

AGREEMENT

between



**SEALY CANADA LTD. /LTEE.
Edmonton, Alberta**

And



**United Steel, Paper and Forestry, Rubber,
Manufacturing, Energy, Allied Industrial and
Service Workers International Union
Local 1-207**

December 1, 2017 To November 30, 2021

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AGREEMENT

THIS AGREEMENT made this 18th day of January, 2018 between SEALY CANADA LTD./LTEE. at the plant located at 14550 - 112th Avenue, Edmonton, Alberta, T5M 2T9 (hereinafter called “the Company”), of the first part, and United Steelworkers Local 1-207 (hereinafter called “the Union”), of the second part.

WHEREAS it is the intent and purpose of the parties hereto that this Agreement shall promote and improve the industrial and economic relationship between the employees and the Company, and to set forth herein the basic agreement covering rates of pay, hours of work and conditions of employment to be observed between the parties hereto.

NOW THEREFORE, in consideration of the mutual covenants and agreement herein set forth, the parties hereto mutually agree as follows:

ARTICLE 1 - BARGAINING AGENT

- 1.01 The Company agrees to recognize the Union as the sole collective bargaining agent for all its employees who are in the unit of employees for which it is the certified bargaining agent for so long as the Union continues to be certified as such bargaining agent pursuant to the terms of the Alberta Labour Relations Code.
- 1.02 “Employees” as used herein refers to those employees employed in the classifications set forth in the schedules attached hereto and for greater certainty excludes foremen with the right to hire and fire, sales staff and office staff. All reference to “employees” designate both sexes and whenever the male gender is used, it shall be construed to mean male and female employees.

ARTICLE 2 - UNION RIGHTS

- 2.01 All employees shall as a condition of continued employment, maintain their Union membership in good standing.
- 2.02 (a) All new employees, within thirty (30) calendar days of the date of being hired, shall obtain and maintain membership in good standing in the Union as a condition of continued employment. This provision shall be strictly enforced for all new employees, either full-time or temporary as well as summer students.
- (b) The Unit Chairperson or his designate will be introduced to the new employees during the employee orientation. Once an employee has passed his probationary period, the Unit Chairperson will have an opportunity to speak to the new employees about the Union, the Collective Agreement and standing committees at work and at a time mutually agreeable with the Company and Union.

- 2.03 The Company shall deduct bi-weekly, from the wages of all employees, the regular monthly Union dues including initiation fees, if any, and the Company shall further deduct such other dues and assessments as are specifically required by the employee to be deducted by the Company from the employee's wages by way of a written assignment directed to the Company by the said employee. It shall be the responsibility of the Union to promptly notify the Company in respect to any changes in the amount of monthly dues.
- 2.04 All monies required to be deducted by the Company in accordance with the aforesaid provisions of this Article shall be forwarded by the Company to the Secretary-Treasurer of the Union on or before the 15th day of the calendar month in which they are deducted together with a written list showing the name of each employee for whom deductions are being remitted and the amount deducted from the wages of each of the said employees.
- 2.05 The Company shall furnish space for a bulletin board in the plant for the exclusive use of the Union. The Company reserves the right to limit the use of such bulletin board to legitimate Union business and all such notices posted shall have prior Company approval.
- 2.06 (a) Employees who have been elected or appointed by the Union to attend Union conventions or do similar work for the Union may be granted a leave of absence without pay for this purpose. Not more than four (4) employees may be granted leave for this purpose. Such approval shall not be unreasonably withheld.
- The Union agrees to provide (2) weeks' notice in writing requesting such leave.
- (b) The Company will grant to not more than one (1) employee a leave of absence for up to one (1) year (or once per calendar quarter) to work in an official capacity for the local or International Union.
- (c) Seniority will be maintained and accumulated during any Union leave.
- 2.07 (a) In addition to the Chief Steward, a Shop Steward shall be elected or appointed by the Union in each of the following departments: Sewing, Foundations, Mattress, and Shipping. In addition in the event the Company establishes any new departments or multiple shifts, the Union may appoint or elect a Shop Steward for each such department or shift.
- (b) A Shop Committee shall be established consisting of all Stewards and the Unit Chairperson. It shall be the duty of the Shop Committee to assist in carrying out the terms of this Agreement, to assist in the adjustment and settlement of grievances and complaints and to prevent violations of this Agreement.
- (c) The Company agrees to meet as often as necessary with the Shop Committee to discuss employee - Company matters including safety matters. Except in special circumstances, the frequency of meetings shall not be more than once a month.

- (d) Members of the Shop Committee shall be paid at their average hourly rate for the time spent at meetings referred to in 2.07 (c).
- (e) The Union Business Representative shall have access to the plant for the purpose of assessing new job classifications, settling grievances or for any other legitimate purpose, provided he/she has secured prior permission from the Company's Labour Relations Office, such permission not to be unreasonably withheld.
- (f) The Union shall advise the Company, in writing, of the names of all elected Stewards and Shop Committee members as described in this Article. The Company shall recognize only those Stewards and Shop Committee members identified in this notice.
- (g) A Steward will be made available during formal discipline or in a meeting that may lead to discipline. Stewards that are required to attend the aforementioned meetings will not suffer any loss of pay.
- (h) The Company and the Union agree that there will be no discrimination, intimidation, favoritism, or harassment against any employee or management representative because of sex, race, color, national origin, religious creed, marital status, political affiliation, Union membership, sexual orientation, or because the employee or management representative has exercised or failed to exercise any right specifically provided for under this agreement. The Parties agree to distribute the current copies of the Company's and Union's harassment policies to each employee (salaried and hourly) once every six (6) months.
- (i) The Company will pay employees at their average rate for participation in Continuous Improvement events, Safety or Ergonomic meetings, or other mandatory meetings.

ARTICLE 3 - MANAGEMENT RIGHTS

- 3.01 The Union recognizes the Company's right to operate and manage its business in all respects as it sees fit, subject to the terms of the Collective Agreement, to hire, discipline, promote, demote, transfer, suspend, lay off or otherwise discipline or discharge for proper and just cause.
- 3.02 The Union further recognizes the right of the Company to control and manage its business in all respects as it sees fit and to make and alter from time to time reasonable rules and regulations to be observed by employees and penalties for the breach of such rules. Such rules and regulations shall not, however, be inconsistent with the provisions of this Agreement. Without restricting the generality of the foregoing, it is agreed and understood that the following matters are within the exclusive jurisdiction of the Company:

Location of the plants;

Products to be manufactured;
Schedules of production;
Assignment of work;
Number of persons employed in any department or plant;
Methods, processes and means of manufacturing or operations;
Use of improved methods, machinery or equipment;
Buildings, machinery and tools.

- 3.03 All plant rules and regulations shall be posted on the Company's bulletin board before becoming effective. A copy of any new or revised plant rules or regulations shall be given to the Shop Committee five (5) days prior to it being posted and will be conveyed to all employees prior to implementation.
- 3.04 In the event the Company intends to introduce a major technological change, the Company shall, in writing, give the Union thirty (30) calendar days' advance notice of the proposed change.

ARTICLE 4 - HOURS OF WORK

- 4.01 This article defines the anticipated normal hours of work and shall not be construed either as a guarantee of hours of work per day or per week or as a restriction on the scheduling of a longer or shorter work day or work week whenever, in the opinion of the Company, it is necessary to meet business requirements.
- 4.02 The normal workweek shall comprise five (5) days being Monday through Friday of eight (8) hours of work per day for a total of forty (40) hours of work per week. The normal day shift shall start between 6:00 a.m. and 9:00 a.m. The Company shall post a notice (18) eighteen hours prior to changing the start of a shift, and shall verbally notify each affected employee of the new start time.
- 4.03 When an employee reports for his/her regular shift and there is no work available or if they report for work and commence work, unless the employee requests to leave, he/she shall receive four (4) hours pay at his/her regular hourly rate unless he/she was notified at least two (2) hours before starting time not to report for work. Such notification not to report to work may be given by the Company to the employee personally, or by telephone at his/her last known phone number on the Company's records. In the event of a power failure, fire, flood, or any other reason beyond the control of the Company and there is no work available for the employee, then in such event, the Company is not required to notify the employee not to report for work and further in such event the employee shall not receive four (4) hours regular pay despite the absence of notice of lack of work.

- 4.04 Employees shall be entitled to two (2) paid break periods of ten (10) minutes each: one to be taken during the first half of the shift and the other during the second half of the shift at a specific time and in the rest area as designated by the Company.
- 4.05 Each employee shall have a half-hour unpaid lunch period not later than during the fifth hour of his/her shift.
- 4.06 Employees who have completed their regular shift shall not be required to work another full shift unless there has been an eight (8) hour rest period between shifts.
- 4.07 The afternoon shift shall start between the hours of 2:30 p.m. and 6:30 p.m., and employees working the afternoon shift shall receive a shift differential for hours worked of fifty cents (50¢) per hour. Incentive workers shall receive fifty cents (50¢) per hour in excess of their normal incentive earnings. The Company shall post a notice eighteen (18) hours prior to changing the start time of a shift, and shall verbally notify each affected employee of the new start time.
- 4.08 The graveyard shift shall start between the hours of 10:00 p.m. and 12:00 midnight and employees working the graveyard shift shall receive a shift differential for hours worked of forty-five cents (45¢) per hour. Incentive workers shall receive forty-five cents (45¢) per hour in excess of their normal incentive earnings. The Company shall post a notice eighteen (18) hours prior to changing the start time of a shift and shall verbally notify each affected employee of the new start time.
- 4.09 Where it is required to schedule an employee to the afternoon or night shift, the senior qualified employee will have preference. Where there are no volunteers for the second or third shift, the employer will assign the junior qualified employee. In the event a less senior employee is subsequently assigned to the position on the first shift, the employee so reassigned will be returned to his or her original shift.

ARTICLE 5 - OVERTIME

- 5.01 All work in excess of eight (8) hours in a day shall be paid for at the following rates:
 - (a) Monday through Friday, time and one-half.
 - (b) All hours worked on Saturday, time and one-half.
 - (c) All hours worked on Sunday, double time.

Notwithstanding the above, all hours worked in excess of forty-eight (48) hours in a week shall be paid at double time rates. Should the Company engage in continuous shift operations at any time, Saturday shall be read to mean first scheduled day of rest, and Sunday, second scheduled day of rest, and the period Monday through Friday shall be read to mean the employee's five (5) scheduled work days preceding the day of rest.

During the term of this agreement, the parties agree that the Company will continue to make overtime payments consistent with its past and current practices.

- 5.02 In the event of any employee working overtime immediately following his/her regular shift, the following shall govern with respect to rest periods:
- (a) Where the anticipated amount of overtime is in excess of one (1) hour but less than two (2) hours, the employee shall be allowed a paid ten (10) minute rest period which shall be taken immediately after the conclusion of the employee's regular shift and prior to commencing overtime work.
 - (b) Where the anticipated amount of overtime is in excess of two (2) hours, the employee shall be allowed a paid ten (10) minute rest break, which shall be taken immediately after the conclusion of his/her regular shift and prior to commencing the overtime work. A further twenty (20) minute paid lunch period shall be allowed after two (2) hours of overtime and if the overtime is in excess of four (4) hours total, then a further ten (10) minute paid rest period shall be allowed after four (4) hours over-time. The Company shall provide an adequate lunch where overtime in excess of two (2) hours is worked.
- 5.03 Overtime for employees engaged on incentive work shall be that employee's incentive earnings plus one-half of the employee's average hourly rate of pay for each hour worked when entitled to "time and one-half" overtime under paragraph 5.01, and incentive earnings plus the employee's average hourly rate of pay for each hour when entitled to "double time" overtime under paragraph 5.01. Average hourly rate shall be arrived at by dividing the total straight time earnings earned for the week by the total hours worked by the employee in that week, excluding holidays.
- 5.04 It is agreed that overtime shall be on a voluntary basis, however, it is also agreed that the least senior qualified employee shall be required to work if no one shall volunteer. The Company shall not discriminate against or discharge any employee for refusing to work overtime. When an employee accepts overtime and does not report for work, he/she may be subject to the rules of the Company's Attendance Program. Such rules shall be applied without discrimination.
- 5.05 Overtime work shall be distributed among employees in their bid jobs based upon seniority. If no employee in the bid job desires the overtime, then the senior qualified employee within the department will be offered the overtime.

ARTICLE 6 - DIVISION OF WORK

- 6.01 In the event of a reduction in hours of the normal work week to less than thirty-four (34) hours for the majority of the employees in a specific department on a specific shift for a period of two (2) consecutive weeks the Company will reduce the work force by first laying off all temporary employees, then all probationary employees, and then full-time employees in reverse order of their seniority to a level required to return the normal work week to thirty-four (34) hours.

- 6.02 The Company agrees when employee(s) in a department are going to be sent home early, they shall first send home all temporary employee(s). Senior employees may request to be sent home and this will be left to the discretion of the Company. Thereafter employees in the department will be allowed to displace least senior employee in the department. The senior employee(s) will have to be qualified to perform the job. Employee(s) being sent home shall be notified two (2) hours prior to the time of being sent home except in an emergency. Employee(s) displacing the least senior employee(s) will be paid at the rate of the job being performed.
- 6.03 In the event that an incentive worker is without work due to machine maintenance or lack of material, the employee must notify the supervisor within the first ten minutes of the down time. The incentive employee will be paid at his/her base rate for the first thirty (30) minutes of such down time. For occurrences exceeding thirty (30) minutes, the supervisor may reassign the employee to an incentive position that he/she is qualified to perform; to a day work position; or may send the least senior employee home. Employees reassigned will be paid the rate of the job performed. Provided however, that this section will not apply to downtime caused by employees absenteeism or that covered by Section 4.03.

ARTICLE 7 - SENIORITY

- 7.01 The Parties recognize that job opportunity and security shall increase in proportion to length of service. It is, therefore, agreed that in all cases of vacancy, promotion, demotion, transfer between jobs and transfer between shifts, training opportunities, decrease in the work force, and recall after layoff, senior qualified employees will have preference.
- 7.02 Seniority shall mean the length of time of his service since his last hiring by the Company. Upon recall, the employee who bumped must return to his/her original position and shift.
- 7.03 Opportunities for cross training will be posted as they arise, with a copy to be provided to the Shop Committee. Preference in training will be on the basis of seniority, consistent with the requirements of the operations. Employees indicating the desire to be cross-trained will only receive training for one position at a time. The Union will be provided the names of employees to be cross-trained. Upon completing the period of cross-training determined by the Company, an employee will be required to demonstrate their ability to perform the duties of the job trained for, and prove "qualified" as set forth in 7.07 (b) and 7.07 (c).

This is not to provide any guarantee that cross-training will be provided within any particular time frame.

Employees who receive cross-training and are unable to qualify will not receive retraining on the position and will be considered not qualified.

Employees cross-trained under this provision may be required to fill in on cross-trained positions as required.

7.04 In determining the status of an employee for the purpose of this Agreement, the following definitions shall be applicable:

PERMANENT EMPLOYEE: An employee who has been hired for a non-temporary position and who has successfully completed his/her probationary period.

PROBATIONARY EMPLOYEE: An employee who has been hired for a non-temporary position and who has not completed his/her probationary period.

TEMPORARY EMPLOYEE: An employee who has been hired for a period not exceeding two (2) months or a student who has been hired for temporary work in a period not in excess of four (4) months beginning the month of May. A temporary employee hired for a second term within a thirty-day period from his/her last period of employment shall be considered a probationary employee as defined in Section 7.06 (a).

7.05 The Company shall maintain a current seniority list by job classification and plant seniority. Such list shall be posted by the 15th of each month, reflecting incumbent positions and identification of primary function (the function performed most frequently).

7.06 (a) Upon a probationary employee successfully completing his/her probationary period of ninety (90) calendar days (or such longer period as agreed between the parties hereto), he/she shall have his/her name added to his/her appropriate seniority list and his/her seniority shall date from the time he/she was hired. In the event the Company in its judgment is not satisfied that a probationary employee is making satisfactory progress in acquiring the necessary skill and ability to perform his/her work or service is disrupted by layoff or leave of absence, the Company and the Union may mutually agree to extend the probationary period for a maximum of thirty (30) calendar days in respect of such an employee for such an additional period of time as agreed.

(b) Temporary employees shall not acquire seniority for purposes of job postings until such time as they become regular full-time employees and are subject to layoff before regular fulltime employees. The names and initial hire dates of temporary employees will be made part of the list provided for in 7.05.

7.07 (a) In the event of layoff or rehiring, the aforesaid seniority lists for each job classification shall be used as a guide in determining the order of layoff and rehiring on the principle - first on, last off - first off, last on. That is, the person in the job classification affected in layoff who has the least seniority in that classification shall be the first to be laid off and the last to be rehired in that classification.

(b) An employee may displace another employee if a layoff is necessary through the exercise of seniority (which is called "bumping") in the following manner:

An employee who is laid off or sent home with not less than four (4) hours left in the work day due to a reduction in his or her daily work hours from a particular job classification or department may bump another employee in another job classification or department provided the employee doing the bumping is qualified or cross-trained (has been able to meet quality specifications at not less than one hundred percent (100%) production performance) to perform the job and has greater plant seniority than the employee being bumped. Upon recall, the employee who bumped must return to his/her original position and shift.

- (c) If an employee bumps another employee, but within five (5) working days of such bump the Company determines that the bumping employee is not qualified to do the job to which they bumped, notwithstanding their seniority, such employee may be laid off. This five (5) day period will be extended another five (5) days if the employee is performing at eighty percent (80%) or above, within acceptable quality specifications. After the additional five (5) days an employee is expected to be at or exceeding one hundred percent (100%) to maintain that bumped job. An employee will not be permitted to bump to a job once they have been disqualified. During this qualification period, the bumping employee will be paid at the standard hourly rate of the job if non-incentive, or their rate of production on the job if incentive.
- (d) In the event an employee with three (3) or more years seniority (accumulated in one or more job classifications) is to be laid off due to the elimination of his/her current job classification as a result of technological change, or changes in production requirements, the Company will meet with the Union and make every reasonable effort to find some other suitable job for such employees.
- (e) In the event of a lay-off, senior employees may choose to elect to take a voluntary lay-off. A senior employee wanting a voluntary lay-off will make his/her intention known to management in writing with a copy to the Union. Voluntary lay-offs will be subject to operational requirements and will not be unreasonably denied.

7.08 A regular full-time employee who is laid off shall have his/her name removed from the seniority list at the expiration of the term specified below:

- (a) At the end of a period of layoff equal to actual service, if an employee has less than six (6) months of continuous service at time of layoff.
- (b) At the end of a twelve (12) month period from date of layoff, if an employee has between six (6) months and five (5) years of continuous service at the time of layoff.
- (c) At the end of an eighteen (18) month period from date of layoff, if an employee has more than five (5) years of continuous service at time of layoff.

While an employee's name remains on the applicable seniority list, the Company shall give him preference in rehiring if he/she is competent to do the job that is available.

- 7.09 A regular full-time employee who ceases to do a job covered by this Agreement as a result of his/her being promoted or transferred out of the bargaining unit shall forfeit all seniority. The affected employee may return to the bargaining unit at a later date as a new employee.
- 7.10 If an employee is absent from work for any of the following reasons, he/she shall continue to accumulate seniority during such absence:
- (a) Industrial accident or industrial illness (as determined by Workers' Compensation), not in excess of forty (40) months;
 - (b) Other accident or sickness not in excess of sixteen (16) months;
 - (c) Maternity or Paternity leave as provided by law.
 - (d) Authorized leave of absence.
- 7.11 A copy of the written authorization by the Company under 7.10 (d) shall be given to the employee and to the Union.
- 7.12 An employee shall lose his/her seniority if:
- (a) He quits or is discharged for just cause;
 - (b) After obtaining a leave of absence, he/she fails to report for work at the expiration of his/her leave of absence;
 - (c) After obtaining a leave of absence, he/she takes employment elsewhere unless the Union and the Company have first given their written consent hereto.
 - (d) He retires.
 - (e) He fails to report for work after a layoff within five (5) work days after a written notice of recall is sent by the Company by registered mail - return receipt requested to the employee at his/her last address of record on file with the Company.
 - (f) He/she fails to report for work or call in for three (3) consecutive shifts.
- 7.13 The Company shall have the right to employ a non-bargaining unit employee (e.g. Sales Representatives, Supervisor, etc.) to work on a bargaining unit position(s) for a period of 60 days for the purpose of training or gaining experience in the operations of the Company, so long as his/her employment does not result in the layoff of a regular full-time employee.

- 7.14 (a) In the event a new job is created or permanent vacancy occurs in an existing job, notice of the primary vacancy and first secondary vacancy or new job shall be posted for bid on the Company's bulletin board for a period of not less than five (5) working days.

Any employee (including those on layoff who shall be notified by the Union) who wishes to apply for such job opening must do so by filling out the formal bid form which shall be supplied by the Company. The bid form will be in triplicate, with a copy to the Company, a copy to the Union and a copy to the employee.

At the end of the five (5) day working period, the Company shall award the job vacancy to the senior applicant with the qualifications, posted cross training ability and past work experience. If there are no suitable applicants from within the work force, the Company can hire an outside person to fill the position. The Union will be provided copies of job postings indicating the successful applicant. A copy of said posting will be posted on the bulletin board and will provide a brief job position title and the rate of pay per the Collective Agreement. Junior employees will not be awarded a position over a senior employee based on work experience gained through a non bid position. The Company will notify the Union and give reasons, in writing, when a job posting is to be canceled.

- (b) No applicant shall be awarded more than one job in any six (6) month period.
- (c) The successful applicant for the job will normally be assigned as soon as possible, (no later than twenty (20) working days). In the event that the bidder placed on a posted job is unable to perform it, he/she may be returned to his/her former job at any time within twenty (20) working days after being assigned to the job or the employee may displace the least senior employee in the plant provided he/she has more seniority and is qualified to perform the available work.

ARTICLE 8 - GENERAL HOLIDAYS

- 8.01 (a) The following days or the day stipulated by law for observing any of the holidays listed hereunder together with any holidays declared by a civic, provincial or federal authority shall be general holidays within the meaning of this Agreement.

New Year's Day	August Civic Holiday
Alberta Family Day	Labour Day
Good Friday	Thanksgiving Day
Easter Monday	Remembrance Day
Victoria Day	Christmas Day
Canada Day	Boxing Day

- (b) All regular full-time employees shall be paid eight (8) hours pay at their straight time hourly rate, including shift premium, for each of the above holidays. If any holiday falls on a Saturday or Sunday, the holiday shall be observed on the following Monday. Employees engaged on incentive work shall have their holiday pay for all of the above holidays based on their average hourly earnings for the days worked in the two (2) pay periods immediately preceding the holiday. OTR Drivers shall be paid eight (8) hours pay at one hundred, thirty percent (130%) of their straight time hourly rate.
- (c) In order to qualify for holiday pay or overtime pay for work on holidays mentioned in this Section, the employees must be on the Company's payroll, and must have worked for the Company a total of thirty (30) working days during the preceding twelve (12) months and also must have worked their scheduled hours of work on the last scheduled work day immediately before the holiday and their scheduled hours of work on the first scheduled work day immediately following the holiday. Employees absent either before or after a holiday due to sickness or accident and who can provide proof of such sickness or accident to the satisfaction of the Company, or employees who have been granted leave of absence with pay by the Company during the time in which the holiday falls, shall be deemed to have worked the day before and/or the day after the said holiday and shall be entitled to the holiday benefits as outlined in this Article. Employees on lay-off shall not be entitled to holiday benefit unless they were laid off within a period of fifteen (15) calendar days preceding the holiday.

8.02 Temporary and probationary employees who are on the Company's payroll as of the date of the holiday and who have worked a total of thirty (30) working days during the preceding twelve (12) months, shall receive one (1) day's regular pay, that is, eight (8) hours pay at the employee's regular straight time rate for all of the holidays, provided such employees have worked their scheduled hours of work on the shifts immediately before and immediately after the said holiday (unless such failure to work the shift before or after was due to sickness or accident and proof satisfactory to the Company is provided). If such temporary or probationary employees are incentive workers, then their holiday pay shall be based on their average hourly earnings for days worked in the two (2) pay periods immediately preceding the holiday.

8.03 Where an employee is required to work on a holiday which is recognized by this Article as being a holiday for that employee, such employee shall be paid at the rate of double his/her regular hourly rate for such work in addition to his/her holiday pay allowance as provided in Section 8.01 or 8.02.

ARTICLE 9 - VACATIONS

9.01 For the purpose of this Article, days on vacation and Statutory Holiday as defined in this Agreement shall be included in calculating an employee's entitlement to an annual vacation to be granted in the following year.

- 9.02 (a) Each employee who has completed one (1) working year with the Company shall receive two (2) weeks' vacation with pay in the greater amount of eighty (80) hours of his/her regular hourly rate or four percent (4%) of his/her actual gross earnings during his/her preceding working year provided that if the Company closes its plant for a two (2) week vacation period before an employee completes one (1) working year, such employee shall be paid four percent (4%) of his/her actual gross earnings from commencement of his/her employment until December 31st.
- (b) Each hourly rated employee with five (5) or more years of service shall receive three (3) weeks' vacation with pay at six percent (6%) of his/her gross earnings during his/her preceding working year.
- (c) Each hourly rated employee with twelve (12) or more years of service shall receive four (4) weeks' vacation with pay, at eight percent (8%) of his/her gross earnings during his/her preceding working year.
- (d) Each hourly rated employee with twenty (20) or more years of service shall receive five (5) weeks' vacation with pay at ten percent (10%) of his/her gross earnings during his/her preceding working year.

9.03 Employees who are eligible for vacation under this Article shall receive their vacation periods as follows:

- (a) Employees entitled to two (2) weeks' vacation shall receive two (2) consecutive weeks of vacation. Should the Company not shut down for a two (2) week vacation period, the vacation allotment shall be based upon the seniority of the employee or by way of agreement with the employee.
- (b) Employees may request to schedule their vacations in consecutive weeks. Such requests will be granted in accordance with the needs of the business.
- (c) Any deviation from the above vacation allotment system shall be by way of mutual consent of the Company, the affected employee, and the Department Shop Steward.
- (d) Vacations will be allotted by allowing a minimum of one (1) person per classification or to a maximum of ten percent (10%) of employees per job classification to take vacation during the prime vacation period. For the purpose of this clause, prime vacation period will be between the months of June through September inclusive and the period between December 15th of the current year and January 15th of the following year.

- 9.04 The Company agrees that in the event of a plant vacation shutdown, the shutdown shall occur during the school summer vacation period. The Company will endeavor to provide as much notice as possible in the scheduling of cancellation of a planned vacation shutdown. Further, employees who have made documented arrangements or vacation plans, which involve the necessary loss of money to the employee in the event of cancellation in order to work during their scheduled and approved vacation period, shall have the option of taking their vacation as previously scheduled and approved.
- 9.05 Employees who submit a vacation request for the following calendar year by October 31st of each year will have their vacation request approved subject to production requirements, on the basis of seniority. Employees who apply for vacation after October 31st will receive their vacation for the following calendar year subject to production requirements, on a first come basis. An approved vacation schedule will be posted by November 30th of each year. The vacation planner (one) will be updated on a monthly basis. The Company will provide employees with a copy of their vacation request form.
- 9.06 Vacation year shall be from January 1st to December 31st.
- 9.07 Gross earnings for the purpose of calculating vacation pay shall comprise total salary or wages, overtime, statutory holiday pay, and vacation pay.
- 9.08 It shall be mandatory for all employees to take all vacation by December 31st of each year. There shall be no banking of holidays from one vacation year to another, nor shall employees receive vacation and continue working.

ARTICLE 10 - GRIEVANCE PROCEDURE

- 10.01 Any dispute concerning the interpretation, operation, application, or alleged violation of this Agreement shall be dealt with in the following manner:
- Step 1: By conference between the aggrieved employee, Shop Steward, and the supervisor involved within forty-eight (48) hours (Saturdays, Sundays, and holidays excluded) from the time the conduct complained of occurred.
- Step 2: If the grievance is not settled in Step 1, a conference shall be held Between aggrieved employee, the Shop Steward, and the Union Representative and a management representative within five (5) working days (Saturdays, Sundays, and holidays excluded) of Step 1. Any grievance discussed at this conference shall be in writing and each of the attending persons shall have access to a copy. The written grievance must include the specific nature of the grievance, including the provisions of the Agreement involved and the identity of the employee(s) involved, and the remedy requested. If the grievance cannot be settled in the meeting, then the Company's answer shall be given in writing within five (5) working days.

Step 3: In the event the dispute or grievance is not settled in Steps 1 and 2, the aggrieved party may, within five (5) working days following date of receipt of the Step 2 answer, refer the matter to final and binding arbitration by written notice to the other party. However, by mutual agreement, the Business Agent and the Company's Representative may meet before final submission of the dispute to arbitration to attempt to resolve the matter. Upon request of the Union, the grievor may also be in attendance at the 3rd step meeting.

10.02 A grievance by the Union, or by the Company, shall be filed within fifteen (15) working days of the alleged occurrence causing the complaint and shall be initiated by setting forth the grievance in writing and giving a copy thereof to the other party. The Union and the Company shall endeavor to resolve the grievance within fifteen (15) working days of the date of it being filed and failing to do so, the grievance may then, within a further ten (10) working day period, be referred to arbitration as hereafter set forth.

10.03 (a) Any grievance concerning the interpretation, operation, application or alleged violation of this Agreement, which has been properly carried through all the steps of the grievance procedure outlined above, and which has not been settled to the satisfaction of the griever may be referred to arbitration.

(b) In the event that any grievance has not been settled through the procedure outlined in step 3 above, either party may, submit the grievance to an Arbitrator. The selection of an Arbitrator shall be in rotation from the following panel, if available to act. The selection of an Arbitrator for the next arbitration shall commence with the next name.

1. Chris Sullivan
2. David Tettensor
3. David Jones

The Arbitrator shall convene a hearing and hear the evidence of both parties and render a written decision within thirty (30) days after the completion of taking evidence deciding the matter at issue within the existing provisions of the Agreement. In no event shall the Arbitrator have the power to add to, subtract from, alter or amend this Agreement in any respect.

(c) Should the parties be unable to agree upon an arbitrator, the Minister of Labour for the Province of Alberta may be requested by either party to nominate an appointee. The time periods shall be exclusive of Saturdays, Sundays, and holidays.

(d) The decision of the arbitrator shall be final and binding on the parties.

(e) The arbitrator shall not have the power to alter or modify any of the provisions of this Agreement.

- (f) Each of the parties to this Agreement shall jointly bear the expenses of the arbitrator.
 - (g) The applicable Chief Plant Steward shall be permitted reasonable time off with pay during working hours for the purpose of processing grievances under Section 10.01.
 - (h) Failure to initiate or process a grievance within the limits set out in this Article shall result in the grievance being deemed abandoned.
- 10.04
- (a) Failure to initiate a grievance within the time limits set out in this Article shall result in the grievance being deemed abandoned.
 - (b) Failure on the part of the party obliged to respond to a grievance within the time limits set out in this Article shall result in the grievance being advanced to the next step of the grievance procedure.
 - (c) Failure of the grieving party to process or advance any initiated grievance to the next step of the grievance procedure within the time limits set out in this Article shall result in that grievance being deemed abandoned.
 - (d) Upon mutual agreement by the parties, the time limits set out in this Article may be waived or extended where circumstances warrant.

ARTICLE 11 - DISCHARGE CASES

- 11.01 If an employee alleges he has been suspended or discharged without cause, the grievance shall commence at Step Two (2) of the grievance process.
- 11.02 If an employee launches a grievance alleging improper discharge or layoff and the grievance proceeds to arbitration, and the Arbitration Board holds that the employee has been dismissed without just cause or improperly laid off, the Board of Arbitration may direct the Company to reinstate the employee and to pay to the employee a sum equal to his/her wages lost by reason of his/her dismissal or layoff, or such lesser sum as in the opinion of the Board of Arbitration is fair and reasonable. Only an employee with seniority may grieve a discharge.
- 11.03 The Company shall not make reference to warnings, suspensions or other disciplinary actions occurring twelve (12) months after the date of an infraction for absenteeism or fifteen (15) months after the date of an infraction for all other discipline. Layoffs, leaves of absence or other absences from the workplace will not count toward the accumulation of months cited under this clause.

ARTICLE 12 - GENERAL PROVISIONS

- 12.01 The wages specified in this Agreement are minimum wages. No employee shall be hired at less than the rates set forth in this Agreement.

- 12.02 If an employee has or is given a job that is not listed on the attached schedule but the employee is nonetheless within the unit of employees referred to in Article 1, the Union and the Company shall endeavor to agree upon a suitable rate for the job. Failing agreement, the rate of pay shall be set by way of arbitration pursuant to Clause 10.03 of this Agreement.
- 12.03 Supervisory and staff personnel shall not perform work covered by the classifications of this Agreement that would displace employees who are available and qualified to perform such work. Supervisory and staff personnel can, however, perform any work required in the event of the following:
- (a) Absenteeism;
 - (b) Emergencies;
 - (c) Instruction or training;
 - (d) Experimental, developmental or research work.

The Company shall apprise the Unit Chairperson of applications of the above section items.

- 12.04 When work that is normally performed by the Bargaining unit is to be contracted out, the Company will meet with the Union as far in advance as possible to review the work that is being contracted out and discuss possible alternatives.
- 12.05 All employees shall be granted a five (5) minute timekeeping and personal clean-up period immediately prior to the end of their shift.
- 12.06 The Company shall provide coveralls or work shirts and pants as well as winter gear, which includes head coverings and gloves. Employees shall be responsible for cleaning and maintaining the coveralls or work shirts and pants as well as winter gear.
- 12.07 The Company shall provide safety equipment as required, including prescription safety glasses up to a maximum of eighty dollars (\$80.00) a pair every two (2) years.
- 12.08 It shall not be a violation of this Agreement for truck drivers to refuse to cross legal picket lines established by bona-fide labour organizations at the site of the labour dispute.
- 12.09 Humanity Fund
- (a) The Company agrees to deduct the amount of forty cents (40¢) weekly from the wages of all employees in the bargaining unit as a charitable donation to the Humanity Fund, and to remit these deductions quarterly, accompanied by a list of all employees from whom this deduction has been made, to the Canadian National Office, 234 Eglinton Avenue East, 8th Floor, Toronto, Ontario, M4P 1K7.

- (b) Any employee may decline participation in the Humanity fund by providing written request to the Company with a copy to Local Union.

The Company agrees to record on each employee's T-4 slip the annual amount of Union Dues and Humanity Fund donations deducted on the employee's behalf. It is understood that the Company's sole function relative to the Humanity Fund is to deduct and forward fund contributions in the fashion directed by the Union. The Company has no responsibility or liability with regard to the Fund, administration of the Fund, Fund employees or the use of funds collected. The Union agrees to hold the Company harmless with respect to any and all claims and issues relating to the Fund.

- 12.10 Time Sheets - Down time for incentive workers shall be reviewed and authorized by the departmental supervisor or his/her designee at the time of occurrence.
- 12.11 Tool Allowance – The Company shall provide an annual tool allowance of three hundred, ten dollars (\$310.00) for each maintenance employee.
- 12.12 Pay for Negotiating Committee – the Company will pay one hundred percent (100%) of the average wages for up to three (3) people for up to four (4) days that the parties meet.
- 12.13 Education Fund – Effective December 1st, 2010, the Employer shall contribute to the Union the sum of three cents (3¢) per hour per employee for each hour worked for education and training of Union members and is to be submitted quarterly.

The money shall be made payable to the United Steelworkers, Local Union 1-207 Education and Training Fund, #202, 4264– 91A Street, Edmonton, AB, T6E 5V2 and the Employer shall provide necessary information regarding amounts paid for each employee.

- 12.14 Class One License

Truck Drivers that are required to have a Class 1 drivers license to perform their duties as an employee shall be reimbursed by the Company for the cost of a required medical.

ARTICLE 13 - SAFETY AND HEALTH

- 13.01 The Parties recognize the importance of safe conditions and work procedures in protecting employees and Company property. The Company and Union agree to co-operate in promoting and maintaining high standards of safety and health at the Company's operation in order to prevent industrial injury and illness. It is expected that all persons at Sealy Canada Ltd. property shall co-operate to promote safe work conditions, practices, and enforcement of reasonable rules of conduct and safety on the property, as established by the Company.

- 13.02 All accidents must be reported to a Floor Supervisor as soon as possible on the day of occurrence, but in no event later than the end of their scheduled shift. Employees observing any unsafe condition should promptly report it to a Floor Supervisor.
- 13.03 The Parties support the continued existence of the Health & Safety Committee, composed of not more than two (2) employees, from different departments, appointed by the Union and not more than two (2) representatives of the Company, as a joint committee established to:
- (a) Make recommendations to the Company for the maintenance of safe conditions and procedures, and;
 - (b) Promote safety and industrial health in the workplace, and;
 - (c) Inspect each department at least monthly, and;
 - (d) After each inspection tour, meet to discuss safety and health matters as have arisen on the tour, with special attention paid to repeat items.
 - (e) Create a Health and Safety Orientation program for new employees.
 - (f) It shall be mandatory that all new employees including temporary employees receive an orientation of plant rules, safety, harassment, first aid and fire stations and fire evacuation.
 - (g) A copy of any incident report (first aid) shall be given to both the affected employee and the Chief Shop Steward before the end of his or her shift.
 - (h) Safety Committee members shall not leave their assigned jobs or work areas without the approval of their direct Supervisor.
 - (i) To participate in joint work related accident/incident investigations.
- 13.04 One employee from a Department (as defined elsewhere in this agreement) may be selected to accompany the Committee on its tour of that department, unless the department is one in which a Committee member works.
- 13.05 First Aid Stations will be provided, as appropriate. Injuries will be logged as required by law.
- 13.06 An employee who is injured in the performance of duties and requires off-site medical attention shall receive pay at the average rate of the job for the remainder of their scheduled hours. The Department Supervisor shall be advised promptly of any such required absence.
- 13.07 Where the safe conduct of work involves special tools, experience or training, such work shall be performed by properly trained persons or under the supervision of knowledgeable persons.

- 13.08 The minutes of each Health & Safety Committee meeting shall be posted in the plant.
- 13.09 The Company agrees that one (1) employee from each department, who holds a First-Aid Certificate shall be paid fifteen cents (15¢) per hour over his/her regular hourly rate. Names of certified employees will be posted on the bulletin board.
- 13.10 The Company and Union's Unit Chairperson and/or designate shall meet to discuss all cases where an employee who has suffered a work related injury could return to work for full or modified duties. The Parties will discuss and decide the appropriate accommodation for the injured worker prior to the employee returning to work.

ARTICLE 14 - HEALTH AND WELFARE

- 14.01 The Company agrees to maintain the present Group Life Insurance Plan in which all employees shall enroll after sixty (60) calendar days of continuous employment with the Company. The Company will also maintain Alberta Health Plan Coverage, along with Supplemental Medical Coverage for the benefit of employees who have completed their probationary period with the Company. The Company shall pay one hundred percent (100%) of the premium costs for all such coverage for each employee and shall pay ninety percent (90%) of the premium cost for dependent coverage, if desired, with the employee paying the remaining ten percent (10%). The Company shall not be obligated to maintain any such Insurance Plan in the event it is terminated by the Insurer unless employees have spouses as dependents under the said Alberta Health Plan and Supplemental Medical Coverage.
- (a) Amount Effective December 1st, 2017, your life benefit is \$40,000.
- 14.02 The Company agrees to administer a Weekly Indemnity Program which shall be made available to all regular employees who have sixty (60) calendar days of continuous employment with the Company. The cost of this plan shall be paid on the basis of the Company paying one hundred percent (100%). All employees shall enroll in the Plan to provide universal coverage.
- 14.03 Temporary employees shall be excluded from all but the Alberta Health Plan and Supplemental Medical Coverage, provided however, that if a temporary employee becomes a regular full-time employee, he/she shall thereupon be covered under Section 14.02 and Group Life Insurance as outlined in Section 14.01.
- 14.04 The Weekly Indemnity Program shall consist of the following benefits:
- (a) Benefits payable on the fourth (4th) day of illness (excluding pregnancy); the first (1st) day after an accident; or the first (1st) day of hospitalization because of illness;
- (b) Benefits payable for the duration of disability up to a maximum of thirty-five (35) weeks for any one disability;

- (c) i) The maximum indemnity benefit for all accidents or illnesses beginning on or after December 1, 2017 will be to sixty-seven percent (67%) of the non-incentive employees' weekly earnings up to a maximum sickness benefit of nine hundred dollars (\$900.00) per week.
- ii) An incentive employees' weekly earnings for the indemnity benefit payment will be calculated by taking the average earnings of the employee over the previous twelve (12) week period. This amount will be used as the weekly earnings amount up to a maximum sickness benefit of nine hundred dollars (\$900.00) per week.

14.05 The Company shall provide a Dental Plan, as described in the plan brochure, to regular full-time employees who have completed six (6) continuous months of work from their date of hire at no cost to them. The Company will provide up to date benefit brochures. Recalls will be at nine (9) month intervals.

14.06 Prescription Drugs

- (a) The Company will provide the employees with a prescription drug card.
- (b) Eligible employees will be reimbursed for one hundred percent (100%) of the cost of generic drugs, and brand name drugs where no generic equivalent is available.
- (c) A maximum dispensing fee of seven dollars (\$7.00) will apply.

14.07 Vision Care

Effective December 1st, 2010, each employee and their eligible dependents will be entitled to a three hundred dollars (\$300.00) payment once every twenty-four (24) months. To be applied to any prescription glass or contact lens.

14.08 Paramedical Services

The Company will cover one hundred percent (100%) of the costs after each eligible employee pays the deductible for licensed physiotherapists. Physiotherapy will be capped at five hundred dollars (\$500.00) annually.

The Company will cover one hundred percent (100%) of the costs, after you pay the deductible, up to maximum of one hundred dollars (\$100.00) per person in a benefit year for licensed speech therapists and psychologists and two hundred dollars (\$200.00) per person in a benefit year for massage therapists and chiropractors. This amount will be capped on an annual basis.

14.09 Flexible Health Spending Account (FHSA)

1. Eligibility

A FHSA shall be implemented for all Regular Employees.

2. Calculation

The FSA will be calculated as follows:

One hundred fifty dollars (\$150.00) per year to be allocated to each Regular Employee on January 1st of each year in the first and second year of the agreement.

Two hundred dollars (\$200.00) per year to be allocated to each Regular Employee on January 1st in the third year of the agreement.

Two hundred fifty dollars (\$250.00) per year to be allocated to each Regular Employee on January 1st of each year in the fourth year of the agreement.

Regular Employees will be eligible for the FHSA upon becoming eligible for benefits coverage, consistent with Article 14.1. Amounts will be prorated for new hires.

3. Utilization

The FHSA may be used for the following purposes:

Reimbursement for health, vision and dental expenses that are eligible medical expenses in accordance with the Income Tax Act and supplement benefits that are covered by the benefit plans as outlined in the Collective Agreement or the benefit booklet.

4. Allocation

Reimbursement will be provided by the Employers' group benefits plan insurer upon submission of a scanned or copied version of the original receipt if submitted electronically.

5. Implementation

The FHSA shall be implemented and administered in accordance with the Income Tax Act and applicable Regulations in effect at the time of implementation and during the course of operation of the FHSA.

The Union will agree to generic prescription medications being used where available. Brand name medications where there is no generic option.

ARTICLE 15 - PENSION

- 15.01 (a) For pensions beginning on or after December 1st, 2007 the Company provided Pension Plan will recognize a benefit of twenty-five dollars (\$25.00) per month for the years of credited service from November 26, 1982 with vesting at any age and two (2) years in the Plan, subject to the conditions of the Plan document. This Plan will apply to all employees who have completed their probationary period and will recognize past service liability with Sealy Canada Ltd. /Ltee., at the previously established benefit levels, from the date of acquisition, November 26, 1982.
- (b) For pensions beginning on or after December 1st, 2008 the Company provided Pension Plan will recognize a benefit of twenty-six dollars (\$26.00) per month for the years of credited service from November 26th, 1982 with vesting at any age and two (2) years in the Plan, subject to the conditions of the Plan document. This Plan will apply to all employees who have completed their probationary period and will recognize past service liability with Sealy Canada Ltd. /Ltee., at the previously established benefit levels, from the date of acquisition, November 26th, 1982.
- (c) For pensions beginning on or after December 1st, 2009 the Company provided Pension Plan will recognize a benefit of twenty-seven dollars (\$27.00) per month for the years of credited service from November 26, 1982 with vesting at any age and two (2) years in the Plan, subject to the conditions of the Plan document. This Plan will apply to all employees who have completed their probationary period and will recognize past service liability with Sealy Canada Ltd. /Ltee., at the previously established benefit levels, from the date of acquisition, November 26th, 1982.
- (d) For pensions beginning on or after December 1st, 2016 the Company provided Pension Plan will recognize a benefit of twenty-eight dollars and fifty cents (\$28.50) per month for the years of credited service from November 26, 1982 subject to the conditions of the Plan document. This Plan will apply to all employees who have completed their probationary period and will recognize past service liability with Sealy Canada Ltd. /Ltee., at the previously established benefit levels, from the date of acquisition, November 26th, 1982.

ARTICLE 16 - JURY - WITNESS DUTY

- 16.01 When an employee is called for jury duty or subpoenaed to appear as a witness he/she shall be paid the difference between one hundred percent (100%) of his/her normal straight time earnings and what he/she is paid by the convening authority for jury or witness duty.

ARTICLE 17 - COMPASSIONATE LEAVE

- 17.01 In the event of a death occurring in the immediate family of a regular full-time employee, the employee shall be given a paid compassionate leave of up to five (5) working days, providing the employee attends the funeral (or an equivalent memorial service). The immediate family of an employee shall be considered to be his/her mother, father, mother-in-law, father-in-law, legal spouse, sons, daughters, brothers, sisters grandparents and grandchildren. With all other family of an employee such as brother-in-law and sister-in-law, the employee shall be given a paid compassionate leave of up to three (3) working days providing the employee attend the funeral (or equivalent memorial service). The day after the funeral is the last day of the compassionate leave period. To be eligible for pay under this Article, the employee must submit proof verifying the date of the funeral.

ARTICLE 18 - LEAVE OF ABSENCE

- 18.01 Personal. Upon approval of the Company, a personal leave of absence, up to thirty (30) days, may be granted to an employee. If such leave is extended by the Company, the employee will retain seniority.

- (a) The Company will provide a leave of absence form to be filled out by employee(s) that are requesting a leave of absence. Except for extenuating circumstances, the employee(s) agree to provide a minimum notice of two (2) weeks in advance of the requested leave. Leaves of absence will not be unreasonably denied. A written copy of a leave approval or denial will be given to the employee and the Union.

- 18.02 Illness/Disability

Employees who by reason of bona fide illness or disability require time off shall be granted appropriate leave of absence for a period not to exceed thirty (30) days. Such leaves shall be extended beyond thirty (30) days upon written request from the employee together with written recommendation from his/her physician.

Maternity/Paternity Leave

An employee may apply for and be granted unpaid maternity/paternity leave consistent with applicable law. Seniority shall accumulate during such leave except as limited by Article 7, Section 7.10 (a) of this Agreement.

- 18.03 An employee accepting other employment while on leave of absence, or who gives false reason for obtaining such leave of absence, automatically terminates his/her employment with the Company and seniority hereunder.

18.04 Domestic Violence Language

- (a) The Company recognizes that employees sometimes face situations of violence or abuse in their personal life that may affect their attendance and performance at work.
- (b) Upon approval of the Company, employees experiencing domestic violence will be able to access up to ten (10) days of un-paid leave for attendance at medical appointments, legal proceedings and any other necessary activities. This leave will be above existing leave entitlements and may be taken as consecutive or single days or as a fraction of a day.
- (c) The employee and Employer will only disclose relevant information on a “need to know” basis to protect confidentiality while ensuring workplace safety.

ARTICLE 19 - PRODUCTION STANDARDS

19.01 The Company will establish all production standards and may use any accepted Industrial Engineering technique in doing so. The Company may establish, revise, discontinue, reinstitute and/or maintain incentive standards on the jobs, which it concludes lend themselves to the application of such standards. The production standards used under the incentive system shall be established so as to encourage incentive effort. Incentive standards shall not be reduced or increased unless there has been a change or changes in methods or conditions which directly affect the value of the job by a measurable amount three percent (3%) or more, either individually or cumulatively). Standards shall be revised upon the discovery of a mathematical or clerical error, which has been made in the calculation of the standard. Such error, if discovered by the Company, shall immediately be communicated to the Union. Changes in standards will be reviewed with the Union at least five (5) working days before implementation of any change to provide the Union the opportunity to review the reason(s) for the change(s), and review the documentation relating to the change(s).

19.02 The Standards Program will be expressed in terms of standard hours which will be paid for at the applicable base rates as contained in Appendix A of this Agreement. Appropriate allowances shall be made for rest periods, necessary personal time and minor unavoidable delays.

It is understood that payment will be made only for acceptable pieces or material produced to the specified quality level except where lack of quality is in no way attributable to the fault of the operator.

19.03 Incentive earnings will be computed for each employee (or group where applicable) for the total hours worked on incentive during a payroll week, and the employee’s applicable base rate will be guaranteed for the week provided that the employee’s failure to earn at least the applicable base rate is in no way attributable to the fault of the operator.

- 19.04 After a new or revised incentive standard is established on a job, employees shall be expected to make a reasonable effort to develop incentive earnings on the job for not less than thirty (30) days. No formal grievance shall be filed or processed concerning a new or revised incentive standard during this period although employees and the Union may advise the Company within this period that they feel the standard is incorrect and request a recheck. After completion of the above thirty (30) day trial period, the grievance may be filed in the grievance procedure within fifteen (15) days. Any such grievance will not be processed beyond acceptance in Step 1 until the job in question has been run on at least three (3) occasions. Any change which is made in the incentive standard pursuant to the grievance and arbitration procedure shall be retroactive to the date that this standard was established.
- 19.05 The Company shall establish, revise and discontinue temporary incentive standards and allowances on operations where the Company feels that a permanent standard is not appropriate and the employee's applicable base rate will be guaranteed for the job provided that the employee's failure to earn at least the applicable base rate is in no way attributable to the fault of the operator.

ARTICLE 20 - CONDITIONS APPLICABLE TO SCHEDULES COVERING THE JOB CLASSIFICATION AND WAGE RATES

- 20.01 (a) Temporary transfers of employees from one job classification to another may be made at the discretion of the Company, for a period of up to sixty (60) days or such longer period as may be mutually agreed between the parties. An employee so transferred will be paid the rate of the job to which he/she is assigned or his/her average hourly earnings (based upon previous six (6) weeks), whichever is higher, unless the transfer is made because of lack of work to balance the work flow; then, the rate of the job to which he/she is transferred shall apply.
- (b) Temporary transfers to fill vacancies as the result of accident, illness, vacation, or other authorized leaves of absence, may be made for the duration of the absence.
- (c) At the conclusion of the temporary transfer, the affected employee will return to their former position. In the event that a transfer pursuant to the above is anticipated to exceed two (2) weeks in duration, the Company shall provide written notice to the employee and the Union detailing the date of transfer and the anticipated return date.
- 20.02 The wage rates set out in the attached schedule shall be paid to qualified employees in the job classifications set out in the schedule.
- 20.03 Employees shall be entitled to the wage progressions specified in this Article. Probationary and regular full-time employees shall be advised by the Company in writing periodically of their progress.

- 20.04 Should the Company propose a process that groups incentive worker's together the following will apply:
- (a) The Union will receive the proposal at least sixty (60) days in advance of any proposed change.
 - (b) The Parties agree to meet and discuss the reason for the changes. The Company will provide the appropriate data, so the Union may participate in a meaningful way.
 - (c) The discussion will include the negotiation of an appropriate name and wage rate for the new position. The Parties agree with the Grandfathering of employees who may be negatively impacted with a new wage rate.
 - (d) If the Parties are unable to agree on the appropriate grouping of incentive workers or the proper rate of pay the issue will be referred to Arbitration under the Grievance and Arbitration Process in this Collective Agreement.

ARTICLE 21 - STRIKES AND LOCKOUTS

- 21.01 No Strikes. The Company and the Union agree that the grievance and arbitration procedures provided herein shall be the means of resolving all grievances arising under the terms of this Agreement. Accordingly, neither the Union nor the employees will authorize, instigate, promote, sponsor, engage in, or condone any strike (including sympathy strike), slowdown and stoppage of work, picketing or any other interruption of work over any dispute involving the interpretation or application of this Agreement or over any other dispute. In the event that any employee or group of employees covered by this Agreement shall during its term participate or engage in any of the activities herein prohibited, the Union agrees, immediately upon being notified by the Company, to direct such employee or group of employees, in writing, to cease such activity and resume work at once. The Company, in addition to any other rights it may have, shall have the right to discharge or otherwise discipline any employee who engages in any of the activities prohibited by this Article. Such discipline need not be uniform.
- 21.02 No Lockouts. During the term of this Agreement, the Company agrees that it will not institute a lockout.

ARTICLE 22 - NON-DISCRIMINATION

- 22.01 The Company and Union agree that there will be no discrimination, favouritism or harassment against any employee or management representative because of sex, sexual orientation, sexual identity, race, colour, national origin, religious creed, age or Union membership.

ARTICLE 23 - SEVERANCE

23.01 Effective with the signing of this Agreement, the Company will provide a Severance Program which will provide a severance benefit of three hundred, fifty dollars (\$350.00) per year of service to those who have completed two (2) years of continuous service and whose service is terminated as the result of the complete and permanent cessation of its Edmonton operations. This program will recognize past service liability with Sealy Canada Ltd. /Ltee. from the date of acquisition, November 26th, 1982.

ARTICLE 24 - DURATION OF AGREEMENT

24.01 This Agreement between Sealy Canada LTD./LTEE and the United Steelworkers Local 1-207, shall become effective December 1st, 2017 and shall continue in full force through November 30th, 2021 or thereafter from year to year unless either Party gives written notice, within (120) one hundred and twenty days prior to the expiration date or any subsequent anniversary date thereafter, required the other Party to commence collective bargaining with the intent of concluding a renewal agreement.

SIGNED at Edmonton, Alberta this 18th day of January 2018.

SIGNED ON BEHALF OF
THE COMPANY

SIGNED ON BEHALF OF
THE UNION

Marjan Cvetkovski

Jeff Kallichuk

Danny Tosh

Randy Slywa

Rob Weir

Mike Lourie

Devin Mytroen

LETTER OF UNDERSTANDING

RE: New Hire Wage Progression

The parties agree to the following regarding the progression of wage rates for employees hired after the ratification of the agreement. Effective October 1st, 2018, the hiring rate for all new hires shall be fifteen dollars and fifty cents (\$15.50) per hour. Upon the ratification of this agreement, all employees currently governed by the prior progression terms will be immediately moved to the appropriate rate for their period of service.

- I. Non-Incentive employees hired after the ratification of the agreement progress to the base hourly rate of the job classification in accordance with the following schedule:

Increase to the prevailing hourly rate at the end of six (6) months or at an earlier point in time when the Company would deem the employee qualified.

Maintenance Employees and Truck Drivers will start at the prevailing rate of pay upon hiring.

Non-Incentive employees who are laid off during this progression will resume, upon recall from layoff, at the rate they were receiving at time of layoff.

- II. Incentive employees will progress to the base hourly rate of the job classification after two (2) consecutive weeks of production at one hundred percent (100%) of standard or at the completion of his/her probationary period.

SIGNED at Edmonton, Alberta this 18th day of January 2018.

SIGNED ON BEHALF OF
THE COMPANY

SIGNED ON BEHALF OF
THE UNION

Marjan Cvetkovski

Jeff Kallichuk

Danny Tosh

Randy Slywa

Rob Weir

Mike Lourie

Devin Mytroen

Letter of Understanding

RE: Truck Drivers

A drop is defined as a stop for the purpose of delivering products to a consignee and loading any return product at that stop.

A pickup is defined as a stop for the purpose solely to pickup a product, load or trailer from anywhere outside the city of Edmonton.

Where a trailer is dropped at a location and a driver unhooks and hooks up to another trailer at the same location, on the same day, the stop will be considered one drop.

Delivery inside Edmonton city limits is paid hourly. This will include landfill sites.

SIGNED at Edmonton, Alberta this 18th day of January 2018.

SIGNED ON BEHALF OF
THE COMPANY

Marjan Cvetkovski

Danny Tosh

Rob Weir

SIGNED ON BEHALF OF
THE UNION

Jeff Kallichuk

Randy Slywa

Mike Lourie

Devin Mytroen

Letter of Understanding

RE: Vacation Distribution Per Classification

The Parties will meet after the completion of the first (1st) year and each successive year for the duration of the Agreement to evaluate the effectiveness of the metrics of Article 9.03 (d) Vacations.

SIGNED at Edmonton, Alberta this 18th day of January 2018.

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LETTER OF UNDERSTANDING

RE: Banking of Overtime Hours

During the course of negotiations the parties agreed to the process which will allow employees to bank overtime hours worked. The following process will be implemented on a trial basis beginning on January 1st, 2019 and will extend year to year by mutual agreement.

- 1) Employees will be permitted to bank overtime hours worked to a maximum of forty (40) regular time hours at any time during the calendar year. Banked hours will be calculated at a rate of one (1) overtime hour = one and one half (1.5) regular time hours.

Twenty-four (24) hours prior to the cut off for a particular pay period an Employee will fill out a form identifying the overtime hours during that pay period that the employee wants to be moved to his overtime bank.

- 2) Banked overtime hours will be used for the following purposes:
 - i. To supplement pay periods where the hours of work have been reduced and employees would not be receiving a “full” pay period;
 - ii. Where an employee takes an unpaid leave of absence;
 - iii. Where the Company shuts down part or all of the operation for periods of time, an employee can access his banked overtime to avoid having to use his vacation time and pay during the period of the shutdown.
- 3) Employees wishing to access hours out of their overtime bank will fill out a request form provided by the Company no later than Thursday prior to payroll cut off. Employees will be required to use banked overtime hours in minimum allotments of eight (8) hours.
- 4) Unused balances of overtime hours will be paid out to employees in the first pay period of November.
- 5) The Company and Union agree to evaluate the performance of the program each December and determine by mutual agreement whether the program will be extended for another year or discontinued.

SIGNED at Edmonton, Alberta this 18th day of January 2018.

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Letter of Understanding

RE: Cross Training During Reduced Hour Days Or Down Time Days

It is the mutual desire of both the Union and Company to have a highly trained and skilled work force. As such the Company commits to utilizing all available opportunities to cross train employees in respect to Article 7.03 of the collective agreement.

As discussed and identified by the Union during this round of negotiations, opportunities will also exist in situations where normal work hours are reduced due to lack of production and where possible, cross training will be offered during these reduced production periods.

SIGNED at Edmonton, Alberta this 18th day of January 2018.

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