hereto shall bear its own costs of and incidental to any such arbitration proceedings. The fees and charges of the chairperson of the board of arbitration shall be borne equally by the two parties hereto.

5.09 The time limits and other procedural requirements set out in this Article V are mandatory and not merely directory, therefore failure to put a grievance in writing at the proper step in accordance with the requirements hereof shall be deemed a complete waiver and abandonment of the grievance by the grievor. Any grievance not appealed from one step of the grievance procedure to the next within the specified time limit shall be deemed to be abandoned. No matter may be submitted to arbitration which has not properly been carried through all specified previous steps of the grievance procedure within the times specified. If the respondent party to a grievance does not process the grievance in accordance with the requirements of the grievance procedure, the party having carriage of the grievance shall have the right to move to the next step of the grievance procedure within the time specified therein. The Employer and the Union may agree to extend or waive any of the time limits presented in this Article V. However, any such agreement

shall be made verbally and shall be confirmed in writing. The Employer and the Union also agree that in the absence of an agreement, verbally or in writing, no reasonable grounds shall exist for the extension of any time for any step in the grievance or arbitration procedure.

5.10 A grievance which has been disposed of pursuant to the grievance provisions of this Agreement shall not again be made the subject of a grievance unless a new incident is involved.

5.11 A decision or settlement reached at any stage of the grievance procedure by the parties hereto shall be final and binding upon all parties hereto, including the complaining employee, and shall not be subject to re-opening by any party except by agreement in writing.

5.12 When an employee's grievance is settled by the parties or determined by a board of arbitration on the basis that the employee is entitled to be reimbursed for wages lost as a result of action on the part of the Company in violation of this Agreement, such reimbursement shall be retroactive to the date of the occurrence being grieved, but in no case shall such retroactivity be greater than twenty (20) days from the date the grievance was presented to the company in writing at Step 3 of the grievance procedure. Such reimbursement shall be at the employee's day rate exclusive of any premiums, for such hours as the employee would have worked for the Company if the violation had not occurred unless the subject matter of the grievance itself is for a premium, but there shall be subtracted therefrom any monies the employee received during such period.

Compensation to an employee whether by settlement of the monies or by the award of a board of arbitration shall be limited to reimbursement, as set out above, for wages lost as a result of action on the part of the Company in violation of this Agreement.

5.13 Union Policy Grievance or Company Grievance

A Union policy grievance or a Company grievance may be submitted to the Company or the Union, as the case may be, in writing, within fifteen (15) days from the time the circumstances upon which the grievance is based were known or should have been known by the grievor. A meeting between the Company and the Union shall be held within five (5) days of the presentation of the written grievance and shall take place within the framework of Step 3 of Article 5.05 hereof. The Company or the Union, as the case may be, shall give its written decision within five (5) days after such meeting has been held.

If the decision is unsatisfactory to the grieving party, the grievance may be submitted to arbitration within twenty (20) days of the delivery of such written decision and the arbitration sections of this Agreement shall be followed. If the Company is not advised of the Union's intention to proceed to arbitration within seven (7) days, the Company shall not be liable for any damages during the foregoing twenty (20) day period.

The provisions of this paragraph 5.13 shall not be used by the Union to institute a grievance directly affecting an employee or employees which such employees or employees could

themselves institute and the provisions of Article 5.05 hereof shall not be bypassed.

5.14 Discharge Cases

A claim by a seniority employee that the employee has been discharged without just cause shall be treated as a grievance and shall commence at Step 2 of Article 5.05 provided a written grievance signed by the employee and the employee's department steward is presented to Management within five (5) days after the discharge. The Staff Representative of the Union will be permitted to attend the meeting held pursuant thereto with Management. The discharge of any probationary employee may be the subject of a grievance or arbitration, but such discharge will be valid where, in the determination of the employer, the performance, conduct or attendance of the employee is unsatisfactory.

A seniority employee who is discharged while at work will have an opportunity to consult with the Unit Chair Person for a reasonable period of time, not to exceed thirty (30) minutes, before leaving the premises of the Company, except where the Company feels the circumstances require the employee's immediate expulsion from the Company's premises. The Company will advise the Unit Chair Person of its decision to order an employee's immediate expulsion from the Company's premises.

5.15 Group Grievance

The Company will recognize a group grievance as being one which directly affects a number of employees and in which the issue with respect to each such employee is exactly the same. In such case a single grievance shall be processed commencing at Step 2 of Article 5.05 providing all grievors sign the grievance form. A representative grievor will attend the grievance meetings.

5.16 When two (2) years have elapsed from the date of a warning letter, suspension or other discipline, such discipline will be deemed null and void and will not be used against the employee in the future.

ARTICLE VI - NO STRIKES OR LOCKOUTS

6.01 The Union undertakes and agrees that while this Agreement is in operation neither the Union nor employees shall take part in or call or encourage any strike, or picketing, and the Company agrees that it will not engage in any lockout during the term of this Agreement. The terms "strike" and "lockout" as used herein shall be deemed to be in accordance with the definitions contained in the Ontario Labour Relations Act.

ARTICLE VII - SENIORITY

7.01 An employee shall have completed the probationary period with the Company when the employee has worked for the Company for a period of sixty (60) days of work performed within a continuous period of six (6) calendar months. Upon completion of the foregoing probationary

period the employee attains seniority. Seniority is defined as the length of the employee's continuous service with the company computed from the date sixty (60) working days prior to the date upon which the employee attains seniority.

The discharge of any probationary employee may be the subject of a grievance or arbitration, but such discharge will be valid where, in the determination of the employer, the performance, conduct or attendance of the employee is unsatisfactory.

7.02 A person previously employed in the bargaining unit who is transferred to another position with the Company outside the bargaining unit shall, if returned to the bargaining unit by the Company, be credited with seniority equal to his full accumulated service with the Company including the first sixty (60) days worked outside the bargaining unit.

7.03 In all cases of filling permanent job vacancies (except those in respect to positions excluded from the bargaining unit) and in all cases of lay-off or recall from lay-off the following factors shall be considered:

- (a) length of continuous service;
- (b) ability and qualifications;
- (c) punctuality and attendance where they are valid considerations.

Where factors (b) and (c) are relatively equal, factor (a) shall govern. In cases of dispute with respect to lay-off or recall, the onus shall be on the Company to establish that it has not invoked the factors in (b) and (c) hereof arbitrarily or improperly.

7.04 An employee who, due to lack of work, is displaced from the employee's regular job will be assigned by the Company to a vacancy provided the employee is qualified to perform the work. If there is no vacancy, the employee will be assigned by the Company to work being performed by another employee with less seniority, provided the employee is qualified to perform the work. An employee who is retained pursuant to the exercise of this Article 7.04 and who is reassigned to one of the following jobs will be given a reasonable familiarization period during which the employee will be shown what the work is about and given reasonable assistance; however, such assistance shall not constitute training. The jobs referred to herein are: finish goods checker, embroiderer, janitor, cleaner, examiner, winder, sorter, finisher, mender, pre-dye assembler, shipper-packer, lift operator stock-keeper, yarn handler, knitter, presser, warehouseperson, knitting machine cleaner, Rosso, turner. An employee re-assigned in accordance with the foregoing will receive the Labour Grade I Rate during such familiarization period. If the job is in Labour Grade III or above the employee will be paid at the next lower Labour Grade Wage Rate.

In the event that the employee is reassigned under this Article 7.04 to a classification in which the employee has been qualified and still remains qualified, the employee shall receive the Labour Grade Wage Rate for that job, immediately upon reassignment.

When, in the exercise of this Article 7.04, an employee is:
assigned to a different shift, or

assigned to a different classification
the employee shall be recalled to the employee's normal shift and to employee's regular job as soon as practicable after such work is resumed.

7.05 Notwithstanding the foregoing provisions of Articles 7.03 and 7.04, in all cases of temporary lay-off (i.e., up to five (5) regular working days), seniority need not be considered. No employee will be laid off pursuant to the provisions of this Article 7.05 for more than nine (9) working days per calendar year.

7.06 Loss of Seniority

An employee shall lose all seniority and employment if:

- (a) the employee quits employment;
- (b) the employee is discharged for proper cause;
- (c) the employee is laid off for a period equal to the employee's seniority at the time of layoff or for twenty four (24) consecutive months, whichever is the lesser;
- (d) a person on lay-off fails to return to work within four (4) working days after the Company mails notice of recall to the employee, and makes a reasonable effort at contact by telephone, or if the person within three (3) working days after such notice of recall is so sent fails to notify the Company of the employee's intention to return to work;
- (e) an employee fails to return to work promptly after the expiration of any leave granted to the employee, unless the employee is excused by Management;
- (f) an employee is absent from work for three (3) consecutive working days without a bona fide reason. This Article 7.06(f) shall not be interpreted as permitting unauthorized absence of any duration.
- (g) the employee retires or is retired.

7.07 During a layoff, an employee on a seniority list shall accumulate seniority only for a period equal to twenty four (24) months or the employee's seniority, whichever is less at the time of layoff.

7.08 It shall be the duty of the employee or laid off person to notify the Company office promptly, in writing, of any change of address or telephone number. If an employee or laid off person should fail to do this, the Company will not be responsible for the failure of a notice to reach the employee and any notice sent by the Company by registered mail to the address which appears on the Company's personnel records, or telephoned to the telephone number which appears on the Company's personnel records, shall be conclusively deemed to have been received by the employee or laid off person.

7.09 Seniority lists will be posted by the Company within thirty (30) days of the signing of this Agreement, on the bulletin boards. This list shall be reviewed every six (6) months and a copy thereof supplied to the Union.

7.10 Job Posting

The Company agrees to advertise permanent job vacancies in the plant in categories above Labour Grade I, for three (3) working days. During the posting period the Company may temporarily fill the job as it deems proper. The applicant must have the qualifications to perform the job. Subject to the following sentence, the job vacancy must be in a higher Labour Grade than the applicant's. Notwithstanding the foregoing sentence, an employee may bid laterally, however, if successful the employee shall not be permitted to bid laterally again for a period of twelve (12) months from the date of such lateral transfer.

Selection will be made in accordance with the provisions of Article 7.03 hereof. In cases of dispute with respect to job postings hereunder, the onus shall be on the Company to establish that it has not invoked the factors of (b) and (c) of Article 7.03 hereof improperly. Nothing contained herein shall be interpreted as requiring the Company to fill any vacancy. If there are no qualified applicants, the Company may fill the vacancy by hiring a new employee. The job posting provided for herein shall apply only in respect of the original vacancy and the vacancy, if any, resulting from the filling of the original vacancy and need not apply to any subsequent vacancies.

The Company will consider requests to be transferred to another Labour Grade I job should such vacancies occur. If such a transfer is made, no request for lateral transfer by the employee will be considered for a period of twelve (12) months from the date of transfer.

7.11 The Company will endeavor to provide training in bargaining unit jobs to employees who signify that they wish to improve their qualifications.

7.12 Notice of Lay-Off

In the event of a planned lay-off which the Company expects will last more than five (5) working days, the Company will give a lay-off notice of two (2) working days and where feasible will endeavor to give notice of three (3) working days to the employees affected and to the Unit Chair Person and, in the absence of the Unit Chair Person, the Vice-Chair Person..

In all other cases of lay-off the Company will give as much notice as it is reasonably able to give.

Notice given to an employee shall be deemed to be notice given to an employee with less seniority whom he displaced in the exercise of the employee's seniority.

The notice of lay-off shall include a written list of all vacancies and job classifications in which junior employees are still employed.

7.13 In a department where a redundancy occurs, part-time employees working in the department will be laid off first.

ARTICLE VIII - TEMPORARY TRANSFERS

8.01 An employee who is transferred to a different job classification within the bargaining unit shall be paid while so employed as follows:

(a) if the transfer is for the convenience of the Company and if the rate of pay in the

classification to which the employee is transferred is less than the employee's regular rate of pay, the employee shall receive the employee's regular rate of pay. In the case of an employee on incentive, "regular rate of pay" refers to the employee's previous average hourly earnings.

(b) if the transfer is for the convenience of the employee, or to enable the employee to avoid lay-off, and if the rate of pay in the classification to which the employee is transferred is less than the employee's regular rate of pay, the employee shall receive such lesser rate;

(c) if the transfer is to a higher rate of classification and if the transfer lasts for four (4) consecutive hours worked in the shift or the equivalent of one (1) full shift or more over two (2) consecutive shifts, the employee will receive the higher rate of pay.

(d) The Company will endeavor to give five (5) days notice when the employee is transferred between The East Mall and Spadina, (or vice versa), for the convenience of the Company.

An employee who wishes to be excused from such transfer shall furnish the company with a bona fide reason acceptable to the company. The Company's decision upon the request will not be made in an arbitrary manner.

ARTICLE IX - BEREAVEMENT

9.01 When death occurs in a seniority employee's immediate family (i.e., current spouse, parent, child, brother, sister, mother-in-law, father-in-law, grandparent, grandchild, or legal guardian of the employee), the employee, on request, will be excused for three (3) consecutive working days (or such fewer days as the employee may be absent) commencing on the first working day after the date of death or commencing with the date of receipt of news of death by the employee. In any event, the employee shall not be entitled to receive any pay hereunder for any day upon which he would not otherwise have been scheduled to work for the Company. Payment will be based upon the employee's hourly day rate exclusive of premiums.

ARTICLE X - LEAVE OF ABSENCE

10.01 Leave of absence shall mean an absence from work requested by an employee in writing and consented to by the Company. Leave granted shall be in writing covering a specified period of time. Leave of absence shall be permissive only and shall be without pay or any other form of compensation, and the employee shall not work in any other position during such leave of absence unless agreed to by the Company in writing. In exercising its discretion hereunder the Company will not act in an unfairly discriminatory manner. When an employee requests a leave of absence by reason of a family emergency requiring the employee's absence from work the Company will grant such request provided that the reasons for the request are reasonable in the opinion of the Company and are substantiated to the satisfaction of the Company.

10.02 A leave of absence will be in writing and an employee's seniority shall accumulate during the period of such leave when used for the purpose granted provided the employee returns to work at the expiration of the employee's leave.

10.03 When the Company requires medical evidence to grant a leave of absence of more than

two (2) working days due to illness or injury the Company will advise the employee so concerned. Such leave of absence will be granted subject to the following:

- (a) at the end of twenty four (24) months or a period equal to the employee's seniority, whichever is lessor, of continuous absence because of such illness or injury, the employee's employment and seniority shall be terminated.
- (b) when an employee returns from an absence due to worker's compensation or sick leave, the Employer will notify the Union of the Employee's status.

The employee shall furnish supplementary medical evidence of disability, from time to time, as required by the Company. Failure to furnish such evidence of disability will result in the termination of the employee's employment and seniority. Before an employee on sick leave may return to work the employee must present a doctor's certificate stating that the employee has fully recovered both physically and mentally and is able to return to the employee's regular job classification or other available work.

The Company reserves the right to terminate employment if the record of the employee indicates an excessive amount of time off or recurring or repetitive time off.

10.04 Pregnancy and Parental Leave of Absence

A. Preamble

Pregnancy and parental leaves will be granted in accordance with the Employment Standards Act of Ontario unless otherwise amended.

B. Pregnancy Leave

(i) The pregnant employee shall be entitled, upon application, to pregnancy leave and parental leave immediately thereafter. Pregnancy leave shall be granted for 17 weeks as provided in the Employment Standards Act, and may begin no earlier than 17 weeks before the expected birth date.

The employee shall give the employer two (2) weeks notice, in writing of the day upon which the employee intends to commence the employee's leave of absence, unless impossible, and furnish the employer with a certificate of a legally qualified medical practitioner stating that the employee is pregnant and giving the estimated day upon which delivery will occur.

(ii) The employee must have started employment with the Employer at least thirteen (13) weeks prior to the expected date of birth.

(iii) The employee shall give at least two (2) weeks notice of the employee's intention to return to work. The employee may, with the consent of the Employer, shorten the duration of the leave of absence requested under this Article upon giving the Employer two (2) weeks notice of the employee's intention to do so, and furnishing the Employer with a certificate of a legally qualified medical practitioner stating that the employee is able to resume work.

C. An employee who does not apply for leave of absence under B(i) above and who

is otherwise entitled to pregnancy leave, shall be entitled to and shall be granted leave of absence in accordance with B(i) upon providing the Employer, before the expiry of two (2) weeks after the employee ceased to work, with a certificate of a legally qualified medical practitioner stating that the employee was not able to perform the duties of the employee's employment because of a medical condition arising from the employee's pregnancy, and giving the estimated day upon which, in the "medical" practitioner's opinion, delivery will occur or the actual date of delivery.

D. During the period of leave, the Employer shall continue to pay the employee's portion of the hospital, medical, dental, group life, pension and other benefits included and prescribed by the Employment Standards Act if the employee elects, in writing , to continue the employee's share of the premiums.

E. An employee who intends to resume employment on the expiration of leave of absence granted to the employee under this Article shall so advise the Employer when the employee requests the leave of absence. If a full-time employee returns to work at the expiry of the normal maternity or adoption leave, and the employee's former permanent position still exists, the employee will be returned to the employee's former job, former shift, if designated.

All employees who fill vacancies as a result of the above absence shall likewise be returned to their former permanent positions.

F. When the Employer has suspended or discontinued operations during the leave of absence and has not resumed operations upon expiry thereof, the Employer shall upon resumption of operations, reinstate the employee to the employee's employment or to alternate work in accordance with the established seniority system or practice of the Employer in existence at the time of the leave of absence began and in the absence of such system or practice shall reinstate the employee in accordance with the provisions of E above.

G. Such absence is not an illness under the interpretation of this Agreement, and credits on the accumulated sick leave plan cannot be used.

H. Credits for service for the purpose of salary increments, vacations, or any other benefit included and prescribed under the Employment Standards Act shall continue and seniority shall accumulate during the leave.

I. Upon expiry of seventeen (17) weeks pregnancy leave, an employee may immediately commence parental leave, as provided under J of this Agreement. The employee shall give the Employer at least two (2) weeks notice, in writing, that the employee intends to take the parental leave.

J. Parental Leave

(i) An employee who becomes a parent, and who has been employed for at least thirteen (13) weeks immediately preceding the date of birth of a child or the date the

child first came into care or custody of the employee, shall be entitled to parental leave.

(ii) A "parent" includes: the natural mother or father of the child; a person with whom the child is placed for adoption and a person who is in a relationship with the parent of the child and who intends to treat the child as their own.

(iii) Parental leave must begin within thirty-five (35) weeks of the birth of the child or within thirty-five (35) weeks of the date the child first came into custody, care and control of the parent. For employees on pregnancy leave, parental leave will begin immediately after the pregnancy leave expires. Parental leave shall be granted for up to thirty-one (31) weeks in duration and shall, in all cases, be completed within fifty-three (53) weeks of the date the child is born, or comes into the custody, care and control of a parent for the first time. However, employees shall continue to accrue seniority only for the first eighteen (18) weeks of parental leave.

(iv) The employee shall give the Employer two (2) weeks written notice of the date the leave is to begin.

Parental leave ends thirty-one (31) weeks after it began or on an earlier day if the employee gives the Employer at least two (2) weeks written notice of that day. However, employees shall continue to accrue seniority only for the first eighteen weeks of parental leave.

(v) For the purpose of parental leave under J Parental Leave, the provisions under A, B, D, E, F, G, H and I shall also apply.

10.05 Any employee delegates of the Union not exceeding six (6) in number at any one time, elected or appointed by the Union for the transaction of Union business shall be granted leave of absence without pay and without loss of seniority for a reasonable time not to exceed sixteen (16) working days for any one (1) employee nor a total of forty-eight (48) days per year with reference to all such persons. The Union agrees to notify the Company in writing at least seven (7) calendar days prior to the request for such leave of absence. Not more than one (1) employee shall be absent from any one department at the same time, except that not more than two (2) employees shall be absent from the Knitting Department at the same time.

The Company agrees to grant a leave of absence without pay for up to six (6) employee delegates of the Union on one (1) day only in a calendar year for the purpose of attending a Union Health & Safety School provided the Union gives the Company twenty (20) working days notice in writing and provided that no more than one (1) employee is absent from any one (1) department.

10.06 (1) Employees required to serve Jury Duty including Coroner's Duty shall be paid the difference between their normal day rate and the amount they receive as Jury Duty pay.

(2) An employee absent from work in order to serve as a witness in compliance with a subpoena in a Federal or Provincial court of law shall be paid the difference between his/her normal day rate and the amount he/she receives as a witness.

ARTICLE XI - SAFETY AND HEALTH

11.01 The Company shall continue its practice of making reasonable provision for the safety and health of its employees during the hours of their employment. The Union agrees to co-operate with the Management concerning health and safety of employees.

11.02 If a seniority employee is injured on the job and is directed by the examining physician to go home, the employee shall be paid for the balance of his/her shift at his/her straight time base hourly rate of pay, exclusive of any premiums. This clause shall be rescinded if covered by Workers' Compensation.

11.03 The Company and the Union will name an in-plant Safety and Health Committee for each of the Company's facilities (i.e., both the Plant and the Distribution Centre) comprised of not more than two (2) Management and two (2) Union representatives who are employees of the Company, for each location. Each Committee will meet monthly. One (1) Management representative and one (1) Union representative who is an employee of the Company shall make monthly tours of the Production Plant and the Distribution Centre.

11.04 Gloves

The Company agrees to provide employees in the following classifications; (stockkeeper, shipper-packer, dockhand and yarn handler) with one (1) pair of work gloves per year. Where an employee who performs dockhand work shows that the gloves are no longer safe or usable the Company agrees to provide a replacement pair immediately.

ARTICLE XII - NOTICES

12.01 The Company agrees to post in its plant, on a separate bulletin board, Union notices announcing Union meetings or social events.

12.02 The Union will not distribute or post or cause or permit to be distributed or posted on the property of the Company, for or on its behalf, any pamphlets, advertising or political matter, cards, notices, or other kinds of literature except with written permission of Management.

ARTICLE XIII - HOURS OF WORK AND OVERTIME

13.01 The provisions of this Article XIII are for the purpose of computing overtime and shall not be construed to be a guarantee of or limitation upon the hours of work to be done per day or per week or otherwise, nor as a guarantee of working schedules.

13.02 The normal work week will be composed of forty (40) straight time hours worked in the week which commences with the day shift on Monday.

13.03 It is recognized that the Company will from time to time require overtime work. An employee who wishes to be excused from an overtime assignment shall, in support of the

employee's request, furnish the Company with bona fide reasons acceptable to the company. The Company's decision upon the request will not be made in an arbitrary manner.

For the purpose of ensuring the equitable, (although not equal), distribution of overtime opportunities, an employee who declines an opportunity to work required overtime shall be deemed to have worked those hours which were available.

13.04 Overtime at the rate of one and one-half (1-1/2) times the employee's straight time hourly rate of pay exclusive of premiums shall be paid for hours worked in excess of the following:

- (a) eight (8) hours of work per day, Monday through Friday;
- (b) for work performed on Saturdays.

13.05 Overtime at the rate of two (2) times the employee's straight time hourly rate of pay exclusive of premiums shall be paid for all hours worked on Sundays.

13.06 Observance of a designated holiday from and including Monday to and including Friday shall count as time worked for the purpose of computing weekly overtime.

13.07 An employee who performs work on one of the holidays designated in Article XIV hereof shall be paid at the rate of time and one-half (1-1/2) the employee's straight time hourly rate exclusive of premiums, plus holiday pay for the employee who qualifies.

13.08 The Company will endeavor to give employees notice of overtime work and if possible, such notice will be given four (4) hours prior to the expiry of the previous day's shift.

13.09 Employees on the day shift shall receive a one-half (1/2) hour unpaid lunch period. Employees on the afternoon shift shall receive a one-half (1/2) hour paid lunch period. Employees on the night shift shall receive a twenty (20) minute paid lunch period.

13.10 There will be a ten (10) minute break in each one-half shift at a time or times to be designated by the Company, except in the case of employees on the night shift who shall receive one (1), ten (10) minute break during the shift and one (1), twenty-five (25) minute break at the end of the shift.

13.11 In no case will there be a duplication or pyramiding of overtime or any other premium compensation.

13.12 Employees who work an afternoon shift, which shall be designated as a shift which starts on or after 3:00 p.m., shall receive a premium of thirty-five cents (\$0.35) per hour for each hour worked on such shift. Employees who work a night shift, which shall be designated as a shift which starts on or after 10:00 p.m., shall receive a premium of eighty cents (\$0.80) per hour for each hour worked on such shift. (N.B. - the day shift is designated as a shift which starts on or after 7:00 a.m.) There shall be a swing shift premium of fifty cents (\$0.50) per hour for each hour

worked on such shift. (The swing shift premium shall be in addition to the second or third shift premium.)

Shift premiums will be paid separately from the average piece-work earnings.

13.13 Reporting Allowance

An employee who properly reports for work at the beginning of the employee's regular shift, unless the employee has been notified not to report, will receive at least four (4) hours work at the employee's straight time base hourly rate or shall be paid for four (4) hours at the employee's straight time base hourly rate, exclusive of premiums, except when occasioned by labour dispute, machinery, equipment, power or other utility breakdown, fire, flood or any other cause, without limitation, beyond the Company's control.

13.14 The Company will endeavor to allocate overtime work equitably among seniority employees who are at work and who regularly and normally perform the major portion of the work allocated.

13.15 The Company agrees to subsidize the cost of a taxi program available to all employees for transportation home at the end of the afternoon shift. The company shall deduct an amount equal to the minimum single TTC fare for each day worked from all employees participating in the program. The geographic boundaries within which the program will apply are as follows:

- Keele Street - Western Boundary
- Eglinton Avenue - Northern Boundary
- Pape Avenue - Eastern Boundary

In the event of a Plant/Warehouse move, the above taxi program shall be revised to establish new boundaries at least the equivalent of the pre-existing boundaries. The Company agrees to meet with the Union within a reasonable time to negotiate same.

ARTICLE XIV - DESIGNATED HOLIDAYS

14.01 A Seniority employee shall be compensated for time lost as a result of one of the following holidays being observed on the employee's regularly scheduled work day. Notwithstanding the foregoing, an employee who on the date of observance of such holiday has completed thirty (30) working days with the Company, and who eventually completes the probationary period will be reimbursed for each such designated holiday that occurred between date of completion of thirty (30) working days and date of attainment of seniority. The foregoing shall be subject to the other qualifying requirements of this Article XIV.

Compensation shall be a sum equivalent to the employee's standard rate or "flagged" rate for a day worker, or average earnings in the pay period in which the holiday falls in the case of an incentive worker, for the number of straight time hours in the employee's normal work day, provided the employee complies with the qualifications set forth in this Article XIV.

The designated holidays are:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Christmas Day
Dominion Day	Boxing Day
Civic Holiday	

One (1) additional holiday between Christmas and New Year's Day.

14.02 (a) In order to qualify for payment for any of the holidays designated in Article 14.01 the employee must work the full scheduled shift on the declared work day immediately prior to and the full scheduled shift on the declared work day immediately following the holiday.

An employee who is not more than one (1) hour late on one (1) only of the qualifying days specified in this Article 14.02(a) and who otherwise works the full scheduled shift will be considered to have worked the full scheduled shift provided the employee has a legitimate reason for such lateness.

(b) An employee who is absent on one (1) only of the qualifying days stipulated in Article 14.02(a) hereof, because of an incapacitating sickness or injury verified as such by certificate of a recognized physician, or an employee who is laid off or an employee who is on bereavement leave, shall be paid whatever compensation the employee would have been entitled to under the foregoing provisions, had the employee otherwise been able and required to work on the declared work day of the Company immediately preceding and immediately following the designated holiday concerned, provided the employee is not absent by reason of such sickness, injury, lay-off or bereavement leave for more than six (6) consecutive working days before or after such holiday. This article 14.02(b) shall also apply where an employee is absent on one of the qualifying days due to the proven illness/emergency care of a spouse or child. Such proof shall be demonstrated to the satisfaction of the Company.

(c) If any of the holidays set out in Article 14.01 fall or are observed during a seniority employee's vacation, the employee shall be entitled to an extra day's pay in accordance with Article 14.01 or to an additional day off provided the following conditions are complied with:

- (i) the employee has taken only the vacation to which the employee is entitled but has not received leave of absence combined with such vacation, and
- (ii) the employee works the full scheduled shift on the declared work day immediately prior to and the full scheduled shift on the declared work day immediately following the employee's vacation.

(d) If any of the holidays set out in Article 14.01 fall or are observed on a Friday, the employee who qualifies shall receive such holiday pay in the pay cheque immediately following the holiday. If an employee is paid for such holiday but is not entitled to payment hereunder the Company has the right to deduct such holiday pay from a subsequent pay.

14.03 The Company agrees to shut down operations on December 24 and December 31 for the

afternoon shift. The Company will post a notice during the first week in December confirming the Company's schedule arrangements for the last day of work before Christmas Day.

ARTICLE XV - VACATION WITH PAY

15.01 Seniority employees shall be entitled to an annual vacation in accordance with the following schedules:

- (a) for employees with less than one (1) year of seniority as at June 30th - commencing with the completion of the third month of service the employee shall be entitled to one (1) full day of vacation per month to a maximum of ten (10) days vacation and shall receive vacation pay at the rate of four percent (4%) of wages earned prior to June 30th (e.g., three months' service as at June 30th - 1 day vacation; four months' service - 2 days vacation; five months' service - 3 days' vacation).
- (b) one (1) year of seniority as at June 30th - two (2) weeks' vacation.
- (c) five (5) years of seniority as at June 30th - three (3) weeks' vacation.
- (d) fourteen (14) years of seniority as at June 30th - four (4) weeks' vacation.
- (e) twenty (20) years of seniority as at June 30th - five (5) weeks' vacation.

15.02 Pay for the vacation to which the employee is entitled hereunder will be two percent (2%) of total earnings in the vacation year for each week of vacation entitlement. "Vacation year" shall mean the year from one July 1st to the following June 30th.

15.03 The Company has the right to allocate vacations in accordance with the entitlement provided by Article 15.01 hereof provided that each employee covered by Article 15.01(b), (c) and (d) shall be entitled to two (2) continuous weeks of vacation during the period July through August.

(i) Employees who are eligible for four (4) weeks paid vacation under Article 15.01 shall be entitled to take the third (3rd) and fourth (4th) week consecutively with the first two (2) weeks provided sufficient notice is given by the employee and provided the Company is able to maintain a workforce that is qualified to do the available work. Employees who wish to be considered for consecutive vacation shall notify the company by February 28th of each year.

(ii) Consideration will be given to other employees requesting consecutive weeks of vacation; however, the Company will not be required to guarantee such consecutive weeks.

(iii) The Company will post a notice of the annual vacation by April 1st.

(iv) If there is not a vacation shutdown all employees will indicate their preference for vacation time by April 30th.

(v) Any employee who has a greater vacation entitlement than the period of vacation shutdown, if there is a shutdown, shall indicate a preference for vacation time by April 30th.

(vi) Vacation preferences will be based on seniority, and upon equitable allowance of consecutive vacation on a rotating basis.

15.04 An employee whose employment is terminated for any reason shall receive vacation pay for the period to which the employee is entitled in accordance with the Employment Standards Act of Ontario, except that when an employee has been terminated from employment for reasons of incapacity or advanced years, the employee shall receive at the time of termination the amount of vacation allowance for which the employee qualifies under the provisions of the foregoing paragraphs.

15.05 The Company agrees that except where vacation pay is payable for June 30th, employees on pregnancy leave will receive vacation pay at the time the employee returns to work unless the employee requests the vacation pay be paid prior to the employee's return to work. The foregoing is subject to its strict compliance with any existing or amended legislation.

ARTICLE XVI - WELFARE

16.01 The Company agrees to pay the insurance premiums on behalf of single seniority employees not otherwise covered as a dependent, and on behalf of married seniority employees who elect to carry the coverage, as set out hereinafter. An employee who is off work for sick leave or leave of absence for more than six (6) months will be personally responsible for making their own premium payments in full directly to the collecting agency and the Company shall have no obligation of liability as long as the employee remains so absent. When an employee is on sick leave for a period in excess of six (6) months, the Employer shall pay the insurance premiums until the employee returns to work. When the employee returns to work, the employee shall reimburse the company for all the premium payments made on their behalf for the period in excess of six (6) months.

The Company contributions shall be as follows:

(a) The Company agrees to provide the Group Insurance Plan presently in existence, for employees who qualify for the Plan, such Plan to include:

- Major Medical Plan
- Life Insurance
- Semi-Private Hospitalization
- Weekly Indemnity

In the case of a pregnant employee only, the Company will allow such pregnant employee when disabled to use the Weekly Indemnity provisions of the Group Insurance Plan as first payer. In all other cases Unemployment Insurance shall continue to be used as first payer. A pregnant employee seeking to utilize this provision must provide a medical certificate certifying that the employee is pregnant.

(b) The Company will contribute fifty percent (50%) of the cost of the premiums and the employees shall contribute fifty percent (50%) towards the cost of the premiums of the Dental Plan.

The Plan shall have a yearly deductible of \$25/\$50.

Effective: October 23, 1996 - 1995 ODA fee schedule

October 23, 1997 - 1996 ODA fee schedule

October 23, 1998 - 1997 ODA fee schedule

The Dental Plan shall be available to all seniority employees.

(c) **Vision Care**

The company agrees to establish a vision care plan for all seniority employees, which plan shall provide for one hundred dollars (\$100.00) maximum reimbursement per family member every twenty-four (24) months. For the purposes of this vision care plan family members shall include only an employee's spouse and an employee's children who are eighteen (18) years of age or younger. This vision care plan shall provide for reimbursement for glasses and for contact lenses.

The vision care plan shall be available to all seniority employees.

- (d) When the employer requires a medical certificate from an employee to justify an absence of three days or greater, the employer shall reimburse to the employee a maximum of \$10 towards the cost of the medical certificate. The employee must provide proof of payment to the physician. This shall not apply to medical certificates required pursuant to Article 14.02(b) or to any other circumstance where the employee will receive a benefit upon the presentation of a medical certificate.

16.01A The Sick Leave Plan presently in existence shall remain in effect for the life of this Agreement. However, an employee with one (1) year of seniority is entitled to one day's sick leave in the last quarter with pay.

Employees with two years seniority are entitled to two (2) days sick leave in the last quarter with pay.

Employees with three years seniority are entitled to five (5) days sick leave each year. However, employees with three years seniority shall be entitled to take the maximum of two (2) sick days with pay in any one quarter, provided that such days are available during that quarter.

16.02 The benefits and insurance plans referred to in this Article XVI are necessarily qualified in their entirety by reference to the underlying policies or contracts of insurance. The terms of any contract issued in respect hereof by an insurance agency or governmental agency shall be controlling in all matters pertaining to qualifications of employees for benefits thereunder and in all matters pertaining to the existence and extent of benefits and conditions. It is agreed that the Company's obligation hereunder shall be to obtain standard not substandard insurance plans. It is further agreed that the level of benefits shall, for the life of this Agreement, not be reduced and shall remain as set out in Article 16.01 hereof. The Company will furnish the Union with insurance policies which replace existing insurance policies.

16.03 The Company and the Union agree that effective October 23, 1997 the Company shall begin contributions in the sum of \$0.15 per hour worked, for all bargaining unit employees, to the

ARTICLE XVII - LEAD HANDS

17.01 A vacancy for the position of Lead Hand shall be posted in the plant for three (3) working days. Selection shall be based primarily upon considerations of experience and skill in the overall work of the group which they lead and their ability to provide leadership therein. Where such appointment is to be made, the Company will give consideration to qualified employees upon the following basis:

- (a) length of continuous service;
- (b) efficiency, experience and qualifications;
- (c) fitness and reliability.

Where, as between employees, the factors in (b) and (c) are relatively equal, factor (a) shall govern.

After successful completion of a three (3) month probationary period as Lead Hand, the Lead Hand shall be considered as qualified. The Company may, at any time, in its discretion, eliminate Lead Hands in any department. The provisions of Article VII shall apply to an employee whose position as Lead Hand shall be paid not less than fifty (\$0.50) cents per hour above the employee's own rate or the rate of the highest classification of which the employee is put in charge, whichever is the higher. The foregoing premiums shall be deemed to be part of the employee's rate for purposes of overtime calculation or holiday pay while the employee is acting as Lead Hand.

ARTICLE XVIII - WAGES

18.01 During the life of this Agreement the wage rates set out in Schedule "B" hereof shall be in effect for the classifications set out in Schedule "A".

18.01A Where the Company creates a new bargaining unit job or substantially changes the job content of an existing job the Company will establish the rate for the new or changed job and will endeavor to give the Union two (2) weeks' notice of such rate and advise the Union of the content of the new or changed job. On request the Company will meet with the Union at Step 3 of the Grievance Procedure within seven (7) days of receipt of written request from the Union in order to discuss the matter. If the Union is not in agreement with the rate established by the Company the Union shall have the right to refer the disputed rate to arbitration. The Board of Arbitration in determining the dispute shall do so by rating the job in equitable relationship to Schedules "A", "B" and "C" of the Collective Agreement, whichever are appropriate.

18.02 Incentive Plan

(1) The rate of pay used for incentive calculation shall be the Labour Grade Wage Rate set out in Schedule "B" hereof. An employee whose production exceeds Standard will be paid above the Labour Grade Wage Rate for the job as set out in Schedule "B" to this Agreement in accordance with the provisions of this Article 18.02. Subject to the following exceptions, an

employee who produces at Standard or below Standard as defined in this Article 18.02 as "Standard Time Value" shall be paid the wage rate for the employee's job as set out in the Schedule of Labour Grade Wage Rates in Schedule "B". The exceptions referred to in the previous sentence are:

- (a) Probationary employees - who shall receive the Probationary Rate, and
- (b) Seniority employees who transfer into the job at the request of the employee or to avoid lay-off will receive a training rate equal to Labour Grade I Wage Rate for the first thirty (30) days worked in the job and thereafter the Labour Grade Wage Rate for the job.

(2) It is the Company's prerogative to:

- (a) establish, implement, extend or revise standards and methods of production, from time to time;
- (b) install incentives in non-incentive jobs or discontinue incentives in incentive jobs, from time to time.

(3) The Company has established, and may from time to time establish, incentive standards on any job where the Company considers it practicable to do so in order that qualified, experienced employees may through extra effort and increased efficiency have an opportunity to earn better pay by producing a product which meets the Company's quality standards in less time than called for by the Predetermined Time System (P.T.S.). In such case a normal qualified employee will have an earnings opportunity of approximately thirty percent (30%) above the Labour Grade Wage Rate when the employee works at a pace and level of effort correspondingly above standard as expressed by Standard Time Value and provided sufficient work is available and the work flow can be maintained.

(4) Standard Time Value

A time is set for the execution of each element of work at a reference pace, under usual and normal operating conditions. The reference pace is defined as "walking 3 miles per hour over smooth level ground without a load".

An average experienced employee working under incentive on a job assignment providing an incentive opportunity of thirty percent (30%) normally exceeds the reference pace described above by thirty percent (30%) when the employee works at a pace and level of effort correspondingly above the Standard Time Value.

The Standard Time Value expressed in dozens per hour, is the time required to perform an operation at normal pace at standard conditions plus time required for rest and personal needs, applied to each work element and occasional delays.

(5) Incentive will be calculated and paid only on production which meets the Company's quality standards, and production of substandard product which is within the operator's control shall be deducted from the operator's incentive earnings. However, an employee shall be paid not less than the Labour Grade Wage Rate for such work.

(6) When the Company introduces a new standard (rate) or changes an existing standard

(rate) or when the Company introduces a new product or substantially changes an existing product so that the work content as expressed in the Standard Time Value differs more than five percent (5%) from those already or previously in existence so as to require the establishment of a new standard, the Company will furnish the steward of the department or section with a notice of such change of the new or changed standard, in duplicate. The steward will acknowledge in writing on one copy that the steward has a copy, note the date upon which the work commenced, and return such copy to the Plant Manager. Such notice will express the standard in dozens.

(7) When the Company advises the Union of a change under the above paragraph (6), it will give the Union representative a copy of the Company's working papers with respect to such new or changed standard, together with such explanation as is necessary. The Union shall choose one (1) employee to be known as the "Technical Complaint Steward", and the Company agrees to familiarize such employee with the data and methods used to establish incentive standards. Such employee shall attend grievance meetings held pursuant to Article 5.0 in lieu of the steward or as a member of the Union Grievance Committee, as the case may be.

(8) A new or revised standard will be subject to challenge by an employee or the Union. A new standard or change in an existing standard may be challenged only on the basis of whether or not, under the conditions set out above, there is an incentive earnings potential of around thirty percent (30%). Such challenge must be made in writing, pursuant to the specific grievance procedure set out in Article 5.0 hereof, after two (2) working days but before fifteen (15) working days have elapsed from the date upon which such new or changed standard becomes effective, otherwise such standard shall be deemed acceptable to the employees and the Union.

(9) Upon receiving sufficient advance request, the Company will, two (2) days before the meeting held between the parties, under the Grievance Procedure, supply in writing to the Union the average hourly earnings of each employee concerned, and the employee's average hourly earnings if applicable, prior to the change which is the subject of the grievance.

(10) In the event that an employee on incentive is unable to operate according to standard because of factors beyond the employee's control (such as machine breakdowns, bad material or the lack of material), the employee must notify the employee's foreperson immediately and upon verification of the substandard condition by the Company and pending its correction the employee shall be paid the Labour Grade Wage Rate of pay as listed in Schedule "B" to this Agreement.

(11) While on time work (i.e. non-incentive), employees who otherwise work at incentive rates shall be paid in accordance with the Labour Grade Wage Rate for their respective jobs, as listed in Schedule "B" to this Agreement, with the following exceptions:

(a) When an incentive worker is assigned to:

- (i) samples and costings, or
- (ii) to train other employees

such incentive worker will be paid, on a daily basis, at their average straight time hourly earnings so long as such employee puts forth their usual effort. Such average straight time hourly earnings shall be taken

over the previous four (4) week period.

ARTICLE XIX - DURATION

19.01 This agreement shall become effective on the 23rd day of October, 1996 and shall remain in full force and effect and shall not be re-openable save and except as otherwise expressly provided, until the 22nd day of October, 1999 and shall continue automatically thereafter during annual periods of one (1) year each, unless either party notifies the other party in writing as provided for in Article 19.02 hereof, of its desire to negotiate amendments to this Agreement.

19.02 Notice that amendments are required shall only be given during the period of not more than three (3) months and not less than one (1) month prior to the 22nd day of October, 1996 or similar annual periods thereafter. If notice of desire to amend this Agreement is given by either party in accordance with the foregoing, the other party agrees to meet for the purpose of negotiations.

ARTICLE XX - EMPLOYMENT STANDARDS

20.01 The rights, benefits, terms or conditions of employment as set out as employment standards, in the Employment Standards Act, and Regulations made thereunder, as they existed on June 5, 1995, as the same relates to the Union, McGregor Hosiery Mills and/or its employees, shall be minimum requirements incorporated within this collective agreement however, where this collective agreement provides higher remuneration in money or a greater right, benefit, term or condition of employment in favour of an employee(s) with respect to a particular standard, this collective agreement shall prevail.

20.02 A violation of the rights, benefits, terms or conditions of employment as set out as employment standards in the Employment Standards Act and Regulations made thereunder, as they existed on June 5, 1995, as the same relates to the Union, McGregor and/or its employees, may be subject to the grievance procedure of this collective agreement or may be prosecuted or enforced through the procedural mechanisms offered by the *Employment Standards Act* and Regulations thereunder, as they exist from time to time, but not both.

DATED AT TORONTO, ONTARIO THIS 23rd. DAY OF OCTOBER, 1996.

MCGREGOR HOSIERY MILLS

CAW LOCAL 40

_____	_____
_____	_____
_____	_____
_____	_____

SCHEDULES A AND B:**CLASSIFICATION AND WAGE RATES**

	Effective	Effective	Effective	<u>Classifications</u>
	<u>Oct.23/96</u>	<u>Oct.23/97</u>	<u>Oct.23/98</u>	
Labour Grade 1	\$9.52	\$9.77	\$10.02	Examiner, Finisher; Detexomatic, Machine Cleaner, Toe Closure, Seamers & Turners - when designated by the Company as time workers and not working on piecework rate.
Labour Grade 2	\$9.62	\$9.87	\$10.12	Cleaner, Mender, Long-fold Finish; Helper Material Handler; Pressers - when designated by the Company as time workers and not working on piecework rate.
Labour Grade 3	\$9.77	\$10.02	\$10.27	Janitor, Knitter, Sampler, Mender (after 2 years), sewing on seconds. (After one year), embroidery, Winder
Labour Grade 4	\$10.07	\$10.32	\$10.57	Sorter, Pre-dye Assembler, Shipper-Packer, Stock Keeper, Maintenance Helper, Helper Machinery, Material Handler, finish goods checker.
Labour Grade 5	\$10.22	\$10.47	\$10.72	Forming Assistant, Dock Hand, Apprentice Mechanic "B" (up to 12 months), Quality Assurance Inspector.
Labour Grade 6	\$10.42	\$10.67	\$10.92	Dyer, Yarn Handler, Apprentice Sewing Machine Mechanic* Lift Operator
Labour Grade 7	\$10.82	\$11.07	\$11.32	Yarn, Apprentice Mechanic "A" (12 to 24 months)
Labour Grade 8	\$12.27	\$12.52	\$12.77	Maintenance "B", Driver, Builder, Fixer "D" *. Maintenance/Engineer (4th Class)
Labour Grade 9	\$13.22	\$13.47	\$13.72	Tool & Die -Maker "C", Fixer "C"*, Maintenance "A"*, Dyer "B", Driver (after 1 year), Sewing Machine Mechanic "B"*, Maintenance Engineer (3rd Class)* Fixer "B"*, Tool & Die Maker "B"*
Labour Grade 10	\$14.07	\$14.32	\$14.57	
Labour Grade 11	\$15.57	\$15.82	\$16.07	Fixer "A"*, Dyer "A"*, Sewing Machine Mechanic "A"*
Labour Grade 12	\$17.02	\$17.27	\$17.52	Tool & Die Maker "A"*

Probationary Rate:

Effective October 23, 1996 - \$8.51

Effective October 23, 1997 - \$8.76

Effective October 23, 1998 - \$9.01

A probationary employee may be paid higher where warranted in the discretion of the Company.

NOTES

- (1) The above rates reflect the following:
 - (a) October 23, 1996 - \$0.25 to all workers/classifications
 - October 23, 1997 - \$0.25 to all workers/classifications
 - October 23, 1998 - \$0.25 to all workers/classifications

- (2) Lead Hands - to maintain present differentials between their rate and those they are leading.

- (3) Weekly pay cheques will show "vacation pay to date".

- (4) Inventory - an employee who performs inventory work will receive Labour Grade 4 rate, or their regular rate of pay, whichever is higher.

SCHEDULE "A" - Continued

*Classifications designated with a * shall be minimum rates only subject to the right of the Company to pay more subject to the following five (5) conditions:

- (i) there shall be no "red circle" rates for such classifications;
- (ii) the Company will notify the Union in writing of such rate change and when paid and the rate the employee was paid previously;
- (iii) the Union shall have the right to file a grievance with respect to such rates but shall not have the right to refer such grievance to arbitration;
- (iv) the Company will conduct a semi-annual review of employees classified as Fixer "D", "C" and "B" and Sewing Machine Mechanic "B" to determine whether any such employees meet the criteria for promotion to the next higher classification (i.e., Fixer "C", "B" or "A" and Sewing Machine Mechanic "A") as the case may be. In the event of a dispute with respect to the Company's decision the Union has the right to utilize the grievance provisions of this Agreement, including arbitration.
- (v) an employee in the classifications listed herein shall have the right to request a review of the employee's rate in October of each year. In the course of the review and prior to a decision the Company will discuss the employee's rate with the employee. It is understood that a change of rate or refusal to change a rate in such review shall not be arbitrable. Classifications as follows:
 - Fixer "D", "C", "B", "A"
 - Sewing Machine Mechanic "A" and "B"
- (vi) An employee who is placed or posted in classification "sewing on seconds" will be paid at Labour Grade 1 for a period of one year and shall be paid at Labour Grade 3 at the end of one year in the classification.

SCHEDULE "C"

PIECEWORK RATES & HOSE CLASSIFICATIONS

<u>Hose Classification</u>	<u>Effective October 23, 1996</u>	<u>Effective October 23, 1997</u>	<u>Effective October 23, 1998</u>
<u>PRESSING</u>			
D71	52.67¢/Dozen	54.04¢/Dozen	55.41¢/Dozen
D72	47.63¢/Dozen	48.87¢/Dozen	50.10¢/Dozen
D73	42.25¢/Dozen	43.35¢/Dozen	44.44¢/Dozen
D74	39.75¢/Dozen	40.79¢/Dozen	41.82¢/Dozen
D75	36.84¢/Dozen	37.79¢/Dozen	38.75¢/Dozen
D91	52.67¢/Dozen	54.04¢/Dozen	55.41¢/Dozen
D92	45.25¢/Dozen	46.42¢/Dozen	47.60¢/Dozen
D93	40.20¢/Dozen	41.25¢/Dozen	42.29¢/Dozen
D94	36.73¢/Dozen	37.69¢/Dozen	38.64¢/Dozen
D95	31.83¢/Dozen	32.65¢/Dozen	33.48¢/Dozen
<u>ROSSO</u>			
RT1	44.70¢/Dozen	45.88¢/Dozen	47.05¢/Dozen
RT2	46.85¢/Dozen	48.08¢/Dozen	49.31¢/Dozen
RT3	49.07¢/Dozen	50.36¢/Dozen	51.65¢/Dozen
RT4	51.41¢/Dozen	52.76¢/Dozen	54.11¢/Dozen
RT5	51.41¢/Dozen	52.76¢/Dozen	54.11¢/Dozen
RT8	56.56¢/Dozen	58.04¢/Dozen	59.53¢/Dozen
RN1	40.64¢/Dozen	41.70¢/Dozen	42.77¢/Dozen
RN2	42.59¢/Dozen	43.71¢/Dozen	44.83¢/Dozen
RN3	44.62¢/Dozen	45.79¢/Dozen	46.97¢/Dozen
RN4	46.73¢/Dozen	47.95¢/Dozen	49.18¢/Dozen
RN5	46.73¢/Dozen	47.95¢/Dozen	49.18¢/Dozen
RN8	51.41¢/Dozen	52.76¢/Dozen	54.11¢/Dozen
<u>SEAMING</u>			
TC1	47.06¢/Dozen	48.29¢/Dozen	49.53¢/Dozen
TC2	53.49¢/Dozen	54.90¢/Dozen	56.30¢/Dozen
TC3	59.17¢/Dozen	60.73¢/Dozen	62.28¢/Dozen
TC4	60.00¢/Dozen	61.57¢/Dozen	63.15¢/Dozen
TC5	63.31¢/Dozen	64.98¢/Dozen	66.64¢/Dozen
TC6	66.06¢/Dozen	67.80¢/Dozen	69.53¢/Dozen
TC7	76.22¢/Dozen	78.22¢/Dozen	80.22¢/Dozen
<u>DETEXOMATIC</u>			
D1	32.59¢/Dozen	33.44¢/Dozen	34.30¢/Dozen
D2	35.98¢/Dozen	36.93¢/Dozen	37.87¢/Dozen

SCHEDULE "D"

CRITERIA FOR KNITTING MACHINE FIXERS

Labour Grade XI

Level "A"

1. Skilled technician.
2. Acts on own initiative.
3. Able to duplicate complex patterns from sock to machine.
4. Able to fit and properly set new latch guards.
5. Excellent trouble shooter.
6. Ability to teach others.
7. Performs at highest level of efficiency.
8. Rate within grade based on performance, experience, complexity of equipment.
Consideration will be given to the number of machines.
9. Ability to competently perform all functions of previous classification.
10. Must have a general working knowledge of the metals used in the Knitting Department and their characteristics.
11. Must demonstrate a good working knowledge of knitting theory.

Labour Grade X

Level "B"

1. An accomplished line fixer.
2. Takes responsibility for a premium number of machines.
3. Ability to do necessary style changes from layouts.
4. Must know basic settings (main drum settings - racking pawl settings).
5. Ability to fit and set transfer bridges and transfer cams.
6. Thoroughly understands: (i) bolt cam theory and adjustments, (ii) sliders and pattern jack layouts.
7. Knows how to adjust pattern timing.
8. Knows how to set up and adjust striping attachments.
9. Ability to fit, finish, polish and adapt parts as necessary to various machines.
Ability to proficiently use drill press, grinding head, hand tools such as files, hacksaw, taps and dies, micrometer, feeler gauges, mechanics blue, scribes, center punches, screw-extractors and scales. Ability to accurately produce such parts as drum cams from cam stock and mousers or parts of a similar complexity from flat stock.
Ability to remove screws broken and seized in holes.

10. Aids in teaching.
11. Rate within grade based on performance, experience and complexity of equipment.
12. Good trouble shooter.
13. Ability to competently perform all functions of previous classification.
14. Be able to completely and correctly strip down and reassemble a knitting machine knowing all the proper settings and gearings.

Labour Grade IX

Level "C"

1. Good line fixer.
2. Takes responsibility for a number of machines. The number of sets and the number of machines in a set to be determined by the type and complexity of the equipment.
3. Ability to do most easy style changes with minimum of help.
4. Ability to perform most repairs and must know basic adjustments and settings.
5. Ability to perform preventative maintenance.
6. Rate within grade based on performance, experience and complexity of equipment.
7. Improving trouble shooting skills.
8. Punctuality and attendance will be considered.
9. Ability to competently perform all functions of previous classification.
10. A Double Cylinder Fixer shall be able to strip down and reassemble a double cylinder knitting machine.
11. A Single Cylinder Fixer with a minimal amount of supervision, shall be able to remove, replace, and reset the cylinder in a single cylinder knitting machine.

Labour Grade VIII

Level "D"

1. Takes responsibility for a number of machines with the help of a trained mechanic when necessary. The number to be determined by the type and complexity of the equipment.
2. Must be able to perform knitters job thoroughly.
3. Must be able to size properly.
4. Ability to perform minor repairs.
5. Ability to carry out and responsibility for the performance of scheduled maintenance.
6. Rate within grade based on performance and complexity of equipment.
7. Responsible along with operator for quality and quantity of production within reasonable limits.
8. Ability to competently perform all functions of previous classification.
9. With a minimal amount of supervision, a Double Cylinder Fixer shall be able to strip down a double cylinder machine in order to clean the sinkers and knitting boxes, and reassemble.
10. With a minimal amount of supervision, a Single Cylinder Fixer shall be able to strip down and reassemble a single cylinder knitting machine.

CRITERIA FOR SEWING MACHINE MECHANICS

Labour Grade XI

Level "A"

1. Ability to maintain and repair all equipment in the area proficiently (for greater particularity: Merrow, Rosso, Union Special, Detexomatic, Tumbling Machine, Turning Machine).
2. Ability to modify, adapt and fit parts.
3. Ability and willingness to teach operators how to operate all equipment and to teach mechanics how to maintain and repair all equipment.
4. Responsibility for ensuring machines are properly maintained (oiling and cleaning).
5. Ability to recognize the need for and perform preventative maintenance.
6. Ability to detect knitting and sewing defects and other problems which are affecting the quality of production in the sewing operation.
7. Ability to make cost efficient requisitions from inventory.
8. Self-reliant, ability to work independently with minimal supervision.
9. Generally responsible for the quality of work and product, along with operators and within reasonable limits.
10. Individual with initiative.
11. Ability to competently perform all functions of the previous classification.

Labour Grade IX

Level "B"

1. Ability to perform all repairs and maintenance functions on all sewing machines (for greater particularity: Merrow, Union Special, Rosso).
2. Ability to fit parts on all machines.
3. Ability and willingness to teach sewing machine operators how to operate machines and change needles and to teach apprentice mechanics and less experienced mechanics how to operate, maintain and repair machines.
4. Ability to work at close tolerances.
5. Attendance and punctuality will be considered.
6. Ability to recognize the need for preventative maintenance and perform such maintenance.
7. Ability to perform regular maintenance schedules in a timely and efficient manner.
8. Be proficient in the use, handling and care of all tools required for this job.
9. Display the ability and initiative to maintain and repair sewing equipment (Merrow, Union Special, Rosso and Detexomatic) and conscientiously maintain product quality.
10. The ability to competently perform all functions of the previous classification.

Labour Grade VI

Apprentice Sewing Machine Mechanic

1. Be knowledgeable of the handling, purpose, use and care of tools.
2. Demonstrate adequate level of physical dexterity with tools.
3. Ability to clean, oil and thread machines.
4. Punctuality, attendance and dependability will be considered.
5. Willingness to attend courses to acquire and/or upgrade related skills.
6. Ability to perform under guidance scheduled maintenance (i.e., cleaning filters and oil sump and refilling, cleaning waste from tumbling machine).

LETTER OF AGREEMENT

THIS LETTER OF AGREEMENT SHALL BE ATTACHED TO,
AND FORM PART OF, THE COLLECTIVE AGREEMENT

CAW, Local 40
527 College Street
Toronto, Ontario
M6G 1A8

October 23, 1996

Re: PAID EDUCATION LEAVE

The Company agrees to pay into a special fund the sum of \$0.01 per hour per employee for hours worked for the purpose of providing paid education leave

Such monies are to be paid on a quarterly basis into a trust fund as directed by the Local Union.

The Company agrees to provide the Union with the following information when each contribution is sent to the Paid Education Leave program:

the local Union member;
the bargaining unit covered;
the number of employees;
the number of hours used in the payment calculation;
and the period of time covered.

Yours truly,

MCGREGOR HOSIERY MILLS

Per: Earl S. Lipson
President

/ker

LETTER OF UNDERSTANDING

THIS LETTER OF UNDERSTANDING SHALL BE ATTACHED TO,
AND FORM PART OF, THE COLLECTIVE AGREEMENT

CAW, Local 40
527 College Street
Toronto, Ontario
M6G 1A8

October 23, 1996

RE: PERSONNEL FILES

The Company agrees to provide the Union with copies of all discipline letters in an employee's file once such a request is made by the Union. The request for such copies of the letters will be granted within a reasonable time, but no later than five (5) working days. Only letters which pre-date the Union's request by less than twenty-four (24) months will be provided.

Yours truly,

MCGREGOR HOSIERY MILLS

PER: Earl S. Lipson
President

/ker

LETTER OF UNDERSTANDING

THIS LETTER OF UNDERSTANDING SHALL BE ATTACHED TO,
AND FORM PART OF, THE COLLECTIVE AGREEMENT

CAW, Local 40
527 College Street
Toronto, Ontario
M6G 1A8

October 23, 1996

RE: HEALTH AND SAFETY TRAINING

The Company agrees that all members of the Joint Health and Safety Committee will commence health and safety certification training within six (6) months of the effective date of the Collective Agreement.

The Company, during negotiations, indicated its agreement in principal with joint training. The Union will provide information to the Employer regarding the Workers' Health and Safety Centre, with the understanding that the Employer will consider sending its representatives for the training to the Centre.

Yours truly,

MCGREGOR HOSIERY MILLS

PER: Earl S. Lipson
President

/ker

LETTER OF UNDERSTANDING

THIS LETTER OF UNDERSTANDING SHALL BE ATTACHED TO,
AND FORM PART OF, THE COLLECTIVE AGREEMENT

CAW, Local 40
527 College Street
Toronto, Ontario
M6G 1A8

October 23, 1996

RE: PLANT CLOSURE

The Company agrees that, in the event of permanent layoffs or a plant closure, it will meet with the Union to discuss severance pay and other issues relating to those permanent layoffs or to the plant closure.

Yours truly,

MCGREGOR HOSIERY MILLS

PER: Earl S. Lipson
President

/ker

LETTER OF AGREEMENT

THIS LETTER OF AGREEMENT SHALL BE ATTACHED TO,
AND FORM PART OF, THE COLLECTIVE AGREEMENT

CAW, Local 40
527 College Street
Toronto, Ontario
M6G 1A8

October 23, 1996

RE: KNITTING DEPARTMENT

In the event the Company makes such major changes in the technology of knitting machines so as to require substantially new skills which Knitting Department employees do not possess, the Company will offer to meet with the Union at least twenty (20) working days in advance of the change and will provide the Union with the relevant information including the job classifications affected by such change. The Company will discuss the feasibility of training affected employees to become qualified to work on the changed technology.

Employees who are redundant or surplus or who decline the opportunity for training in the new technology shall have recourse to and be covered by the provisions of Article 7.

Yours truly,

MCGREGOR HOSIERY MILLS

PER: Earl S. Lipson
President

/ker

LETTER OF AGREEMENT

THIS LETTER OF AGREEMENT SHALL BE ATTACHED TO,
AND FORM PART OF, THE COLLECTIVE AGREEMENT

CAW, Local 40
527 College Street
Toronto, Ontario
M6G 1A8

October 23, 1996

RE: ARTICLE 7.04

The following procedure shall be applied in the administration of Article 7.04 of the collective agreement:

1. The Company shall assign a redundant employee to a vacancy in the same shift, provided the employee is qualified to perform the work.
2. In the event that there is no vacancy, the Company shall assign the employee to work performed on the employee's same shift, by another employee with less seniority, provided the employee is qualified to perform the work.
3. In the event that neither 1 or 2 are applicable, the Company shall follow the same procedure in assigning the redundant employee to work on a different shift.
4. Provided an employee advises the Company within 24 hours of receiving notice of lay off, that the employee wishes to be assigned to a vacancy or other work for which the employee is qualified on a different shift, and provide there is mutual agreement between the Company and the Union, the employee will be so assigned, in accordance with Article 7.04 and paragraphs 1 and 2 shall not apply in such instance.

Yours truly,

MCGREGOR HOSIERY MILLS

PER: Earl S. Lipson
President

/ker

LETTER OF AGREEMENT

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CAW, Local 40
527 College Street
Toronto, Ontario
M6G 1A8

October 23, 1996

RE: LABOUR GRADE I JOBS

Any employee in a Labour Grade I classification who wishes to be considered for any vacancy that arises in another Labour Grade I classification shall provide the Plant Manager with an indication in writing of any such jobs they are interest in and the Company agrees to consider (in accordance with Article 7.03) any such employee for any of the jobs indicated prior to hiring from outside.

Yours truly,

MCGREGOR HOSIERY MILLS

PER: Earl S. Lipson
President

/ker

LETTER OF AGREEMENT

THIS LETTER OF AGREEMENT SHALL BE ATTACHED TO,
AND FORM PART OF, THE COLLECTIVE AGREEMENT

CAW, Local 40
527 College Street
Toronto, Ontario
M6G 1A8

October 23, 1996

RE: BENEFIT PAYMENTS

The Company agrees to continue to make the payment towards all benefits for employees off work on sick leave for more than six (6) months, unless the employee notifies the Company not to continue with the payment.

Yours truly,

MCGREGOR HOSIERY MILLS

Earl S. Lipson
President

/ker

LETTER OF UNDERSTANDING

THIS LETTER OF UNDERSTANDING SHALL BE ATTACHED TO,
AND FORM PART OF, THE COLLECTIVE AGREEMENT

CAW, Local 40
527 College Street
Toronto, Ontario
M6G 1A8

October 23, 1996

RE: IMPROVING QUALIFICATIONS

As opportunities become available the Company will endeavor to provide work related experience to employees who signify in writing on Company posted sign-up sheets that they wish to improve their qualifications.

If at any time there are more employees signed up than there are opportunities available, those applicants with most seniority will be considered first.

The intent is to try to provide all employees with the opportunity to improve their qualifications.

Yours truly,

MCGREGOR HOSIERY MILLS

Earl S. Lipson
President

LETTER OF UNDERSTANDING

THIS LETTER OF UNDERSTANDING SHALL BE ATTACHED TO,
AND FORM PART OF, THE COLLECTIVE AGREEMENT

CAW, Local 40
527 College Street
Toronto, Ontario
M6G 1A8

October 23, 1996

RE: WORKPLACE EDUCATION

During the 1996 negotiations the Company and the Union discussed workplace related English education. The Company and the Union agree to meet within three months after the ratification of the Collective Agreement to review methods by which such a program could be introduced.

Yours truly,

MCGREGOR HOSIERY MILLS

Earl S. Lipson
President

LETTER OF UNDERSTANDING

THIS LETTER OF UNDERSTANDING SHALL BE ATTACHED TO,
AND FORM PART OF, THE COLLECTIVE AGREEMENT

CAW, Local 40
527 College Street
Toronto, Ontario
M6G 1A8

October 23, 1996

RE: PRINTING OF COLLECTIVE AGREEMENT

The Company agrees to pay for the printing of this Collective Agreement.

Yours truly,

MCGREGOR HOSIERY MILLS

Earl S. Lipson
President

SUMMARY OF GROUP INSURANCE PLAN

For Employees of McGregor Hosiery Mills and Their Dependents
(see Article 16, Welfare, of the Collective Agreement)

ELIGIBILITY

You will be eligible after completion of the probation period and if you are actively employed. You must complete an application card to become insured under the plan.

NO MEDICAL EXAMINATION

If you make application within 31 days after you are eligible no medical examination is required. Otherwise evidence of insurability satisfactory to the Insurance Company must be submitted.

DEFINITION OF DEPENDENTS

The term "Dependents" means:

- 1) the spouse of an employee,
- 2) the unmarried children, under 21 years of age or 25 years if students.

CHANGE OF STATUS

An employee who becomes eligible for dependents insurance should notify promptly his/her Employer in order that dependents insurance may be included in his/her coverage. No evidence of insurability is necessary for dependents if application is made within 31 days of insurability date.

OCCUPATIONAL ACCIDENT AND SICKNESS

No benefit is payable under the plan for expenses incurred as a result of an accident sustained while doing any act pertaining to any occupation or employment for wage or profit or a sickness for which you are covered by Workmen's Compensation.

CLAIM PROCEDURE

If you or one of your dependents incur expenses following an accident or sickness, you must complete or have the physician, surgeon or hospital complete the necessary claim forms as soon as possible.

All claims must be received by the Insurance Company within 90 days following the date the expense was incurred.

BENEFITS FOR EMPLOYEES

LIFE INSURANCE

The amount of Life Insurance is payable in the event of your death. Payment will be made in a lump sum or in installments to your beneficiary. You can change beneficiary whenever you wish subject to legal limitations.

You have the right, upon termination of your employment to convert your Life Insurance to an individual policy in accordance with the terms of the Group Life Policy.

In the event of total disability before age 60 the insurance will remain in force without further premium payment during the continuance of the total disability.

The amount of insurance is reduced by 50% upon attainment of age 70 or at retirement if earlier.

ACCIDENTAL DEATH AND DISMEMBERMENT

If death, dismemberment or loss of sight should occur as a result of an accident and within ninety days after the accident, payment will be made according to the following schedule:

Loss of Life	Principal Sum
Loss of both hands or both feet	Principal Sum
Loss of both eyes	Principal Sum
Loss of one hand and one foot	Principal Sum
Loss of one hand or one foot together with loss of one eye	Principal Sum
Loss of one hand or one foot or one eye	One half of the Principal Sum

Exclusions: War risks, private flying, suicide, bodily or mental infirmity, medical treatment, poisoning, etc. Full details of the exclusions are contained in the master contract.

This benefit shall cease upon attainment of age 70 or at retirement if earlier.

WEEKLY INDEMNITY

If you are unable to work because of accident or sickness, you will receive a weekly income while you are under the care of a licensed physician.

Waiting period before benefits begin: For disabilities resulting

- 1) from accidental injury no waiting period
- 2) from sickness 5 days
- 3) in hospitalization no waiting period

Benefits are payable for a maximum of 52 weeks per disability.

Weekly Indemnity; 66 2/3% of salary; maximum \$225.00 of indemnity.

Furthermore, no indemnity will be payable during the period of benefits provided under the 1971 Unemployment Insurance Act, whether you are qualified or not to receive indemnities under such Act.

BENEFITS FOR EMPLOYEES AND DEPENDENTS

HOSPITAL EXPENSE BENEFIT

If you or one of your dependents are hospitalized, you will be paid the amount actually charged by

the hospital for room and board up to the daily amount shown on the Schedule of Benefits.

MAJOR MEDICAL PLAN

The Major Medical Plan is designed to provide insurance to meet the expenses caused by a serious accident and prolonged illness.

On behalf of each employee and dependent in each calendar year, the plan pays 80% of all covered expenses after first deducting the amount of \$10.00.

COVERED EXPENSES

Covered expenses are the reasonable and necessary fees for services recommended by a physician duly licensed to practice medicine.

- Professional ambulance service.
- Fees of a registered graduate nurse not related to you and not resident in your home
- Hospital out-patient or clinic charges.
- Drugs and medicines prescribed in writing by a physician and recorded by a licensed pharmacist.
- Blood-plasma, artificial limbs and eyes, casts, splints trusses, braces and crutches, rental of a wheel chair, iron lung, and other durable therapeutic equipment.
- Fees of a licensed dentist or physician for accidental injury to natural teeth occurring while the person is insured.
- Charges for plastic surgery when the operation is performed to correct deformities resulting from injury or sickness occurring while insured, or resulting from such congenital defects as to interfere with function, but no other plastic surgery.

NON COVERED EXPENSES

The term "NON COVERED EXPENSES" and for which no reimbursement is provided under the plan shall mean (unless covered as mentioned before):

- Periodic health check-ups, travel for health, normal eye or ear examination, glasses and hearing aids.
- Dental care and plastic surgery unless covered as mentioned above.
- Bodily injury or sickness while the insured is doing any act or thing pertaining to any occupation or employment for wage or profit and occupational injury or sickness for which the insured is entitled to compensation under any Workmen's Compensation Act.
- Any treatment as a result of a self-inflicted injury while sane or insane.
- Any illness or injury occurring while in the military, naval or air service or while performing policy duty as a member of any legally constituted body.
- Any service for which no charge is made including services provided under any governmental program.
- Any charge for services, treatments, therapeutic equipment, drugs or medicines which are deemed not necessary by the Company according to reasonable criteria.

DEDUCTIBLE

A separate deductible is applicable to the employee and to the dependents of the employee during a calendar year.

SCHEDULE OF BENEFITS

Life Insurance (\$20,000.00)	All Employees
Accidental Death (\$20,000.00)	All Employees
Weekly Indemnity 66 2/3% of salary; maximum \$225.00 of indemnity	All Employees
Hospitalization	All Employees

(semi-private)

Major Medical
Deductible: \$10. (2)
Co-insurance: 80%

All Employees
and Dependents

This summary does not create or confer any contractual or other rights. In all cases the terms and provisions of the Group Policy shall govern.

Underwritten by MARITIME LIFE ASSURANCE COMPANY.

SUMMARY OF BENEFITS

DENTAL PLAN

The benefits described in the literature is available to you and your eligible dependents subject to the following provisions.

ELIGIBLE DEPENDENTS

Dependents (if applicable) include:

1. your spouse or common-law spouse;
2. unmarried, unemployed children under the age of 21 years, including newborns;
3. unmarried, unemployed dependent children to any age who are incapable of self sustaining support or employment by reason of mental or physical disability; and
4. unmarried, unemployed dependent children over 21 but under 25 years of age in full-time attendance at a school, college or university.

DENTAL BENEFITS

Plan 9

Single deductible	- \$25 per benefit period*
Family deductible	- \$50 per benefit period*

100% reimbursement of eligible charges in excess of the deductible, up to the amount specified in the applicable Fee Guide.

Overall Dental Maximums

Single maximum	- no maximum*
Family maximum	- no maximum*

Fee Guide - Ontario Dental Association
1995 Fee Guide for General Practitioners as shown on your MARITIME LIFE
Certificate

*A "benefit period" is a calendar year (January 1 to December 31). Eligible charges incurred during the last three months of a calendar year may be used to satisfy the deductible for the next following year.

TERMINATION OF BENEFITS

Coverage for you and your dependents will cease on the earliest of:

- the last day of the month for which premiums have been paid.
- the last day of the month in which you cease to be eligible due to retirement, death, leave of absence, age limitation, change in classification, etc.
- the termination date of the Group Contract.

CERTIFICATES

Your MARITIME LIFE identification certificate shows the group and identification number to be used on claims and correspondence.

COORDINATION OF BENEFITS

If you have similar benefits through any other insurer, the amount payable through this Plan shall be coordinated so that payment from all coverages shall not exceed 100 percent of the allowable expenses.

This summary does not create or confer any contractual or other rights. In all cases the terms and provisions of the Group Policy shall govern.

Underwritten by MARITIME LIFE ASSURANCE COMPANY.

1996 - 1999
COLLECTIVE AGREEMENT
Between

MCGREGOR HOSIERY MILLS

and

**NATIONAL, AUTOMOBILE, AEROSPACE, TRANSPORTATION
AND GENERAL WORKERS UNION OF CANADA
(CAW-CANADA) AND LOCAL 40**