

COLLECTIVE LABOUR AGREEMENT

BETWEEN

EL RAN FURNITURE LTD, a body politic duly constituted in terms of the laws of the Province of Quebec and having its main business place and head office in Montreal, Province of Quebec,

Henceforth designated as « The COMPANY »

PARTY OF THE FIRST PART

AND

EL RAN FURNITURE EMPLOYEES' ASSOCIATION INC., a legally recognized professional association constituted in terms of the laws on Professional Unions and having its head office in Montreal, Province of Quebec,

Henceforth designated « THE ASSOCIATION »

PARTY OF THE SECOND PART

Acknowledge that:

The parties have agreed on the following:

Note: The English copy is a translation of the French version which is the official version to be referred to in cases of any arbitration.

Effective from 2010 to March 31st 2016

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DEFINITION OF TERMS

For the purpose of this collective agreement, the following terms are defined as follows, except if the context is so opposed:

1. **Seniority :**
 - a) General seniority : The uninterrupted services of an employee with the Company.
 - b) Seniority: : The services of an employee within the negotiation unit

2. **Agreement :**

The present collective labour agreement.

3. **Employee :**

All the employees of the Company covered by the present agreement. When only the masculine gender is used, it is understood that all dispositions apply to all male and female employees.

4. **Probation Period :**

A period of time during which the performance or the work of a new employee is assessed subject to article 9.01 of the collective agreement.

5. **Company :**

El Ran Furniture Ltd.

6. **Association :**

El Ran Furniture Employees' Association Inc.

7. **Spouse :** means either of two persons who :
 - a) Are married or in a civil union and cohabiting;
 - b) Being of opposite sex or the same sex, are living together in a *de facto* union and are the father and mother of the same child;
 - c) Are of opposite sex or the same sex have been living together in a *de facto* union for one year or more.

8. **Team leader :**

Any employee who, besides his production tasks, coordinates the work of a team of employees without having the authority to hire, dismiss, demote or discipline the other employees of the team. Considered as a status, the employer fills the position of team leader only if he judges it necessary. To do so, two (2) nominations are made by the employees of the department or of the production line. If it happens that there are no nominations, the Company will offer this status to the employee of his choice. The Company makes the choice of team leader. If it happens that the employees of the department or line notice that the designated team leader is causing problems, the case is submitted to the Company who will address the situation. If it happens that the Company has problems with the designated team leader, the Company reserves the right to remove the status of team leader from the employee.

9. **Trainer :**

Besides the tasks and responsibilities of being team leader, the trainer is responsible of teaching what he knows to one or many employees, ensuring their understanding and following up on what he or they have learned. The employer may appoint, without considering seniority and depending on the needs of the Company for a determined period, an employee as full time or occasional foreman. The employer may take away the foreman status at any time, from the appointed employee.

10. **Foreman :**

Person whose responsibility is to supervise and direct one or several employees in addition to a close supervision of the team leader to make sure he assumes his role within the collective agreement limits. The foreman does not execute production or handling tasks regularly. Notwithstanding the above, the foreman may not execute production or handling tasks if there are qualified workers on temporary lay-off which might prevent the creation of a permanent position except for a period of less than two (2) hours per day, in cases of emergency, training, tests, experiments or demonstration of new procedures, tracking or correction of difficulties, or unforeseen absence of one or several employees. The above mentioned cases will not be applied abusively.

11. **Labourer :**

An employee assigned to simple tasks, such as handling and general help.

12. **Packer :**

An employee assigned to more boxes in the shipping department.

13. **Association's executive committee :**

It includes a president, a vice-president, a secretary, a treasurer and two (2) stewards.

ARTICLE 1 GENERAL PROVISIONS

1.01 a) The purpose of this agreement is to promote harmony in the relationships between the Company and the members of the Association, to insure on one hand a better production and a greater protection of the property and, on the other hand, to establish fair salaries, hours and working conditions for all, while setting up amiable channels to solve problems and/or differences in interpretation which can arise between the two parties.

 b) The Company will notify the Association in writing of any salary changes (salary, bonus, incentive) concerning an employee governed by the present agreement within twenty-four (24) hours of its decision.

1.02 The parties agree that an efficient functioning and the Company property constitute a common interest for both parties and this common interest should, at all times, dictate their line of conduct and their decisions and all that is related to the interpretation and application of the present agreement.

1.03 The Company will notify the Association in writing of any evening shift employee transfer and vice versa within twenty four (24) hours of its application.

1.04 The nullity of a specific disposition will not affect the rest of the collective agreement :

 a) The nullity or invalidity of a clause or a particular section or part of the present agreement will not invalidate the rest of the collective agreement.

 b) Any disposition of this collective agreement which is or becomes in contradiction with the dispositions of any present or future federal or provincial law, order in council or decree issued by any municipal, provincial or federal organisms related to the government, having jurisdiction in such matters, will become automatically null and void. In such cases, the clause(s) concerned will be modified to respect the dispositions of the aforesaid laws.

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- 1.05 The alienation or operation by another, in whole or in part, of El Ran Furniture Ltd, otherwise than by judicial sale, shall not invalidate any certification granted under the Labour Code, any collective agreement or any proceeding for the making or carrying out the collective agreement.

Notwithstanding the division, amalgamation or change of the legal structure of El Ran Furniture Ltd, the new employer shall be bound by the certification or the collective agreement as if he were named therein and shall become ipso facto party to any proceeding relating thereto in the place and stand of the preceding employer.

Any disagreement related to the application of the present section must be submitted to the Labour Commissioner according to the dispositions of the existing section 45 and following of the Labour Code.

- 1.06 At the signature of the present agreement, the text of the agreement shall be printed and the cost of the printing for the said collective agreement shall be split at 75% by the Employer and 25% by the Union, and all employees subject to this agreement will receive a copy. To that effect, the Company will give to the Association one thousand (1000) copies.

- 1.07 During the week of his hiring, the new employee will be introduced to his Association's delegate and the Company must inform him of his job and responsibilities towards the Company.

- 1.08 The Company, along with the Association and the employees, pledge to abide by the dispositions of the present collective agreement and to discuss, if necessary, their misunderstandings.

ARTICLE 2 RECOGNITION

- 2.01 The Company recognizes the certified Association as the sole collective representative of its employees according to the decision of the Ministry of Labour and Manpower dated April 29 1971.

- 2.02 The present labour agreement covers all the employees as defined by the Labour Code, except the office employees and the salesmen.

2.03 Promotion out of the Bargaining Unit

When an employee accepts a position out of the negotiation unit, he maintains and continues to accumulate seniority for a maximum period of six (6) months. After this of six (6) month period, he ceases to accumulate his seniority from the first (1st) day he left the negotiation unit but maintains what was accumulated before that time. It is understood that the employee may return to the negotiation unit, to his previous position if it still exists. If it no longer exists, article 13 of the present collective agreement will apply.

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In the case where the concerned employee no longer meets the normal requirements of his past position, the Company and the union must agree to locate this employee according to the dispositions of article 13 of the present collective agreement so as to limit the impact of his return.

Upon returning to the negotiation unit, this employee maintains the hourly rate that he had before obtaining a position out of the negotiation unit in addition to the annual salary increases that he would have received if he has remained in the negotiation unit.

- 2.03 The jurisdiction of the Union is defined as including all production work covered by the certification and presently done by the Employer or which would be a technological evolution of such work done by the employees covered by the collective agreement.

ARTICLE 3 MANAGEMENT RIGHTS AND FUNCTIONS

- 3.01 The Association recognizes the right of the Company to exercise its management rights of administration and management, in a manner compatible with the present collective agreement:

- a) The right to manage and direct operations;
- b) The right to limit or cease operations;
- c) The right to make and enforce rules and regulations regarding production, work schedules, security, order, discipline and regulations aimed to the protection of employees, the factory and the equipment; appendix "B" annexed to the present contract and forming part of the present collective agreement, specifies disciplinary rules and regulations agreed and negotiated by the parties, including sanctions for any infraction to those rules and regulations
- d) The right to determine the nature and the work to be accomplished, the equipment, the material and the products, the method and the technology of work, quantity and quality control of work and operations schedules

The whole is subject to the right of any employee who believes that his rights have been encroached to submit a grievance in the manner and to the extent stipulated in this agreement.

ARTICLE 4 DEDUCTION OF UNION DUES

- 4.01 The employees covered by the present agreement, as a condition to maintain continuous employment must, at the signature of the present become and remain members of the Association and the new employees must do the same as soon as they are hired.
- 4.02 The Company will deduct on a weekly basis, from the salary of each member of the Association, and for the legal duration of the agreement, an amount of money covering the initiation fee of a new member, i.e. \$25.00 initiation fee for any new member to be deducted from the employees' pay at the rate of \$5.00 per week, and \$4.00 weekly as Union dues per member.
- 4.03 In the event of termination of the employment of an employee, for whatever reasons, the Company will deduct from his last pay check before his departure, whether the latter quits or is dismissed, the amount due for the current month so that the monthly union dues can be collected in conformity with the constitution governing the Association.
- 4.04 The Company agrees to deduct, without costs, the initiation fees for the new employees and the weekly union dues, in conformity with the constitution of the Association and this for all employees covered by the certification. The remittance of such deductions will be made before the fifteenth (15) of the month following the monthly period during which the Union dues were deducted; the total amount of the Union dues collected will be sent to the treasurer, by check to the order of the Association, accompanied by a list of names of the members having contributed initiation fees or Union dues, with the amount paid by each member. With the remittance of the said amount, the Company must give the Association a list of the new employees and of the terminations, indicating in both cases the date of hiring and the date of leaving.
- 4.05 The Company shall supply, without cost, to the Association, a room large enough for the members of the executive committee to store their belongings and documents and meet with the employees, when necessary.
- 4.06 It is understood, nevertheless, that no more than five (5) members of this committee will be permitted to assist, at the same time, at the meeting of the Executive committee of the Association and the Company.
- 4.07 The Executive committee of the Association has the right and is authorized by and on behalf of the employees, to discuss and settle with the Company all questions related to the terms and conditions of the present collective agreement.
- 4.08 The meetings between the Executive committee of the Association and the Company will be held once a month, during working hours.

4.09 Union Absence inside the Factory

- a) The president of the Executive committee of the Association can leave his job in the factory without any salary loss during the working hours, as long as he does not take more than the reasonable time necessary to accomplish his union mandate. It is understood that he should first obtain the permission of his foreman; such permission cannot be refused without valid reason.
- b) The members of the Executive committee of the Association can leave their job in the factory without any salary loss during the working hours, as long as they do not take more than the reasonable time necessary to make inquiry, submit and settle grievances. It is understood that they should first obtain the permission of their foreman, such permission cannot be refused without valid reason. The Union will submit to the Employer the names of the representatives for each department.
- c) An employee who has a grievance to be submitted, can leave his job in the factory under the same condition as his representative of the Association for the following reasons:
 - 1. Every consultation of an Executive committee member must take place before or after work shift or during the break or lunch period, unless otherwise agreed by the parties;
 - 2. To submit and discuss his grievance at each step of the grievance procedure and arbitration.
- d) It is understood that the criteria listed in section 4.06 will apply at all times to the conditions specified at subparagraphs a), b) and c) of the present section 4.09 under reserve of the specific dispositions of each paragraph.

4.10 a) The Association's executive committee members may, following reasonable notice to the Company, be absent from the factory in order to prepare the collective agreement draft. This absence will not exceed one (1) day per week with a maximum of ten (10) days for five (5) persons.

b) The members of the executive committee of the Association (not exceeding five (5) persons) can be absent from the factory, after a reasonable notice to the Company, without salary loss, to attend to the negotiation sessions with the Company.

4.11 The Company agrees that the employee called by the Personnel Department or the office of the factory Manager or the Foreman, will be informed in advance if the topic to be discussed is of a personal nature or related to the collective agreement. In the latter case, it is agreed that the employee can ask to be accompanied by his Association representative.

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- 4.12 a) The members of the Executive committee of the Association, not exceeding five (5) members at the same time and not more than one (1) from each department, can have the permission to take a leave of absence, without pay, to take care of Association business.
- b) In the case of education courses given by the representative under contract at the time of the signature of the present collective agreement, the members of the Executive committee of the Association, not exceeding five (5) members at the same time but not more than one (1) per department, can obtain a leave of absence to attend such education courses. It is agreed that such leave of absence will not exceed fifty (50) days per contractual year and this for all employees attending such a course. The Association will notify the Company of the reasons for the leave.
- 4.13 The Company agrees to receive, at a given time, on its premises or elsewhere, the members of the Executive committee of the Association, and its technical advisor under contract, to discuss and settle any actual or future grievances related to the interpretation or the application of the present collective agreement. The Company will provide them with all pertinent information and documentation.
- 4.14 The representative under contract with the certified Association, at the time of the signature of the presents, who is not an employee and who wants to talk to one or another employee of the establishment, about a grievance or union business related to the collective agreement, must first notify the Director of Personnel; the authorisation will not be refused without valid reason. The said representative of the Association must then call the member or members of the Executive committee of the Association of the employees in a room, so that they can confer privately. It is agreed that the presence of the said authorized representative of the Association will not interfere in an unreasonable manner in the normal operation of the Company.
- 4.15 The Company and the Association recognize CTPS Quebec Inc. as the sole representative of the certified Association.

ARTICLE 5 FILES

- 5.01 A complete file for each disciplined case, including suspension and dismissal of service, will be kept in the personnel office, and a copy will be given to the Association.
- 5.02 These files will include :
- a) The offence the employee is accused of;
- b) Any answer of the superintendent or the foreman of the department that has been given to the employee;

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- c) Any answer of the Company manager concerning the final settlement that has been given to the employee.
- 5.03 Every offence kept in those files may not be invoked in grievance arbitration beyond the periods mentioned in the annexed regulations.
- 5.04 Upon reasonable request, the Company shall supply the Association with a list of the members, indicating the date they were hired, their department and their telephone number.

ARTICLE 6 EMPLOYEES SECURITY

- 6.01 The Company will maintain a health centre under the surveillance and the responsibility of a person named by the parties (St. John's Ambulance or the equivalent).
- 6.02 The Company shall supply a stretcher and a blanket kept in an adequate area to be used by an employee who is injured or suddenly ill, before his departure for the clinic and/or the hospital.
- 6.03 A Security committee will be formed by the parties. It will include:

- Three (3) representatives of the Company;
- Three (3) representatives of the employees, named by the Association.

The members of the committee shall meet upon request from the Company or the Association to discuss the current accidents, their causes and the way to prevent them, along with all the health and security measures stipulated by government laws. It is agreed that a complete written report shall be given to each and every member of the committee along with one copy to the union office.

- 6.04 The Company agrees to supply and maintain the protective equipment and the necessary accessories to insure the health, hygiene and security of the employees in their occupations, as required by the law.
- 6.05 The committee shall visit the plant every month, during the working hours, without salary loss for the union members. During the first week of every month, the committee will convene to discuss the current accidents, their causes and the way to prevent them, along with all the security measures prescribed by the government laws. The minutes of the monthly meetings and the security visits will be sent to each and every member of the committee and posted on the bulletin boards of the departments.

The agenda of these meetings will be prepared by the respective representatives of each party. If the agenda is not finished, the meeting will be adjourned to one of the following working days.

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- 6.06 The Company shall take the necessary measures to have all the washrooms cleaned twice a day and the walls and accessories maintained regularly.
- 6.07 The security committee will be informed of all the accidents and industrial diseases and it may conduct an investigation on the nature and the causes of these accidents and diseases. These inquiries are performed jointly by representative of the Company and a representative of the employees from the committee. An industrial accident that has causes a loss of working hours shall be reported to the committee without delay in the following 24 working hours. In that case, the committee members who conducted the inquiry will have to conduct an investigation promptly, always during the working hours. The security committee will have to present the adequate recommendations in order to avoid a repetition of such incidents or accidents and shall apply them as soon as possible.
- 6.08 An employee who believes he has found a dangerous situation for his own security or the security of other employees, shall advise immediately his foreman. If a disagreement between the employee and the foreman arises, or if no corrective measure is taken, the foreman shall advise immediately the said security committee.
- The employee who has advised his foreman following the above mentioned disposition, may stop working on the operation that he believes is abnormally dangerous until the security committee intervenes. The employee who uses his right of refusal shall be deemed to be at work when he uses his right.
- 6.09 The security committee, with a minimum of one (1) person of each party, decides, if it judges the said operation is abnormally dangerous for the security of the employee or of any other person and to stop the said operation until a corrective measure is taken. If the security committee does not agree on the interruption of the said operation, the Company and the Association agree to call in immediately a government inspector.
- 6.10 The employee may continue to refuse to execute the said operation until an inspector has declared that the said operation is not abnormally dangerous or, as the case may be, until a corrective measure has been taken, following the inspector's recommendations.
- 6.11 If the employee decides to continue to refuse to resume the said operation after the disagreement of the security committee, the Company may affect him temporarily to a task he can reasonably accomplish.
- 6.12 The Company summons a member of each party of the security committee when a government inspector visits or intervenes about a complaint.

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- 6.13 a) In the event of an industrial accident, if an employee must momentarily leave on the day of the accident, in order to go to a clinic or any other place for the purpose of receiving immediate medical care, he will not have to punch in or out.
- b) His card will be punched by the foreman who will specify the reason of his departure. At his return, the employee or his foreman will punch the card in order for the employee to be entirely paid by the Company, in conformity with the C.S.S.T. by-laws.
- 6.14 Any absence during the working hours for treatments resulting from an industrial accident will not be permitted without having beforehand had a written appointment with the doctor. Also, when, during the working hours an employee has to get medical care resulting from the same accident, until his recovery and his departure from the institution, he will have to obtain a written appointment from the doctor or the hospital and/or the clinic.
- 6.15 Any employee who has had an industrial accident and who has, on the day of the accident, to go to the doctor or to the hospital to get medical care, will receive his full salary for his full work shift in the following cases :
- a) If he goes back to work before the end of his shift;
- b) If he gives a medical certificate certifying that he is incapable of going back to work the day of the accident.
- 6.16 If the physical state of an employee who has had an accident requires it, the Company shall immediately have him transferred at its cost, to a medical centre or a medical clinic, in order for him to receive the appropriate treatment. If the employee can go back to work the same day, after he received first aid, the Company pays the transportation fees for his trip back to work.
- 6.17 When the Company contests an industrial accident or occupational disease, the employee concerned, accompanied by a representative of the union, will be allowed time off, without any loss of salary, for the time necessary for the audition(s) and/or summons of the commission for the concerned employee(s).
- 6.18 The company can only act once it gets the CSST's written decision to refuse the employee's claim.

ARTICLE 7 BULLETIN BOARD

- 7.01 The members of the executive committee of the Association may post their notices in the different departments of the plant, on the boards selected by the Company, and a copy is given to the Employer.

- 7.02 A copy of any notice that will be posted by the Company shall be given to the executive committee of the Association before being posted.

ARTICLE 8 FORBIDDEN PRACTICE

- 8.01 The Company shall not undertake any form of discrimination towards the members of the executive committee of the Association for the legitimate union activities, as provided for in the agreement, as long as everything is done for business purposes and is not a nuisance to the operations of the normal production of the Company, exception made for what is provided for by the agreement.
- 8.02 Any department delegate of the Association, including the executive, but no more than five (5) persons in all, chosen by the president, may take care of the interests of the Association as long as it does not intervene with the normal production operations of the Company.
- 8.03 The Company will not take part in any form of discrimination against the employees in their legitimate demands or union activities.
- 8.04 The parties agree that there will be no discrimination against any employee because of his race, language, religion, colour, sex, national origin, political ideology, judicial records or union activities.
- 8.05 The parties agree that there will be no psychological harassment against an employee, by any harmful conduct manifested either by repeated behaviors, words, acts or gestures, that are hostile or not desired, which attacks dignity or psychological or physical integrity of an employee, for who the working place becomes harmful.

Just one serious conduct only may constitute psychological harassment if it causes enough harm to produce a continuous harmful effect on the employee.

The Company promises to establish a policy for handling harassment complaints.

ARTICLE 9 GENERAL CONDITIONS

- 9.01 a) An employee's seniority is established after a trial period of ninety (90) days effectively worked, during which he is subject to dismissal without grievance.

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- b) After having completed their probation period of ninety (90) effectively worked days, all the new employees governed by this agreement will be subject to the consideration or the adjustments of the provision stipulated at the time of their hiring, as long as their work is judged satisfactory by the company by, however, they will enjoy all the monetary advantages and fringe benefits after thirty (30) days of work.

Any temporary assignment by virtue of article 179 of the *Act Respecting Industrial Accidents and Occupational Diseases* is excluded from this trial period, unless the employee is temporary assigned to his previous position.

Upon termination of the trial period, seniority will be counted from the hiring date and will include the temporary assignment period as per article 179 of the law.

- c) The parties agree that at the end of an employee's trial period, a management union will take place at either party's request, in order to ensure that the hiring procedure stipulated in annex A has been followed by the Company.
- d) Seniority is counted from the employee's first (1st) day of work and it applies to the entire plant, with the exceptions stipulated by the present agreement.
- e) At the end of his trial period, the employee is immediately added to the seniority list.

ARTICLE 10 TELEPHONE CALLS

- 10.01 The Company transmits telephone messages to the employees who may return them at their break or meal periods. In cases of emergency however, the Company must transmit the message immediately and allow the employee to return the call at once, after having obtained the reason at the time of the call. Members of the executive committee of the Association may at all times receive telephone calls related to their functions.

ARTICLE 11 SENIORITY

- 11.01 As soon as this agreement comes into force, a list of seniority must be prepared with the name and hiring date of all the Company's employees. A copy of the list is posted in the plant and another is given to the Association. This list must be revised every six (6) months indicating the names of the employees who were added or removed, and a copy of the revised list must be given to the Association.

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11.02 Seniority is determined by the time in the Company's employment, including lost time not exceeding a year :

- a) For temporary layoffs due to lack of work;
- b) For an absence authorized in writing, for personal or for union matters.

In the case of an industrial accident, seniority will accumulate for a period not exceeding thirty-six (36) consecutive months.

In the case of illness or non-industrial accidents, seniority will accumulate for a maximum period of thirty-six (36) consecutive months without however exceeding the total acquired seniority at the time when stopped. A 30-day pre-notice will be sent to the concerned employee before the end of the cumulated seniority period.

11.03 Seniority continues to accumulate during all the remunerated or non-remunerated absences provided by the agreement or authorized by the Company, with the exceptions stipulated under articles 11.04 and 11.05 of this collective agreement.

11.04 Loss of the right to seniority and employment

An employee loses his seniority and his employment as well as the rights attached to it when:

- a) He quits his job voluntarily;
- b) He is dismissed with reason, except if the dismissal is contested and invalidated by an arbitrator or by way of an agreement between the parties;
- c) He is laid-off temporarily and omits to communicate with the Company within the time limits stipulated by the recall procedure;
- d) He was absent from work for more than three (3) consecutive days without justified reasons;
- e) He was absent from work due to illness or to an occupational or non-occupational accident as per time limits stipulated in article 11.02 of this agreement;
- f) Following a layoff that exceeds the following period according to the case :
 - 1. After eighteen (18) consecutive months for employees having three (3) years or more of seniority at the time of the layoff;

2. After twelve (12) consecutive months for employees having less than three (3) years of seniority at the time of the layoff.

11.05 In order to eliminate any possibility of error, the employees will be recalled by messenger with proof of delivery at the most recent address registered with the Company, and a copy of the letter is given to the Association as soon as it is sent.

ARTICLE 12 MANPOWER MOVEMENTS

12.01 Temporary transfer :

a) Between production lines

It is agreed that the Company has the right to temporarily assign employees to any task that requires execution, under the following conditions :

1. An employee is temporarily assigned to execute a task at the request of his supervisor, his replacement or the production manager; the reason for the transfer is given to the employee.
2. An employee may not refuse to be temporarily assigned to another task by the supervisor as long as the supervisor's decision does not constitute a disguised disciplinary measure.
3. When an employee is temporarily transferred from his line to another line for one day or longer, he will receive an hourly bonus of fifty cents (.50\$) for all the hours worked during the week of his transfer and he will also receive the higher weekly bonus between the line he left and the line to which he was transferred.
4. This article does not apply at the close-down of a line.

b) From a satellite department to a satellite department. From a satellite department to a production line and vice versa

It is agreed that the Company has the right to temporarily assign employees to any task that requires execution, under the following conditions:

1. If the employee is transferred for sixteen (16) hours or more during the same week, he will be awarded the best weekly bonus, either between the department he left and the one where he was transferred for the week of his transfer.

2. An employee may not refuse to be temporarily assigned to another task by the Company's request, as long as the decision does not constitute a disguised disciplinary measure.

c) Week-end shift (production line and satellite department)

The present article on temporary transfers does not apply to the week-end employees. Meanwhile, the Company may not transfer from the week day shift to the week-end shift, except if they are given overtime remuneration as stipulated by this agreement.

12.02 **Permanent transfer**

a) Between satellite departments :

If it is agreed that when the Company wishes to fill a position that has become vacant, it will proceed according to the following conditions:

1. Once every six (6) months, for a period of ten (10) working days, the Company will post on the billboard provided for this use, a list of the various positions in each satellite department as well as the production line positions.

In the case of a newly created task that did not exist before, the Company will post the newly created task on the billboard provided for this use, for the day shift as well as for the evening shift, during a three (3) day period.

2. The notice must identify the position, the class rate, the requirements of the position and, the working shift.
3. Following the posting, the employees may apply for one or more equal or superior class positions by writing their names on the posted notice.
4. The number of employees subject to this posting will never exceed a proportion of five per cent (5%) of the number of positions of the employee's original department.
5. a) The position is granted to the employee who has the most seniority, provided he meets the normal requirements of the position, and this for the employees who have inscribed their names on the posted notice provided in article 12.02 a) 1.

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- b)
 - 1. When it concerns a vacant position on a numeric and/or computer operated machine, the position is granted in priority to the employee who has the most seniority, provided he meets the normal requirements of the position, and this for the employees who have inscribed their names on the posted notice provided in article 12.02 a) 1.
 - 2. In the case where, following a trial period of twenty (20) days provided in article 12.02 a) 6, the chosen employee does not meet the normal requirements of the position, priority will then be granted to the employee of the same department who has already received the training to fulfill the vacant position.
 - 3. If there are no other qualified employees in the same department, priority is then granted to the employee of another department who has already received the training.
 - c) In the absence of a qualified applicant, the Company may hire an employee from outside.
6. The chosen employee will be subject to a trial period of twenty (20) effectively worked days. At the end of the trial period the employee must fulfill the job's normal requirements, failing which he is to be returned to his former position, at his former hourly rate.

Upon his request, the employee may also return to his previous position and his former hourly rate.

Following agreement between the Company and the Association, this trial period is renewable for all employees chosen to work in the leather cutting, material cutting and wood cutting departments.

Failing agreement, the trial period expires and the Company must render a decision.

- 7. The first position left vacant by the employee must, after the trial period, be posted in conformity with the present article. The subsequent positions are not subject to this posting policy and they are filled by the Company.
- 8. During the time required to fill the position, the Company may fill the position with an employee capable of doing the work immediately. The employee transferred conserves his salary.

9. The employee who obtains a vacant position and whose salary is inferior or equal to the classification, will obtain the rate of the classification for the position obtained. If the employee's salary is superior to the classification of the position obtained, he will conserve his salary and will be considered "Red Circle".
10. The employee who has obtained the position to be filled according to the present article, may not be considered for another position for a period of six (6) calendar months from the date on which he obtained the position, i.e. : after the trial period.
11. The employee who is chosen by the Company to fill a new or a vacant position and who withdraws his application, may not obtain a new position and may not apply again for another position before the next posting.
12. For the present article, the departments are as follows :
 - i) Filling;
 - ii) Shipping;
 - iii) Packaging;
 - iv) Reception – Cut & sew
 - v) Hardware;
 - vi) Leather cutting;
 - vii) Material cutting;
 - viii) Sewing other;
 - ix) Wood cutting;
 - x) Wood cutting assembly;
 - xi) Repair;
 - xii) Quality inspection;
 - xiii) Swatch ;
 - xiv) Table and console
 - xv) Leather repair
 - xvi) Foam, OP mechanism, packaging support
 - xvii) Pre-packaging

Permanent transfer

b) Between production lines

It is agreed that when the Company wishes to fill a vacant position, it will proceed according to the following conditions :

1. Once every six (6) months, for a period of ten (10) working days, the Company will post on the billboard provided for this use, a list of the various positions in each satellite department as well as the production line positions.

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In the case of a newly created task that did not exist before, the Company will post the newly created task on the billboard provided for this use, for the day shift as well as for the night shift, during a three (3) day period.

2. The notice must identify the position, the class rate, the requirements of the position and the working shift.
3. Following the posting, the employees may apply for one or more equal or superior class positions by writing their names on the posted notice.
4. The number of employees subject to this posting will never exceed a proportion of five per cent (5%) of the number of positions of the employee's original department.
5. Among the employees who have registered their names on the notice of a vacant position, the position will be given to the employee who possesses the longest seniority, provided he meets the normal requirements of the position.
6. In the absence of a qualified candidate from the line on which the position is to be filled, the position will be filled as long as it is a position that became vacant following the departure of an employee possessing more than three (3) years of seniority.

This position will then be given to the production line employee having registered his name on the notice and who possesses the longest seniority, provided he meets the normal requirements of the position. If the position becomes vacant following the departure of an employee with less than three (3) years of seniority, the Company may name, with or without posting, any company employee chosen by it. It is agreed that the said employee should have less than three (3) years of seniority.

Should the Company decide not to name one of its own employees on such a position, the Company will be able to fill the said position with an outside candidate.

In the absence of a qualified candidate on the production lines, a position vacated by an employee with more than three (3) years of seniority is given by the Company to the satellite department employee with most seniority, provided he meets the normal requirements of the position and that he registered his name on the notice concerning the position to be filled.

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In the absence of a qualified candidate who meets the normal requirements of the position or in the event that the position is not filled by a satellite department employee, the Company may hire an outside employee.

7. The chosen employee is subject to a trial period of 20 effectively worked days. After the trial period the employee must meet the normal requirements of the position failing which he is returned to his former position. The employee may also request to be returned to his former position during the trial period.
8. The position left vacant by the chosen employee is to be filled by the Company without being subject to the present posting policy.
9. During the posting period, the Company may choose to fill the position with an employee who is immediately capable of doing the work. The employee transferred following this procedure conserves his salary rate.
10. An employee who obtains a vacant position and whose salary is inferior or equal to the classification, will be remunerated at the classification rate of the position obtained. If the employee has a salary that is superior to the classifications of the position obtained, he will keep his salary rate and be considered "red circle".
11. The employee who has obtained a vacant position according to the present article, may not apply for another position for six (6) calendar months, counting from his nomination following the trial period.

The employee chosen by the Company to fill the new or vacant position and who withdraws his application, may not apply on another position before the next posting.

12. Notwithstanding the provisions under article 12.02 b), if the Company decides to transfer an employee in order to raise or to balance a production line, the Company provides the transferred employee for a period of twelve (12) months following his transfer with the highest bonus of the line that he left or the line he was transferred to.

Meanwhile, if within the twelve (12) months following the employee's transfer, the Company decides to return him to his former line, the best bonus clause will cease to apply and the employee replacing the transferred employee will resume his former tasks under the same conditions as those prevalent at his displacement and he will be given his normal line's bonus.

Article 12 does not apply when the employee requests a transfer or when it concerns the transfer of a problematic employee or when a line or part of a line closes down.

- 13 The case of the transfer of a problem employee, it is agreed that article 12.02 b) does not apply. Is presumed to be a problem employee, any employee no longer able to meet the normal requirements of his position or any employee who was the subject to four (4) disciplinary measures during the nine (9) last months prior to his transfer, with the exception of absences and late arrivals.

In any other problem situation, it is agreed that article 12.02 b) does not apply and that an agreement will be reached with the Association on this subject.

12.03 In order to assign an employee to an evening or night shift, the Company will proceed as follows :

1. Voluntarily, among the regular employees, after a written agreement with the employee;
2. By reverse order of seniority among the qualified employees.

12.04 **Permanent transfer**

From a production line to a satellite department :

It is agreed that any newly created or vacant position will be filled as follows:

1. Once every six (6) months and for a period of ten (10) working days, the Company will post on an especially designated board, a sheet listing by column the positions in the satellite departments.

If the position is newly created, the Company will post for three (3) working days the newly created position.

2. The posting must identify the position, the class rate, the requirements of the position and the working shift.
3. Following this posting, the employees may apply on a position of equal or superior class by registering their name in the notice.
4. The number of employees subject to this posting will never be superior to a proportion of five per cent (5%) of the number of positions on the production line from which employee originates.

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5. a) From all the employees having registered their names on the notice concerning the position to be filled, the employee with the most seniority will be given the position, provided he meets the normal requirements of the position.
- b)
 1. When it concerns a vacant position on a numeric and/or computer operated machine, the position is granted in priority to the employee who has the most seniority provided he meets the normal requirements of the position, and this for the employees have inscribed their names on the posted notice provided in article 12.04, paragraph 1.
 2. In the case where, following a trial period of twenty (20) days provided in article 12.04, paragraph 7, the chosen employee does not meet the normal requirements of the position, priority will then be granted to the employee of the same department who has already received a training to fulfill the vacant position.
 3. If there are no other qualified employees in the same department, priority is then granted to the employee of another department who has already received the training.
6. In the absence of a qualified applicant from the production lines, the Company may hire an employee from outside.
7. The chosen employee is subject to a trial period of twenty (20) effectively worked day. Following the trial period, the employee must meet the normal requirements of the position, failing which he is returned to his former position.

The employee may also choose to return to his former position during the trial period.
8. The position left vacant by the chose employee is filled by the Company without being subject to the present posting policy.
9. During the posting period the Company may chose to have the position filled by an employee who is immediately capable of performing the work. The employee thus transferred keeps his salary rate.
10. An employee who obtains a vacant position and whose salary in inferior or equal to the classification, will be remunerated at the classification rate of the position obtained. If the employee has a salary that is superior to the classification of the position obtained, he will conserve his salary and be considered "red circle".

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11. The employee who has obtained a vacant position according to the present article, may not apply for another position for six (6) calendar months, counting from his nomination following the trial period.
12. The employee chosen by the Company to fill the new or vacant position and who withdraws his application, may not apply an another position for a period of twelve (12) months form the date of his refusal.

12.05 **Posting of a temporarily vacant position**

The Company must post notice of a position that is temporarily vacant because of maternity leave, illness or industrial accident or other reason, only if there is medical confirmation from the beginning of the employee's absence, that the said employee will be absent for sixty (60) days or longer.

12.06 In the application of article 12, it is agreed that the bonus is not part of an employee's salary and should not be taken into consideration for the rate of classification.

12.07 It is agreed that the Company may not grant permanent positions to one or several employees without first proceeding with the posting, according to the conditions stipulated in article 12 of the present collective agreement, and subject to the Company's obligation under this article. If no employee has registered his name on the posted notice of a position to be filled, or if no employee is qualified, or if the Company is not under the obligation to proceed by notice posting, the Company may fill the position as it chooses.

12.08 The Company is under no obligation to proceed by posting or to respect seniority rules for the sample room and the maintenance departments, given the particular character of these positions.

ARTICLE 13 LAYOFF AND RECALL PROCEDURE

13.01 In case of temporary layoff, the employees with the least department seniority will be laid off first, the departments being:

- i) The regrouped production lines – table and console;
- ii) Filling;
- iii) Shipping;
- iv) Packaging;
- v) Receiving – Cut & sew;
- vi) hardware;
- vii) Leather cutting;
- viii) Material cutting;
- ix) Sewing – other;
- x) Wood cutting;
- xi) Wood assembly;
- xii) Repairs;
- xiii) Quality Inspection;
- xiv) Foam;
- xv) Swatch;
- xvi) Leather repair;
- xvii) Pre-packaging

13.02 Subject to the above mentioned dispositions, recalls will be made in the reverse order of layoff and the employees who have bumped other employees will go back to their normal positions.

13.03 a) The employee who has completed his probation period shall be notified of his layoff, if it is expected to be two weeks or more, five (5) working days before such a layoff. Moreover, the Company shall advise the Association five (5) working days in advance of any layoff that may affect the employees.

For every dismissal of less than two (2) weeks, the Company will notify the concerned employees as soon as possible.

b) Permanent lay-off

In the event of a permanent layoff, an employee who justifies at least three (3) months of uninterrupted service, is entitled to written notice. This notice is of one week if the employee has at least one (1) year of uninterrupted service, two (2) weeks if he justifies one (1) to five (5) years of uninterrupted service, four (4) weeks if he justifies five (5) to ten (10) years or more of uninterrupted service, and ten (10) weeks if he justifies ten (10) or more years of uninterrupted service.

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- 13.04 a) Any employee touched by a personal reduction may be laid off though mutual agreement between the parties, without exploiting his seniority and without losing the related rights, subject to the reservation stipulated in article 11.05.
- b) In the event of a layoff extending over a period of six (6) months, the employee, within thirty (30) days from the said period of six (6) months, has the right to notify the Company in writing that he desires, within a delay of thirty (30) days, to bump another employee having less seniority and who occupies a position other than his, the whole following the dispositions of sections 13.01 and 13.02.
- 13.05 The names of the laid-off employees are registered on a recall list with the position, the department, the seniority, the date of the department, the seniority, the date of the lay-off and the shift. The list is given to the Association.
- 13.06 If an operation is temporarily discontinued, the employees on this operation will have the right to bump other employees having less seniority than them, in other operations that they will be able to fulfil, following the dispositions provided at section 13.01, and without losing their seniority rights
- 13.07 It is the responsibility of the employee who has been laid off and who may be called back, to notify in writing the personnel office of his last address, and the Company will have to give this new address to the Association. The recall to work shall be made by messenger with proof of delivery to the last known address of the employee or by a telephone call at the employee's residence or by leaving a message with a reasonable person or answering device in the presence of a union representative, in which case a written notification will be given to the Association the same day of the telephone call. The employee that has been laid off will have a five (5) working day delay to communicate with the Company and to go back to work. The delays are computable beginning on the date of reception of the letter or of the notice of telephone recall given to the Union executive. After these delays, the employee will lose his recall rights and his seniority following section 11.04 c).
- 13.08 The employee who believes he has suffered an injustice may use the grievance procedure to have his claim evaluated. If the decision is in his favour, he will be entitled to a compensation according to the settlement of the grievance, taking into account any income or compensation that the employee could have received during that time.

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- 13.09 a) Should the Company permanently close down one of the above-mentioned departments, or in case of position abolition, the employees affected by this close-down may use their general seniority in order to be placed by the Company on another position conserving their hourly rate, or they may use their general seniority to displace an employee from another department, insofar as he meets the position's normal requirements, with a twenty (20) day trial period, and at a salary rate agreed upon by the Association and the Company, with a maximum of three (3) times in the seventy (70) working days effectively worked.
- b) Notwithstanding what precedes, in the case of subcontracting, the Company will first try to relocate the employee who occupies a position being eliminated directly by the subcontracting. If there is a disagreement or it is impossible for the Company to relocate this employee, the employee may choose another position, as long as he meets the normal requirements of the position, as stipulated in article 13.09 a) of the present collective agreement all the while preserving his hourly rate. The employees that are moved subsequently may use their rights as stipulated in article 13.09 a).

ARTICLE 14 DISCIPLINARY MEASURES

- 14.01 The Company may reprimand, suspend or dismiss employees for just and sufficient cause.
- 14.02 If the employee or the Association considers that the employee does not deserve the sanction imposed by the Company, the employee may submit his case to the grievance procedure.
- 14.03 A suspension does not interrupt the computation of an employee seniority.
- 14.04 When the Employer imposes a disciplinary measure, he shall do it in writing and give a copy to the Association.
- 14.05 When an Employee contests a disciplinary measure, he may ask the Company to get a copy of the past applicable disciplinary measures.
- 14.06 Any suspension or dismissal must be given in writing to the employee, no more than ten (10) working days after the incident or knowledge of the incident giving rise to the suspension or dismissal, except in the case of a written extension period between the Association and the Company.

ARTICLE 15 GRIEVANCE PROCEDURE

15.01 **Definition**

Any complaint or disagreement arising between the present parties and especially a complaint or disagreement arising from the interpretation, the application or the violation of the present agreement shall constitute a grievance and shall be settled according to the following procedure.

15.02 **Step one**

Any employee who believes he has suffered an injustice as to the rights contained in the present agreement shall, within fifteen (15) working days following the incident, submit a grievance he has personally written to the foreman of his department. The employee may be accompanied by a member of the executive committee of the Association. The foreman shall give the answer, in other words his decision, to the employee who has submitted the grievance within two (2) working days of its presentation.

15.03 **Step two**

If the grievance is not settled in a satisfactory manner within the delay specified in this section, it shall be referred, in writing, within two (2) working days following the procedure of the first step, to the Director of Personnel or his representative, by one or more members of the executive committee of the Association. The Director of Personnel or his representative shall render a decision in writing, within two (2) working days of the reception of the grievance, to the members of the executive committee of the Association.

15.04 **Step three**

If the employee is not satisfied with the settlement or if there is no answer following the provisions of section 15.03 in the delay set at the said section, the employee through the members of the executive committee of the Association, may submit his grievance in writing within the following five (5) working days to the technical advisor, who will attempt to settle the grievance to the satisfaction of both parties. If the technical advisor cannot settle the dispute, the employee, through the members of the executive committee of the Association, may proceed unto the fourth step.

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- 15.05 A grievance may be presented by the Company or the Association concerning the interpretation, application or violation of the dispositions of the present collective agreement and shall be submitted to the other party in writing within five (5) working days following the incident that caused the grievance. The parties will not have to follow the grievance procedure set by step one and step two. The parties shall have ten (10) days to render their decision on the grievance made either by the Company or the Association. After this delay is expired, one party or the other may proceed unto step four, the arbitration.
- 15.06 **Step four**
- If the grievance is not settled in a satisfactory manner after the mediation of the technical advisor, as described in step three in sections 15.04 and 15.05, it may be submitted to an impartial arbitrator chosen by agreement between the parties. If there is no agreement within fourteen (14) days following the meeting with the parties, regarding the choice of an arbitrator, the parties will submit the grievance to the Minister of Labour and the choice of the Minister will be final and binding.
- 15.07 Any decision of the sole arbitrator will be final and binds the parties. The sole arbitrator does not have jurisdiction to change, modify or put aside any of the clauses of the present collective agreement or substitute any new clause and/or render an decision irreconcilable with the terms of this collective agreement.
- A settlement regarding this or these decisions shall be implemented within seven (7) days following the decision. It is agreed that the fees and expenses of the arbitrator will be paid jointly and equally by the parties, the arbitrator setting his fees before the proceedings.
- 15.08 The Company undertakes to meet the Association's advisors when their services are required during the normal working hours in matters concerning the collective agreement's application, as long as it does not interfere with the normal operations.
- 15.09 By mutual agreement, the parties may modify the grievance procedures. However, the agreement shall be made in writing and be duly signed by the parties. Any agreement made in writing between the Company, the Association and the representatives will be final and will bind the parties.
- 15.10 It is agreed that when a grievance or complaint is officially formulated, members of the executive committee of the Association (no more than two (2) may meet the employee(s) who suffered an injustice, and the officers of the Company, in view of a settlement, during the working hours or, if possible, after work, without any form of sanction taken against such officers.

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- 15.11 The members of the executive committee of the Association involved in the discussion of a grievance or of Union business will suffer no loss of salary for the time required, as long as, in the opinion of the parties, the Company and the Association, this time is reasonable and necessary.
- 15.12 The Company will grant a leave of absence to a member of the executive committee of the Association who has to attend arbitration sessions concerning the present parties.
- 15.13 Saturdays, Sundays and holidays in the plant will not be taken into account in the computation of the delays mentioned at each of the above steps. Every delay determined by these sections may be extended at all times only after a written agreement between the Company and the Association.

ARTICLE 16 ARBITRATION

- 16.01 For any grievance submitted to arbitration concerning the disciplinary measures, the burden of proof rests on the Company.
- 16.02 In the case of disciplinary measures, when the grievance is submitted to the arbitration, the arbitrator has jurisdiction only :
- a) To reintegrate the employee to his position, in the case of a dismissal or a suspension;
 - b) To maintain disciplinary measures;
 - d) To render any decision considered fair and equitable in the circumstances.
- 16.03 The nominated arbitrator may not amend, alter or modify the terms of the present collective agreement or add anything to it. At all times he must render an equitable decision.
- 16.04 Each party covers the fees of its representative, its witnesses and half of the fees and expenses of the arbitrator.
- 16.05 A technical error in the presentation of a grievance will not nullify.
- 16.06 No question will be submitted to arbitration before first going through every step mentioned in the grievance procedure.

ARTICLE 17 WORKING HOURS

- 17.01 a) The regular workweek will be forty (40) hours from Monday to Friday; this is to say eight (8) hours per day.

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Unless otherwise agreed, the work schedule is from 6:45 am to 3:15 pm for the day shift, from 3:00 pm to 11:30 pm for the evening shift and from 10:30 pm to 7:00 am for the night shift. Unless otherwise agreed, the rest periods and meal periods are divided as follows:

Rest period: The Company grants the employees for each half day of work accomplished: a rest period of fifteen (15) minutes.

Meal period: All employees are granted thirty-(30) minutes, without pay, that is to say without pay for the meal period.

i) **Day shift** :

Department	Starting meal period	Starting break period a.m.	Break period p.m.
Line 1	12h40	10h00	15h00
Line 3	12h50	10h00	15h00
Line 4	12h30	9h45	15h00
Line 5	12h30	9h45	15h00
Line 6	12h30	9h45	15h00
Line 7	12h50	10h15	15h00
Line 8	13h00	10h15	15h00
Line 9	13h00	10h15	15h00
Line 10	13h00	10h15	15h00
Line 11	12h50	10h00	15h00
Line 12	13h00	10h15	15h00
Cut & sew	12h50	10h00	15h00
Foam (variable)	12h00	9h45	15h00
Upholster other	12h00	9h30	15h00
Leather Repair	12h00	9h30	15h00
Sew other (variable)	11h30	9h30	15h00
Reception (variable)	12h50	10h00	15h00
Repair	12h10	9h30	15h00
Shipping (variable)	12h10	9h30	15h00
Sampler	12h10	9h30	15h00
Wood cutting (variable)	12h00	9h30	15h00
Packaging (variable)	12h15	9h45	15h00
Stuffing (variable)	12h20	9h45	15h00
Cutting, leather cutting, sewing	12h00	9h30	15h00
Inspector	According to lines	According to lines	According to lines

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ii) **Evening shift :**

The evening shift starts at 3:00 pm and ends at 11:30 pm. The meal period is from 6:15 pm to 6:45pm or from 6:30 pm to 7:00 pm. The first rest period is from 9:15 pm to 9:30 pm. The second rest period is from 11:15 pm to 11:30 pm.

iii) **Night shift :**

The night shift starts at 10:30 pm and ends at 7:00 am. The meal period is at 1:15 am to 1:45 am or from 3:00 am to 3:30 am. The first rest period if from 4:00 am to 4:15 am or from 1:15am to 1:30 am and the second rest period is from 6:45 am to 7:00 am.

- b) Should the Company institute one or more additional shifts with an interval of at least three (3) hours from the day shift, the employees assigned to these shifts will receive an increase of 0,30\$ an hour for all the hours worked on the said shifts.
- c) Before modifying the above mentioned schedule, the Company must reach agreement with the Association, failing which the problem will be submitted to arbitration. The arbitrator will have to consider customer service and the economic criteria concerning the acceptance of this modification.
- d) Any employee who attends work at the normal time and who has not received prior notice not to do so, must receive an minimum indemnity equal to four (4) hours of pay at the hourly rate. To benefit from this indemnity, the employee must have been at work on the previous normal day, except for valid reason. This clause does not apply if the exploitation of the factory or a department is stopped under circumstances independent of the Company.
- e) If the Company has other work to be done during the said four (4) hour minimum, the said employee must accept a temporary transfer compatible with his abilities in order to be paid at his regular hourly rate.
- f) In case of breakdown of machinery under the Company's control, the employee must immediately inform his supervisor.
- g) The Company undertakes to transfer the employees affected by a breakdown, on the day of the breakdown, by order of seniority to another task adapted to their ability and theirs experience.

If the break is for a complete work day, the Company will commit to transfer the employees, by order of seniority, to another task adapted to their capacity and experience.

- h) Employees who are forced by the Company to attend work during a mechanical, electrical or heating breakdown are to be paid entirely as if they worked.

17.02 Shift bonus

An hourly rate bonus of fifty cents \$0.50 is granted to all employees who work on the evening shift and an hourly rate bonus of seventy five cents \$0.670 will be granted to the employees who work on the night team.

On April 1st 2012, an hourly rate bonus of sixty cents \$0.60 will be granted to all employees who work on the evening shift and an hourly rate bonus of eighty cents \$0.80 will be granted to the employees who work on the night team.

17.03 Overtime

a) **Overtime distribution**

All the employees governed by this agreement will not be obliged to do overtime with the exception of the employees assigned to maintenance and building security for the emergency breakdown calls.

Overtime is worked on a voluntary base and the Company must proceed as follows :

1. It asks the employees assigned to the work having to be pursued in overtime;
2. If there is not enough volunteer at the first step, the preference will be given to the concerned department's employees who have registered their names on the list provided for this purpose, by order of general departmental seniority and provided that they are qualified to do the work. The departments are :
 - i) The regrouped production lines – table and console;
 - ii) Filling;
 - iii) Shipping;
 - iv) Packaging;
 - v) Reception – hardware – foam – Cut & sew;
 - vi) Leather cutting;
 - vii) Material cutting;
 - viii) Sewing other;
 - ix) Wood cutting;
 - x) Wood assembly;
 - xi) Repair;
 - xii) Quality inspection;
 - xiii) Swatch;
 - xiv) Leather repair;
 - xv) Pre-packaging

3. If there are not enough volunteers in the department, the preference will be given to the employees having registered their names on the required general overtime list. Preference will be given to the employees with the longest general seniority who are qualified for the work. This article 17.04 paragraph 3 also applies to the maintenance and sample room departments.

b) Overtime increase

Overtime is worked after eight (8) hours of regular work during a normal workweek from Monday to Friday.

1. The employees on the day and evening team called to work on a Saturday will be paid at a rate of time and a half only for the hours worked, with a minimum of four (4) hours.
2. The employees on the night team called to work between Friday 6:45 am and Saturday 6h45 am will be paid at a rate of time and a half only for the hours worked, with a minimum of four (4) hours.
3. The employees on the day and evening shifts called to work on a Sunday will be paid at a rate of double time only for the hours worked, with a minimum of four (4) hours.
4. The employees on the night team called to work between Saturday 6h45 am and Sunday 6h45 am will be paid at a rate of double time only for the hours worked, with a minimum of four (4) hours.
5. The employees on the night team called to work between Sunday 6:45 am and Sunday 10h30 pm will be paid at a rate of time and a half only for the hours worked, with a minimum of four (4) hours.

c) Rest and meal periods during overtime

The Company grants each employee the following paid rest and meal periods :

1. Any employee who works overtime from Monday to Friday inclusively for more than one (1) hour will be entitled to a paid rest period of fifteen (15) minutes immediately after the end of his normal work shift. For the employee who works overtime for a period of more than two (2) hours and 30 minutes, he will be entitled to, in addition to the paid fifteen (15) minutes rest period taken at the end of his work shift, a paid 30 minutes meal period after 2 hours and 30 minutes worked and a \$10.00 meal allowance. After every two (2) hours overtime after the subsequent meal period, he will be entitled to an additional paid rest period of fifteen (15) minutes.

Ex. : End of work shift at 3:00 pm – rest of 15 minutes until 3:15 – meal period from 5:30 pm to 6:00 pm – second rest period if there is one, at 8:00 pm – third rest period, if there is one, at 10:00 pm.

2. Any employee doing overtime on Saturday and/or on Sunday will benefit from the break and meal periods applicable as stipulated for the days of the normal work week.
3. Except in an emergency, employees must be informed of the accomplishment of overtime at least 4 hours in advance.

17.04 Service call

The employee who is called to execute a job in the factory after having left the Company's premises at the end of his normal working hours, will be remunerated for a minimum of four (4) hours at a 150% rate.

The maintenance employee assigned by the Company, without seniority consideration to answer calls originated by the triggering of the alarm system, will benefit from an annual bonus of 500\$, payable on December 15, provided the employee is still employed by the Company.

17.05 Banked overtime hours or bonuses

At the employee's request, overtime and/or bonuses are accumulated in separate banks. These accumulated amounts will be paid to each employee twice per year, during the week preceding the Company's summer closing period and during the week preceding the Christmas holiday period. Notwithstanding what precedes, an employee may receive payment of the accumulated amounts in his time-bank, by way of a written pre-notice of fifteen (15) days, transmitted to the Company while on long term absence for personal illness or non-industrial accident or while on a motivated absence accepted by the Company.

ARTICLE 18 POSTING

- 18.01 The parties agree that all the postings and notices concerning this collective agreement shall be written in French and English, but the official version is in French.

If a paid statutory holiday occurs during the vacation period of an employee, he shall receive the payment for this holiday including all bonuses, or if he desires, he will have one (1) additional paid vacation day either the day before his departure or the day of his return.

19.02 Statutory holidays

If one or more holidays occur on a Saturday, they will be postponed until the first preceding workday of that holiday and if one or more holidays occur on a Sunday, they will be postponed until to the first workday following that holiday, unless otherwise agreed between the parties.

Any work done on a Sunday or during the statutory holidays mentioned above, will be paid at twice the regular hourly rate, including all bonuses, in addition to the paid holiday. What precedes will not apply to work done during a holiday/flexible workday and/or the Sunday when the holiday is part of the normal work schedule.

19.03 Holiday / Flexible workday

Good Friday is considered a holiday/flexible workday, in which the following methods are applied :

- a) The Company must indicate at least twenty (20) working days before this holiday / flexible workday, if the factory will be in operation on this day, unless there is an insufficient amount of volunteers for the Company's needs. To do so, the Company must first notify the union and then post a notice announcing the opening of operations.
- b) The employees who do not wish to work on this holiday / flexible workday, must notify their supervisor ten (10) working days following the notice of the opening of operations in order to enable the Company to plan its operations. However, for these employees, this holiday / flexible workday will be considered a holiday and will be paid by the Company according to the methods of article 19.01.
- c) During the week preceding the flexible workday, the Company will validate the list of employees not working and those working on this day and will confirm if the factory will be operational. In the case that the factory is not operational, this holiday/flexible workday will be considered a holiday and will be paid by the Company according to the methods of article 19.01.
- d) An employee who works during this holiday / flexible workday, will be paid at a regular work rate for the hours worked during this day, as would be a normal workday, and will receive in addition, a lump sum payment equivalent to eight (8) hours, at the regular hourly rate including any bonuses. This lump sum payment is not included in the calculation of the hours worked.

ARTICLE 20 ANNUAL LEAVE

- 20.01 a) Any employee who, on the first (1st) of may of every year, has completed less than a year of continuous service with the Company, is entitled to annual leave equal to one (1) day per month of service up to ten (10) days paid at the rate of four per cent (4%) of the salary earned.
- b) Any employee who, on the first (1st) of May of every year, has completed one (1) year continuous service with the Company, is entitled to two (2) weeks of annual leave and four per cent (4%) of the salary earned as vacation pay.
- c) Any employee who, on May 1st of every year, will have completed four (4) years of continuous service for the Company, will be entitled to three (3) weeks vacation and to six percent (6%) of his salary for his vacation pay.
- d) Any employee who, on May 1st of every year, will have completed ten (10) years of continuous service for the Company, will be entitled to four (4) weeks vacation and to eight percent (8%) of his salary for his vacation pay.
- e) Any employee who, as of May first (1st) of each year, has completed twenty (20) years of continuous service for the Company, will be allowed five (5) weeks of vacation and vacation indemnity equivalent to ten per cent (10%) of the gained salary as a vacation pay.
- 20.02 For the purposes of this article, a year is from May 1st to April 30th the next year.
- 20.03 Any employee who quits his work or is dismissed before the date of his annual leave will receive the proportion of his vacation pay earned at the time of his departure or dismissal, calculated as above.
- 20.04 An employee must be paid any indemnity pertaining to the annual holiday, before the beginning of this holiday in provision for the number of weeks taken at each occasion. A copy of the annual leave list is given to the Association on May 15th of each year.
- 20.05 For vacation period each year, the Company will stop its operations for three (3) weeks which are the two (2) last complete weeks of July and the first week of August, unless circumstances does not allow it according to the Company's analysis. In this case, the Company will advise the Association and the employees four weeks before the first day of vacation that the first week of August will be moved previous to the two weeks vacation of July.

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Moreover, the Company may decide, before June 10th of each year, to continue its operations in a reduced manner, and in order to do so, the Company may compel the employees having less than four (4) years of seniority as of May 1st of that same year, to work. Afterwards, if the Company needs more employees, all employees with more than four (4) years seniority as of May 1st of that same year, at their request, may work during the third week, following seniority, according to the Company's needs.

The employees entitled to a four (4) week paid vacation will choose their fourth week by order of seniority during the first week of the month of May every year, but will observe a proportion of one (1) employee out of five (5) in each department.

The employees entitled to a five (5) week paid vacation will choose their fifth week of vacation by order of seniority after the first week of the month of May every year, after all the other employees have chosen their fourth week, and will have to observe the proportion of one (1) employee out of five (5) in each department. It is strictly forbidden to take five (5) weeks of vacation consecutively; however, the fourth and fifth week may be taken consecutively between the 1st of May and the 31st of May and between September 1st and April 30th of every year. The choice will be awarded following the above mentioned procedure.

It is agreed that the above procedures may be transgressed through agreement between the Company and the Association.

20.06 For the purpose of the present section, the departments affected by this section only are:

- i) Every line constitutes a separate department;
- ii) Padding;
- iii. Shipping;
- iv. Packaging, pre-packaging;
- v. Reception – cut & sew;
- vi. Hardware;
- vii. Foam
- viii. Upholster other (OP mechanism, packaging support, table and console)
- ix. Leather cutting;
- x. Material cutting;
- xi. Sewing - other;
- xii. Wood cutting;
- xiii. Frame assembly;
- xiv. Maintenance;
- xv. Sampling;
- xvi. Repairs;
- xvii. Inspection quality;
- xviii. Swatch;
- xix. Leather repair.

20.07 It is agreed between the parties that the vacation periods are not cumulative year after year.

20.08 If an employee is absent because of a maternity or paternity leave, an illness due to an accident during the year of reference and that this absence reduces his annual vacation indemnity provided in the collective agreement, he will then be allowed to receive an equivalent indemnity, in the eventuality, to one (1), two (2), three (3), four (4) or five (5) times the average weekly salary earned during the period worked in conformity with the dispositions of the present collective agreement.

The employer can, when requested by an employee, permit the annual vacation to be taken, all or in part, during the year in reference.

20.09 If an employee passes away, the vacation accumulated until the time of his death will be given to his heirs or beneficiaries.

ARTICLE 21 SOCIAL HOLIDAYS

21.01 Death

- a) An employee may be absent from his work during five (5) paid working days for the death or funeral of his spouse or common law spouse, of his child or the child of his common-law spouse. However, the employee may choose to take an additional five (5) days without pay. The employee must present a death certificate upon the Company's request.
- b) An employee may be absent from his work during three (3) paid working days for the death or funeral of his father, his mother, father-in-law, mother-in-law, brother and sister. However, the employee may also choose to take two (2) additional days without pay. The employee must present a death certificate upon the Company's request.
- c) An employee may be absent from work during one (1) paid working day for the death or funeral of his grandparents, brother-in-law, sister-in-law, daughter-in-law, son-in-law or grand children.
- d) The employee must present a death certificate upon the Company's request.
- e) Every employee attends a funeral will be entitled to one (1) additional day without pay at the death of a member of the family (those specified in this section, paragraph a, b and c), when the funeral takes place at more than 240 km from Montreal, and of two (2) additional days without pay, when the funeral takes place at more than 500 km from Montreal.

21.02 Marriage

Every employee will be entitled to two (2) paid working days in the event of his marriage.

21.03 Birth and adoption

An employee may be absent from work for five (5) days at the birth of his child, the adoption of a child or where there is a termination of pregnancy in or after the twentieth week of pregnancy. The first two days of absence shall be remunerated.

This leave may be divided into days at request of the employee. It may not be taken more than fifteen (15) days after the child arrives at the residence of his father or mother or after the termination of pregnancy. The employee must advise his employer of his absence as soon as possible.

21.04 Indemnity

For the paid holidays mentioned in sections 21.01 to 21.03, the employee will receive a salary equivalent to his average rate based on the last two (2) weeks of work.

21.05 Family obligations

An employee may be absent from work, without pay, for 10 days per year to fulfil obligations relating to the care, health or education of the employee's child or the child of the employee's spouse, or because of the state of health of the employee's spouse, father, mother, brother, sister or one of the employee's grandparents.

The leave may be divided into days. A day may also be divided if the employer consents thereto.

The employee must advise the employer of his absence as soon as possible and take the reasonable steps within his power to limit the leave and the duration of the leave.

21.06 Sabbatical leave of absence

- a) For reason of bereavement, illness or any other reason accepted by the Company and by the Association, the Company grants the employee an unpaid leave of absence (maximum of twelve (12) consecutive months).
- b) The request will be made by the employee in writing, to the Human Resources Director and the employee will supply all the proof required by the Company to justify his unpaid leave of absence.

- c) During this unpaid leave of absence the employee will maintain his seniority.
- d) Any employee working for another company during this unpaid leave of absence is subject to immediate dismissal.
- e) Upon the employee's return to work, if his position has been abolished, the employee will be assigned by the Company to another position according to the same procedure established in case of layoffs.

ARTICLE 22 LEAVES IN CASES OF FAMILY OBLIGATIONS

22.01 Maternity leave

- a) An employee may be absent from work without pay for a medical examination related to her pregnancy or for an examination related to her pregnancy carried out by a midwife. She shall advise her employer as soon as possible of the time at which she will be absent.
- b) A pregnant employee is entitled to a maternity leave without pay of not more than 18 consecutive weeks unless, at her request, the employer consents to a longer maternity leave.

The employee may spread the maternity leave as she wishes before or after the expected date of delivery. However, where the maternity leave begins on the week of delivery, that week shall not be taken into account in calculating the maximum period of 18 consecutive weeks.

- c) If the delivery takes place after the expected date, the employee is entitled to at least two weeks of maternity leave after the delivery.
- d) The maternity leave shall not begin before the sixteenth week preceding the expected date of delivery and shall not end later than 18 weeks after the week of delivery.
- e) Where there is a risk of termination of pregnancy or a risk to the health of the mother or the unborn child, caused by the pregnancy and requiring a work stoppage, the employee is entitled to a special maternity leave, without pay, for the duration indicated in the medical certificate attesting the existing risk and indicating the expected date of delivery.

The leave is, where applicable, deemed to be the maternity leave provided for in section 22.01 b) from the beginning of the fourth week preceding the expected date of delivery.

- f) Where there is termination of pregnancy before the beginning of the twentieth week preceding the expected date of delivery, the employee is entitled to a special maternity leave, without pay, for a period of no longer than three weeks, unless a medical certificate attests that the employee needs an extended leave.

If the termination of pregnancy occurs in or after the twentieth week, the employee is entitled to a maternity leave without pay of a maximum duration of 18 consecutive weeks beginning from the week of the event.

- g) In the case of a termination of pregnancy or a premature birth, the employee must, as soon as possible, give written notice to the employer informing the employer of the event and the expected date of her return to work, accompanied with a medical certificate attesting to the event.

- h) The maternity leave may be taken after giving written notice of not less than three weeks to the employer, stating the date on which the leave will begin and the date on which the employee will return to work. The notice must be accompanied with a medical certificate attesting to the pregnancy and the expected date of delivery. Where applicable, the medical certificate may be replaced by a written report signed by a midwife.

The notice may be of less than three weeks if the medical certificate attests that the employee needs to stop working within a shorter time.

- i) From the sixth week preceding the expected date of delivery, the employer may, in writing, require a pregnant employee who is still at work to produce a medical certificate attesting that she is fit to work.

If the employee refuses or neglects to produce the certificate within eight days, the employer may oblige her to take her maternity leave immediately by sending her a written notice to that effect giving reasons.

- j) Notwithstanding the notice provided for in section 22.01 h), the employee may return to work before the expiry of her maternity leave. However, the employer may require a medical certificate from an employee who returns to work within the two weeks following delivery, attesting to the fact that she is fit to work.

22.02 Paternity leave

An employee is entitled to a paternity leave of not more than five consecutive weeks, without pay, on the birth of his child.

This paternity leave shall not begin before the week of the birth of the child and shall not end later than 52 weeks after the week of the birth.

A paternity leave may be taken after giving notice of not less than three weeks to the employer, stating the expected date of the leave and that of the return to work. However, the notice may be shorter if the birth of the child occurs before the expected date.

22.03 Parental leave

The father and the mother of a newborn child, and a person who adopts a minor child, are entitled to parental leave without pay of not more than 52 consecutive weeks.

- a) Parental leave may not begin before the week the child is born or, in the case of adoption, the week the child is entrusted to the employee within the framework of an adoption procedure or the week the employee leaves his work to go to a place outside Québec in order that the child be entrusted to him. It shall end not later than 70 weeks after the birth or, in the case of adoption, 70 weeks after the child was entrusted to the employee.

However, in the cases and subject to the conditions prescribed by regulation of the Government, parental leave may end at the latest 104 weeks after the birth or, in the case of adoption, 104 weeks after the child was entrusted to the employee.

- b) Parental leave may be taken after giving notice of not less than three weeks to the employer, stating the date on which the leave will begin and the date on which the employee will return to work. However, the notice may be shorter if the employee must stay with the newborn child or newly adopted child, or with the mother, because of the state of health of the child or of the mother.
- c) An employee may return to work before the date stated in the notice given pursuant to section 22.01 h) or 22.03 a) provided he has given the employer written notice of not less than three weeks of the new date on which he will return to work.

If the employer consents thereto, the employee may return to work on a part-time basis or intermittently during the parental leave.

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- d) An employee who does not report to work on the date stated in the notice given to the employer is presumed to have resigned.
- e) At the request of the employee, a maternity, paternity or parental leave may be divided into weeks if the child is hospitalized or if the employee may be absent under section 79.1 or any of sections 79.8 to 79.12, of the *Act respecting labour standards*, and in the case, on the conditions, for the duration and within the time prescribed in the by-law.

If the child is hospitalized during maternity, paternity or parental leave, the leave may be suspended, following an agreement with the employer, to allow the employee to return to work during the hospitalization.

In addition, an employee who, before the expiry date of the leave, sends the employer a notice accompanied by a medical certificate attesting that the state of health of the child or, in the case of a maternity leave, that the state of health of the employee requires it, is entitled to an extension of the leave for the duration indicated in the medical certificate.

- f) An employee's participation in the group insurance and pension plans recognized in the employee's place of employment shall not be affected by the absence from work, subject to regular payment of the contributions payable under those plans, the usual part of which is paid by the employer.

The Government shall determine, by regulation, the other advantages available to an employee during maternity, paternity or parental leave.

- g) At the end of a maternity, paternity or parental leave, the employer shall reinstate the employee in the employee's former position with the same benefits, including the wages to which the employee would have been entitled had the employee remained at work.

If the position held by the employee no longer exists when the employee returns to work, the employer shall recognize all the rights and privileges to which the employee would have been entitled if the employee had been at work at the time the position ceased to exist.

ARTICLE 23 LEAVE FOR JURY SERVICE

23.01 When an employee is called upon to serve as a jury member or as a witness once a subpoena has been issued to him, the Company will make up the difference between the fees he receives when he is in court and the regular salary he would have received at work.

ARTICLE 24 SICK LEAVE

24.01 Each employee having completed on (1) year of continuous service with the Company, is entitled to one half (1/2) day of paid absence, payable at the rate of one hundred per cent (100%) of his salary, per month of service, for each calendar month. These days can only be accumulated from January to December. The employees who have not taken these sick days will receive payment for these days before December 15th of each year.

The sick days mentioned above are accumulated each month in proportion to the days for the year of reference. The days may be taken by anticipation.

ARTICLE 25 WORK CLOTHES AND FOOTWEAR

25.01 On April 30th of every year, the maintenance employees receive, at the Company's expense, the following items, as needed :

- Conform footwear;
- Five (5) shirts;
- Five (5) pants.

25.02 For the employees working in the frame shop/shipping/maintenance departments the Company undertakes to assume 100% of the cost of a pair of safety footwear up to a maximum purchase cost of \$125 taxes included, renewable as needed.

ARTICLE 26 SALARY SCALES

26.01 The Company agrees to pay its employees the wage increases set in the Annexes. These Annexes are an integral part of the present collective agreement.

ARTICLE 27 WAGES

- 27.01 a) The Company shall distribute the salary to all employees by direct deposit, and the check stub in a sealed envelope every Thursday. Exceptionally if requested by an employee, his pay may be issued by check on each Thursday. If the factory is closed on the Thursday or Friday, it will be distributed the day before.
- b) The Company undertakes to reimburse any mistake on an employee's pay the same day the employee notify the human resources department and request it, as long as the notice is given on a reasonable frame time.
- c) The employees are paid by check every Thursday for the work they have done the week before.
- 27.02 The check stub shall include the following information :
1. the name of the employer;
 2. the surname and given name of the employee;
 3. the identification of the employee's occupation;
 4. the date of the payment and the work period corresponding to the payment;
 5. the number of hours paid at the prevailing rate;
 6. the number of hours of overtime paid or replaced by a leave with the applicable premium;
 7. the nature and amount of the bonuses, indemnities, allowances or commissions that are being paid;
 8. the wage rate;
 9. the amount of wages before deductions;
 10. the nature and amount of the deductions effected;
 11. the amount of the net wages paid to the employee;
- 27.03 Any delay caused by a waste of time will be deducted by the minute. All the time worked is remunerated by the minute.
- 27.04 The Company agrees to inscribe on the federal and provincial income tax formulas the total amount of the union dues paid by the employee over the past year. The employer provides to each employee an attestation of the group insurance premiums paid by the employee within the previous year.

ARTICLE 28 JOINT MANAGEMENT COMMITTEE

28.01 A participate management committee will be formed including two (2) members of the union's executive committee and two (2) other employees belonging to the Association and selected by the Association, as well as for (4) representatives of the employer to represent all the employees.

This committee will meet at the request of one of the parties and will be informed beforehand about any technical or technological changes or any changes to the bonus system. The committee will be informed, if need be, about any details concerning the aforementioned changes.

If the technical or technological changes affect the employees working conditions, the committee members will have to agree on the effect of the said technical or technological changes on the working conditions.

If, for any reason, the Company introduces a new bonus or modifies the present bonus system, the committee's prior approval will be required.

Failing a majority agreement in the committee, the parties will refer to arbitration as stipulated by the grievance procedure of this collective agreement, starting at the 3rd step.

28.02 Transfer to the repair department

If an employee who is paid an hourly rate plus a bonus rate is transferred and/or obtain a position in the repair department for any reason whatsoever, thus losing the bonus, he will benefit form an average rate made up by his hourly rate plus the hourly average of his bonus rate calculated over the last twelve (12) months, for the complete period spent working on an hourly rate without bonus in the repair department. However, if the employee is transferred to his previous department or another department for more than sixteen (16) hours in the same working week, he is entitle to the difference between the average bonus rate he was being paid and the department bonus rate he is transferred in.

ARTICLE 29 GROUPE INSURANCE

29.01 According to the law, medical and dental insurance coverage is required once the employee becomes eligible.

The life insurance coverage as well as short and long term invalidity is mandatory for each employee once he/she becomes eligible and the premium must be paid entirely by the employee.

The recommendations for the group insurance coverage and administration of the various plans offered are handled by the insurance committee. However, any proposed additions to the program must be agreed upon by the Company as well as the union who have exclusive deciding power in this matter. Any other major changes to the current plan will be submitted to the employees for approval.

29.02 Employer & employee contribution to the medical and dental plan.

The company pays 50% of the premium for the medical and dental insurance plan selected by the employee and the employee pays the remaining 50% of the premium. The minimum monthly contribution of the Company is \$125.

The company's contribution must never exceed 100% of the weekly total for medical and dental coverage.

For employees eligible for medical coverage but not yet eligible for the dental plan, the employer's contribution must not exceed the medical coverage.

29.03 Exempted employees

- 1) If an employee eligible for medical and dental coverage provides evidence that he/she is covered by another private medical and dental insurance plan for (him/her)self, his / her spouse and their children, is exempted from his/her obligation to adhere to one of the medical and dental plans offered;

The exempt employee choosing not to join one of the medical and dental plans offered in any one calendar year, will receive annual monetary compensation up to a maximum of \$ 450;

- 2) The monetary compensation is calculated on a weekly basis and is included on the non-adherent employee's pay check as long as he/she is exempt *and* he/she has paid the life insurance and short and long term disability premium;

However, the exempt employee choosing not to join one of the medical and dental plans offered is nevertheless required to adhere to one of the life insurance and short and long term disability options available and pay the full premium (100%).

ARTICLE 30 MISCELLANEOUS

- 30.01 The Company undertakes to supply to all the employees free sharpening of their work tools, which will be done by a competent person. The sharpening procedure and time will be determined by the parties.

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- 30.02 a) The Company will supply free adequate parking for all the employees.
- b) The Company will supply free adequate parking close to the guardian's booth to all the employees who owns a motorcycle.
- 30.03 All the employees with two (2) years of seniority have the privilege of purchasing one (1) piece of furniture every four (4) years at wholesale price, for personal use. An employee caught selling will be banished from furniture purchase for life.
- 30.04 The company undertake to supply an adequate cafeteria opened to take meals and breaks including micro-waves and refrigerators in sufficient numbers. This cafeteria should comply with the municipal and provincial regulations.
- 30.05 If the temperature inside the plant is uncomfortable for the workers, the Association and the Company will meet immediately in order to reach the adequate decision, respecting the appropriate Law.
- 30.06 The fans in all the departments must be cleaned periodically.
- 30.07 The Company undertakes to adequately insulate the coldest areas with a wind-breaking curtain.
- 30.08 The employee who is absent for three (3) or more consecutive days because of illness must provide the Company with a medical certificate justifying his absence, when required. The Company undertakes to assume the total cost of the medical certificate required for less than three (3) days with medical proof. It is agreed that the Company will not assume the cost of any medical certificate required by the application of the Company's regulations concerning illness and absences.
- 30.09 A sufficiently large locker will be supplied to every employee. The present format of locker is accepted by the parties.
- 30.10 The Company undertakes to supply five (5) employees with free first aid courses that will enable them to assist the employees in need during the working hours.
- 30.11 Calculations of the new models (Try-on)**

The first « Try on » is produced in the research and development department.

The second « Try-on » is produced in the factory on a designated line for a maximum of five (5) pieces, in doubling the established standard time.

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The third « Try-on » is produced in the factory on a designated line, but this time for a maximum of fifteen (15) pieces, in multiplying the established standard time by 1.5.

The following times, the efficiency calculation is made in the usual way, that is to say the gained hours divided by the worked hours.

This procedure will also apply to a second line only. This line is designated specifically as an alternative line.

ARTICLE 31 COLLECTIVE RSP FUNDS

- 31.01 1) The contributions are made every month to the Trustee of the funds. As long as the employee makes his contribution, the Company will contribute equally every week to the collective RSP funds in the following manner :

For the employee having between four and nine years of general seniority, the annual contribution is \$300 as of April 1st 2010, \$325 as of April 1st 2011, \$375 as of April 1st 2012, as much for the employee as for the Company.

For the employee having between ten (10) and nineteen (19) years of general seniority, the annual contribution is \$400 as of April 1st 2010, \$425 as of April 1st 2011, \$475 as of April 1st 2012, as much for the employee as for the Company.

For the employee who has twenty (20) or more years of general seniority, the annual contribution is \$500 as of April 1st 2010, \$550 as of April 1st 2011, \$600 as of April 1st 2012, as much for the employee as for the Company.

- 2) The employees participating in the collective RSP funds cannot withdraw their money before their retirement or their departure from the Company. The deductions on the pay and the remitting of the money to the Company administrating the collective RSP funds will be done by the Employer at no cost for the employees.

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ARTICLE 32 DURATION OF THE AGREEMENT

32.01 The present agreement will have a duration of six (6) years, taking effect on April 1st, 2010, and being valid until March 31st, 2016

Notwithstanding the preceding, the parties agree to reopen the collective agreement in order to negotiate exclusively the salary scale stipulated in Schedule «A», the bonuses, the sick days, the insurance and the salary increase beginning on April 1st, 2013, for the fourth (4th), fifth (5th) and sixth (6th) years of the Agreement. At those renegotiations, the relevant clauses of the *Labor Code* will apply with the necessary adaptations.

32.03 The parties agree that they may, by mutual agreement, put an end to this collective agreement before its term, with the aim of renewing it with a more advantageous agreement.

32.04 This agreement continues to apply until its conclusion or when an Act prescribes differently.

**AND THE PARTIES HAVE SIGNED IN POINTE-CLAIRE, ON THIS
[REDACTED] DAY OF THE MONTH OF [REDACTED] 2010**

LES AMEUBLEMENTS EL RAN LTÉE

**ASSOCIATION DES EMPLOYÉS
DE EL RAN FURNITURE INC.**

Camille Haddad

Gino Nobile

Anne-Marie Benoît

Gérard Noël

Pierre-François Germain

Christine Martinelli

Daniel Gagné

ANNEX « A »

1. CLASSIFICATIONS

CLASS 1 : **Classification rate 11,50 \$**

Leather cutter
Operator wood machine
Repair man
Operator of material – leather cutter

CLASS 2 : **Classification rate 11,25 \$**

Complete Upholsterer
Complete seamstress

CLASS 3 : **Classification rate 10,25 \$**

Leather marker
Parts and mail employee
Assembler fitter, wood and mechanism plus
Quality inspector
Upholsterer
Seamstress
Line distributor
Lift fork operator

CLASS 4 : **Classification rate 10,00 \$**

Cutter spreader
Computer spreader
Placer operator
Operator's helper
Seamstress, other
Material – leather – swatch man
Placer – marker
Shipper
Cleaner
Leather repair man
Apprentice wood operator
Apprentice leather cutter
Tyrelene cutter

CLASS 5 : **Classification rate 9,75 \$**

Apprentice upholsterer
Apprentice seamstress
Dracon machine operator
Material inspector
Mechanism assembler and wood on line and wood cutting
Packer
Handler
Swatch seamstress
Shipper
General work

ANNEX « A » (suite)

CLASS 6 : Classification rate –

Determined by the company
Pattern maker and sample room
Electro-mechanic
Mechanic
Welder
Electrician

2. Progress of upholsterers, seamstresses and assemblers

Following their evaluations, all upholsterers, seamstresses and assemblers that have not reached the hourly rate of their classification, will receive 0,20\$ or less on December 1st, April 1st and August 1st, until they reach without surpassing the hourly rate of their classification.

3. Trainer, team leader and flying team bonus

a) Trainer bonus : The employee designated by the Company as a full-time trainer, receives a bonus of \$2,00 per hour for each hour worked as a full-time trainer. The bonus can never be part of the normal base salary of the employee. The trainer is not eligible to the performance bonus of a line.

b) Team leader bonus : 0.50\$ / per hour in addition to a guaranteed minimal bonus of 0.75\$ / per hour.

c) Flying team bonus :

1. The employee designated by the company as a full-time flying team member, receives a bonus of \$0,75 per hour for each hour worked as a flying team member and is eligible to the average production lines performance bonus or, if the employee works for sixteen (16) hours or more during the same week on the same production line, he will be awarded the best weekly bonus, either between the average production line bonus and the line where he worked during that week.

2. The flying team bonus can never be part of the normal base salary of the employee.

3. The employer may appoint, without considering seniority and depending on the needs of the Company for a determined period, the number of employees to be part of the flying team. The employer may take away the flying team status at any time, from the appointed employee.

ANNEX « A » (suite)

N.B. : There are no positions in the sample and maintenance departments that take part in the classifications. The Company must give the union, in writing, any increases and all changes in wages of each employee from these two departments.

Also, these positions are not subject to the dispositions of article 12 nor of article 13 of the present collective agreement, these being fulfilled at the Company's discretion.

In the case of a dismissal or abolished position, an employee from the sample or maintenance departments must be moved by the Company to his past position, according to seniority. In the opposite case, the concerned employee may use his seniority to move another employee, as long as he meets the requirements of that position. In these two last cases, the Company shall guarantee the employee, a minimum of the hourly rate that he had before being transferred to the sample or maintenance departments, in addition to the salary adjustments provided in the collective agreement that he would have received if he had not been transferred to one of these two departments.

For the employee hired directly from outside of the Company, to occupy a position in the sample or maintenance departments, the Company may move and guarantee him a minimum of the salary of his new classification in addition to all the salary adjustments provided in the collective agreement that he would have received according to his seniority.

ANNEX « A »

5. Time worked by a new employee counted in efficiency

Upholsterer		Seamstress	
1st week of work	0%	1st month of work	0%
2 nd week of work	25%	2 nd month of work	25%
3rd week of work	50%	3rd month of work	50%
4th week of work	75%	4th month of work	100%
5th week of work	100%		

6. Salary increases

a) For the first year of the agreement

From the signing date of the present collective agreement an increase of the hourly rate of forty five cents (\$0.45) per hour for all the employees employed by the Company at the time of the signing.

b) For the second year of the agreement

As of April 1st, 2011 an hourly rate increase of thirty cents (\$0.30) per hour for all the Company's employees.

c) For the third year of the agreement

As of April 1st, 2012 an hourly rate increase of thirty-five cents (\$0.35) per hour for all the Company's employees

7. Hiring procedure

The Human Resources department will forward the form indicating the new employee's working conditions to the Association who will acknowledge reception of the said form. The hiring will be done according to the proposed classification.

If the employee does not meet the requirements of the position proposed at this classification, another position may be offered to him, with a different classification, if necessary. In case of refusal, the Company must end the employment. This mention must be included on the hiring form.

ANNEX « A » (suite)

8. Specific agreement concerning the seamstresses, upholsterers, leather cutters and machine operators

Notwithstanding the above, if the candidates declare possessing experience in sewing, upholstering, leather cutting or machine operating, they will be hired as apprentices and will be informed in writing on the hiring form that they will be subject to a classification evaluation within thirty (30) working days of their hiring date. Moreover, they will be informed that, should they fail to be evaluated after a period of thirty (30) days effectively worked, they will have to inform the Association that they have not been evaluated and the Association will inform the Human Resources department in writing.

If the classification is readjusted, they will receive the rate of the appropriate classification, retroactively to the hiring date.

9. Hiring bonus for the employees working in a department with bonus

After twenty (20) days effectively worked, the newly hired employee receives a bonus participation of 25% of the bonus payable for the corresponding efficiency level.

After twenty (40) days effectively worked, the newly hired employee receives a bonus participation of 50% of the bonus payable for the corresponding efficiency level.

After twenty (60) days effectively worked, the newly hired employee receives a bonus participation of 100% of the bonus payable for the corresponding efficiency level.

10. Evaluation for the classification of Seamstresses, Upholsterers and Assemblers

1. It is agreed that, for the positions of seamstress and upholsterer, the employees will submit to an evaluation in order to determine if they have reached a class superior to the one they occupy, according to the following dispositions :

- a) After six (6) months effectively worked in the classification, the employee may ask his foreman to be evaluated according to the current evaluation method.

If the employee is dissatisfied with the evaluation, he will inform the industrial engineering department who will proceed to re-evaluate the employee's classification. The result will be communicated to the Association and to the employee in writing by the industrial engineering department within thirty (30) days of the employee's request, including the reason in case the reclassification is refused.

ANNEX «A » (suite)

In case of a reclassification refusal, the employee may not request a re-evaluation during the six (6) months following the refusal.

- b) If the employee is reclassified to a superior classification, after nine (9) months effectively worked in this new classification the employee may ask his foreman to evaluate him according to the current evaluation method.

If the employee is dissatisfied with the evaluation, he will inform the industrial engineering department who will proceed to re-evaluate the employee's classification. The result will be communicated to the Association and to the employee in writing by the industrial engineering department within thirty (30) days of the employee's request, including the reason in case the reclassification is refused.

In case of a reclassification refusal, the employee may not request a re-evaluation during the six (6) months following the refusal.

It is agreed that in case of a modification to the present evaluation method, the Association will be informed before the application of the changed evaluation method. Moreover, if the effect of the change in the evaluation method is to downgrade or to affect the salary level of an already classed employee, it is agreed that a downgraded employee conserves his salary upon his downgrading, but may not, as of the date of the downgrading, benefit of the progression within the class from which he was downgraded. Afterward, the employee will be re-evaluated according to the collective agreement dispositions.

- c) The sample room and the maintenance department are excluded from this lining procedure.
 - d) The employees working in the foam reception, hardware department and the flying team will receive the average bonus of the production lines.
2. All salary increases are subject to study by the foreman and the personnel office considering the complete file for salary history, assiduity, seniority and efficiency by comparison with other employees executing similar work.

ANNEX « A » (suite)

11. Bonus for quality inspection

Each inspector will receive a quality inspection bonus established from the average production lines bonus, in relation to the percentage of waste which is calculated is the number of service calls corresponding to the service codes identified each year by the Company, compared to the total service calls. To be eligible at 100% of the average production lines bonus, the percentage of waste must be of 3%. If the Inspector is eligible to a bonus for quality inspection, it will be calculated in the following manner:

Year Ex.	Total calls	Coded calls	% waste	Average lines bonus	% lines bonus 3.2%	Inspection Bonus
X	28187	914	3.2%	0.92\$	95%	0.87\$ (95% X 0.92\$)

Percentage of waste	Bonus	Percentage of waste	Bonus
0%	175%	4%	75%
0.20%	170%	4.20%	70%
0.40%	165%	4.40%	65%
0.60%	160%	4.60%	60%
0.80%	155%	4.80%	55%
1%	150%	5%	50%
1.20%	145%	5.20%	45%
1.40%	140%	5.40%	40%
1.60%	135%	5.60%	35%
1.80%	130%	5.80%	30%
2%	125%	6%	25%
2.20%	120%	6.20%	20%
2.40%	115%	6.40%	15%
2.60%	110%	6.60%	10%
2.80%	105%	6.80%	5%
3%	100%	7%	0%
3.20%	95%		
3.40%	90%		
3.60%	85%		
3.80%	80%		

This quality bonus is calculated and paid in April, June, September and December in proportion to the hours effectively worked as inspector, as long as the employee is still employed by the Company at the dates of payment.

ANNEX « B »

1. Material loan

Whenever an employee leaves the premises or the factory with materials, he must have a written authorisation. The Company has the right to make the necessary verifications whenever it deems necessary.

The employee must show his El Ran identification card to the security guard.

2. Change of address

The employee must advise the Company in writing of any change of address or telephone number

3. Disciplinary measures

Every disciplinary offence kept in the employee's file must be annulled twelve (12) months after the day the incident occurred in the case of major incidents and six (6) months after the day the incident occurred in the case of minor incidents, except in the case of lateness.

The Employer may reprimand, suspend or dismiss an employee for just and reasonable cause; it is agreed that this disciplinary measure will take into account the seriousness of the offence, so that the sanction given to the employee is in proportion with the offence.

All written disciplinary measures must be communicated to the employee within the ten (10) working days following the Company's notification of the events leading to this measure, except under exceptional circumstances.

If the employee or the union disagree with the imposed sanction, the employee may have recourse to the grievance procedure.

In the case of dismissal, the burden of proof rests on the Employer.

A suspension does not interrupt the calculation of an employee's seniority.

When the Employer summons an employee for disciplinary measures, he must summon at the same time the Union representative.

When an employee contests a disciplinary measure, he may ask the Employer for a copy of the former disciplinary measures.

ANNEX « B » (suite)

Every employee who remains on the factory premises during lunch must have lunch in the dining room set up by the Company. It is agreed that it is forbidden for the employees to eat or drink on the Company's premises, except in those places designated to that effect by the Company (except water); it is forbidden to enter the factory with glass bottles. An employee who is found to go against these rules may get a disciplinary measure (minor offence).

It is agreed that the employees will maintain the dining room reasonable clean and in hygienic conditions.

Disciplinary measures (minor offence) may be taken against an employee for his uncleanness.

4. Minor offences

- a) Loitering.
- b) Time spent at the cafeteria during the working hours, without permission.
- c) Absence without notice or without authorization; the employee must notify the personnel office of his absence as soon as possible before the beginning of his shift or, in exceptional cases, in a maximum delay of 2 hours. The Company may require a justification on demand, if there is subsequent offence.
- d) Abuse of the Company's property.
- e) Omission to punch his card or punching in the wrong manner.
- f) Omission to complete the time sheet or completing the time sheet in a wrong manner.
- g) Leave his workstation before stopping time or returning late to his workstation.
- h) Reading newspapers, magazines, etc., and/or eating during the working hours.
- i) Errors in production quality.
- j) Use of a cellular telephone, a camera or a video camera in the factory without a formal and exceptional authorization on behalf of the human resources department or the production director.
- k) Violation of minor security rules.

ANNEX « B »

- l) Any other minor offence.
- m) Any employee who does not show up at the required time, with no valid reason, in order to work overtime, when he has already accepted to work on overtime, is subject to disciplinary measure.

1 st offence :	Verbal warning
2 nd offence :	Written warning
3 rd offence :	One day suspension maximum
4 th offence :	Three day suspension maximum
5 th offence :	Dismissal

5. Non Smoking rules

It is strictly forbidden to smoke in all departments and in the washrooms. Any employee who commits such an offence is liable to:

1 st offence :	One week suspension maximum
2 nd offence :	Two weeks suspension maximum
3 rd offence :	One month suspension maximum
4 th offence :	Dismissal

6. Major offences

- a) Unjustified absence for two or more consecutive days.
- b) Theft.
- c) Acts of violence;
- d) Presence on the Company's premises under the influence of drugs or alcohol.
- e) Bringing, keeping or consuming drugs or alcohol on the Company's premises.
- f) Damages to the Company's property or other people's property.
- g) Falsification of the time registers or punching another employee's card.
- h) Refusal to execute the work as required.
- i) Buying or selling alcohol, narcotics or illegal cigarettes.
- j) Insubordination.

ANNEX «B » (suite)

- k) Throw or drop voluntarily the furniture or different parts of the furniture (ex: frame, seat, back, arm or the whole item).
- l) Any other major offence.

An employee who has committed one or another of the above mentioned offences may be immediately dismissed.

7. Lateness without permission

No disciplinary measures will be given to an employee who, for reasons out of his control, arrives late to the factory in the three (3) minutes after the start of the regular work hours.

All factory employees must be at their workstation at the first minute of their work shift, if not, disciplinary measures for minor offences will be applied.

- 1. At the third lateness during any period of twelve months :
Written warning;
- 2. At the fourth lateness during any period of twelve months :
Written warning;
- 3. At the fifth lateness during any period of twelve months :
Written warning;
- 4. At the sixth lateness during any period of twelve months :
Suspension for one day;
- 5. At the seventh lateness during any period of twelve months :
Suspension for two days;
- 6. At the eighth lateness during any period of twelve months :
Written warning;
- 7. At the ninth lateness during any period of twelve months :
Suspension for three days;
- 8. At the tenth lateness during any period of twelve months :
Suspension for five days;
- 9. At the eleventh lateness during any period of twelve months :
Written warning;
- 10. At the twelfth lateness during any period of twelve months :
Dismissal.

ANNEX « B » (suite)

8. Unmotivated absences

THE FOLLOWING RULES APPLY TO UNMOTIVATED ABSENCES :

1. At the fourth day of absence without justification in the same twelve (12) month period :

A written notice requesting a written justification for any other absence.

2. At the fifth day of absence without written justification in the same twelve (12) month period :

One (1) day suspension.

3. At the sixth day of absence without written justification in the same twelve (12) month period :

Three (3) days suspension.

4. At the seventh day of absence without written justification in the same twelve (12) month period :

Dismissal.

Justified absences are : Vacations, previously authorized unpaid absence, absence for illness with medical certificate, and any social holiday described in the collective agreement or any holidays authorized by law.