

COLLECTIVE BARGAINING AGREEMENT

between

SAGE PARTS CANADA INC.

and

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS,
DISTRICT 140 (LOCAL LODGE 1751)**

November 23, 2012 – November 23, 2015



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ARTICLE 1. PURPOSE

- 1.01** a) The purpose of this Collective Agreement is to establish the salaries, hours of work and other working conditions of employees covered by this Agreement, and to establish the procedure for final settlement, without stoppage of work on application of either party, of differences concerning the interpretation or violation of any of the provisions of this Agreement.
- b) The masculine gender shall include both sexes, unless the contrary intention is evident by the context.

ARTICLE 2. RECOGNITION

- 2.01** The Company recognizes the Union as the sole bargaining agent for "all employees of Sage Parts Canada Inc., excluding Supervisors and those above rank" at the premises of Sage Parts located at 1255 Rodolphe Page, Dorval QC H4Y 1H3.
- 2.02** The Company shall recognize a maximum of two (2) employees as shop stewards for the purpose of conducting union business.
- 2.03** Employees who are excluded from the bargaining unit covered by this Collective Agreement shall not perform the regular work of bargaining unit employees, except in the following cases:
- a) in the case of emergencies;
 - b) when an employee is not available and/or refuses to work;
 - c) as a result of the unforeseen absence of an employee;
 - d) for experimental work;
 - e) should the employer not be able to find qualified employees;
 - f) in the case of physical inventory.

ARTICLE 3. NON-DISCRIMINATION

- 3.01** The Company agrees that there will be no intimidation, interference, discrimination, restraint or coercion exercised by the Company or any of its representatives on the Union or any of its members for any reason.
- 3.02** The Company further agrees that during the term of the Agreement, it shall restrain its staff and officers from the use of propaganda of a nature that attacks the character or reputation of the Union, its officers or members.
- 3.03** The Union agrees that there will be no intimidation, interference, discrimination, restraint or coercion exercised by the Union or any of its officers and representatives against the Company or any of its officers, supervisory personnel or employees, for any reason.
- 3.04** The Union further agrees that during the term of the Agreement, it shall restrain its members and officers from the use of propaganda of a nature that attacks the character and reputation of the Company, its officers or supervisory personnel.
- 3.05** Employees are entitled to work in an environment free of discrimination and harassment. Harassment and sexual harassment are prohibited under the Quebec Charter of Human Rights and Freedom. Discrimination and harassment deprive employees of dignity and respect, and are detrimental to a healthy work environment.

ARTICLE 4. MANAGEMENT RIGHTS

- 4.01** The Union recognizes that the Company has the exclusive right to operate its establishment, machinery and equipment and to conduct its enterprise as it sees fit, subject only to the restrictions imposed by law or by the terms of the present Agreement. The Union recognizes the right of the Company to discipline employees.

4.02 Without restricting the generality of the foregoing, the Company has the right to establish, amend and abrogate rules and regulations governing the employees, inasmuch as they are not incompatible with the provisions of the present Agreement, and shall advise the Union of any change.

4.03 In the event that the Company acquires work or business of a different nature and creates a new job classification not provided for in Appendix C of the present Agreement, the Company shall prepare a job description for the said new classification and shall determine the wage rates to be paid for work performed in the new classification.

In the event that the Union is in disagreement with the wage rates established for the said new job classification, it may refer the matter to the grievance and arbitration procedure in the manner and within the delays provided for in Articles 6 and 7 of the present Collective Agreement, as of the time the Union is advised in writing of the job description and wage rates established by the Company. The Company shall give seven (7) days written notice to the Union before implementing the wage rates determined by the Company for the new classification. These rates shall remain in effect until such time as an arbitration decision altering said rates is rendered, if such is the case.

4.04 In the event that the Company decides to subcontract any portion of the work covered by this Collective Agreement, the Company undertakes to inform the Union of the Company's intentions before said subcontract becomes effective and to provide the Union with the opportunity to make representations with regards to said subcontract.

ARTICLE 5. UNION SECURITY

- 5.01** As a condition of employment, all employees of the Company covered by this Agreement shall be subject to all terms and conditions contained herein, as negotiated between the Company and the Union, and such employees recognize the Union as their sole bargaining agent.
- 5.02** Membership in the Union shall be available to any employee eligible under the Constitution of the Union on payment of the initiation or reinstatement dues that the Union uniformly requires of all other such applicants.
- 5.03** All new employees shall become members of the Union within thirty (30) days of the date they commence employment and shall maintain such membership.
- 5.04** The Company agrees to deduct Union dues from the pay of each employee covered by this Agreement on the form provided by the Union for this purpose. Such Union dues shall be deducted equally on the employees' pay cheques, each pay period, and the Company agrees to remit monthly to the Union the total amount of such deductions by the fifteenth (15th) day of each month following the month in which the dues were so deducted. The Company shall remit the amount of dues so deducted from wages accompanied by a statement of deductions in alphabetical order comprising the status of each absent employee (Workmen's Compensation, sick leave, etc.), to the Secretary-Treasurer of District 140 of the International Association of Machinists and Aerospace Workers. Cheques shall be made to the order of the International Association of Machinists and Aerospace Workers, District 140. The union dues are not the property of the Company.
- 5.05** If, for any pay period, the wages of an employee on the payroll are insufficient to permit the deduction of the full amount of union dues, the Company shall not deduct these dues from the wages of this employee for such a pay period and shall not carry forward

and deduct these union dues from a subsequent pay period.

- 5.06** Payroll deductions required by law now or hereafter, by the present Agreement, or deductions of monies due or owing to the Company by the employee, shall have priority over deduction of Union dues where the wages payable are insufficient to permit the deduction of Union dues.
- 5.07** The Company at its discretion, which it cannot unreasonably withhold, upon written request, may grant a leave of absence with pay to Union shop stewards not to exceed two (2) in numbers. The Union shall reimburse the Company upon request. Such leaves of absence for Union business shall not exceed an aggregate of twenty (20) working days per year.
- 5.08** The Negotiations Committee shall consist of one (1) member paid by the Company. This member will be the Chief Steward, who will automatically be on such a Committee. It is expressly understood that the salary received by the negotiation committee member shall not amount to more than what the employee would have received for a regular scheduled day of work and that said employee shall not be paid should negotiation sessions be held outside of the employee's regular schedule. Should the employee receive disability benefits, workmen's compensation benefits or any other salary replacement benefits, the obligation of the Company will then be to pay to the employee the difference between the amount of said benefits and his regular wages for a regular scheduled day of work. In any case, it is understood that the Company will not pay the employee for any preparation time or internal meetings but only for formal negotiation sessions.

ARTICLE 6. GRIEVANCE PROCEDURE

- 6.01** A grievance means any misunderstanding related to the interpretation or application of the Agreement.

In the application of Article 6, it is understood that the word "day" does not include Saturdays, Sundays, or public holidays.

- 6.02** a) A grievance may involve one, several or all employees or the Union.
- b) It is agreed that the Union or any employee may raise grievances.
- c) It is also agreed that the Company may raise a grievance to the Union directly at Step 2 by adapting the provision accordingly.

6.03 The parties wish that misunderstandings be settled as promptly as possible and, to this end, agree to follow the following procedure:

6.04 Step 1

The employee who has a grievance shall first notify his/her immediate supervisor. The immediate supervisor shall provide the employee with an answer within five (5) days following receipt of the employee's grievance. If he/she so wishes, the employee may choose to be accompanied by his/her shop steward.

Step 2

If the grievance is not settled to the satisfaction of those involved in the preceding subsection, the case shall be submitted in writing to the Corporate Human Resources Manager/Director within ten (10) days of the event or knowledge of the event that caused the grievance. The Corporate Human Resources Manager/Director or his/her representative shall give his/her response within ten (10) days of receiving said grievance.

Step 3

Failing settlement by Step 2, the grievance may be brought to arbitration, pursuant to the provisions provided under Article 7.

6.05 A grievance concerning the Union or a grievance relative to a dismissal may be directly submitted to Step 2; Step 1 is deemed non-existent in these cases.

6.06 Discussions concerning grievances shall occur at a time agreed on by the parties without loss of pay for the employees and/or shop steward involved when they are on duty. The employee may choose to be accompanied by his/her shop steward.

The delay to file the grievance in Step 2 is mandatory and will result in the loss of the rights of the employee/Union or Company. This delay can be extended by written agreement of the parties.

ARTICLE 7. ARBITRATION

7.01 The grievance shall be brought to arbitration by means of a written notice from the Union addressed to the Company (or from the Company to the Union in the case of a Company grievance), within fifteen (15) days of the reply from the Corporate Human Resources Manager/Director or his/her designee or, depending on the case, within fifteen (15) days following expiry of the deadlines to reply, as provided under Step 2 of Article 6.04.

In the application of Article 7, it is understood that the word “day” does not include Saturdays, Sundays, or public holidays.

7.02 a) The arbitrator shall be chosen by the parties or alternately, nominated by the Ministry of Labour. The costs of the arbitrator will be shared equally between the company and the Union.

b) An arbitrator will not sit for more than one grievance at a time, unless agreed upon by both parties.

7.03 No case shall be submitted to arbitration unless it has gone through all the required steps in accordance with the procedure. The delay to file for arbitration under Article 7.01 is mandatory and will result in the loss of the rights of the employee/Union or Company. This delay can be extended by written agreement of the parties.

- 7.04** The arbitrator shall not be authorized to make decisions which are incompatible with the provisions of this Agreement, nor to alter, modify or amend any part of this Agreement. With respect to disciplinary matters, the jurisdiction of the arbitrator shall be determined by the Labour Code.
- 7.05** The arbitrator shall render his/her decision within thirty (30) calendar days following the end of the hearings.
- 7.06** Any decision of the arbitrator, rendered in accordance with the articles of this Agreement, is final and binding for the parties involved.

ARTICLE 8. STRIKES AND LOCKOUTS

8.01 During the term of the present Agreement, the Union agrees that no strike action whatsoever, for any reason whatsoever, nor any total or partial stoppage or slow-down of work will be taken by the employees of the Company and members of the Union, nor any form of picketing whatsoever directed against the Company. Therefore, the Union agrees and warrants that, during the term of the present Agreement, no officer or representative of the Union shall authorize, encourage, instigate, promote, condone or otherwise assist in any kind of strike, boycott, slow-down or picketing.

In the event of a supposed violation of Article 8.01 by an employee, said employee may be subject to disciplinary action that the Company might deem necessary. In such an event, the employee concerned may avail himself of the grievance procedure, except that the arbitrator's jurisdiction shall be limited exclusively to determining whether or not the employee did, in fact, violate the provisions of Article 8.01.

8.02 In the event the arbitrator determines that the employee did, in fact, violate the provisions of Article 8.01, the arbitrator shall maintain whatever disciplinary sanction was imposed. Where the arbitrator determines that the employee did not, in fact, violate the provisions of Article 8.01, he shall annul whatever

disciplinary sanction was imposed, and order reinstatement, if need be, with full compensation for any wages and benefits lost as a result of the disciplinary action imposed.

8.03 During the term of the present Agreement, the Company agrees that it shall not lock out in any way whatsoever, for any reason whatsoever, the employees covered hereby or seek in any manner to frustrate the basic purpose of this Agreement.

ARTICLE 9. HOURS OF WORK

The Company shall have the ability to schedule a number of shifts per day equal to forty (40) hours per week, as well as a number of part time and weekend shifts. It is understood that it is not the intention of the Company to have a majority of its work force as part-time employees.

9.01 Nothing in this article shall be construed as a guarantee of, or a limitation on, the hours of work per day or per week.

9.02 The Company may, at its discretion, establish workweek schedules from time to time. The Company may authorize shift/trades changes between qualified employees.

a) The full-time workweek, at the time of the signature of this Agreement, is made up of the following schedules:

1. Five (5) consecutive eight (8) hour days followed by two (2) consecutive days off.

2. Four (4) consecutive ten (10) hour days followed by three (3) consecutive days off.

Each of the above shifts will include a one half-hour unpaid meal period.

b) While the Company agrees to make reasonable efforts to schedule meal breaks as close as possible to normal periods, i.e., between the second and a half (2 ½) and the fifth and a half (5 ½) hour after the commencement of the shift, the Union recognizes that this may not be possible on occasion either due to workload or other operational circumstances. While it is understood that an

employee may not, unless duly authorized by the Company, abandon his work to take a meal break or decide not to take such meal break, the Company agrees that in the event he cannot take his meal period between the second and a half (2 ½) and the fifth and a half (5 ½) hour after the commencement of his shift, such employee shall be paid at the rate of one and a half (1 ½) times his regular hourly rate of pay for a period of one half (½) hour in addition to his scheduled shift. It is not the intention of the parties that this practice become the norm.

- 9.03** a) Should a shift schedule become available as a result of a position becoming permanently vacant, said shift schedule will be offered by seniority to the employees in the same classification before being given to another employee.

Should the Company wish to adopt a permanent modification to the shift schedules that are in force, the Company will provide the Union with a notice of four (4) weeks and allow the Union to meet with the Company and to provide representations.

- b) The Company agrees to prepare regular shift schedules that will include ten (10) hours or more between the end of one shift and the start of the next one, unless otherwise agreed to in writing between the Union, the employee and the Company.
- c) Overtime pay at the rate of one and one half (1 ½) times the employee's regular hourly rate of pay shall apply for all hours worked by an employee during the rest period he is entitled to under the preceding paragraphs if mutually agreed to between the Company and the employee.

It is understood that there shall be no pyramiding or duplication of overtime pay resulting from the present clause (i.e., hours worked which qualify for payment of overtime under any other clause of the present Agreement).

9.04 An employee shall be clocked in, dressed in his full uniform and ready to commence work at the start of his shift.

ARTICLE 10. OVERTIME

10.01 The Company must be able to meet the requirements of its customers. For this reason, it may expect its employees to work overtime on a mandatory basis.

Overtime will be distributed between the qualified employees of the concerned classification by seniority. Said overtime will be voluntary. However should there not be enough volunteers to do the work that is required to be done in overtime, the Company has the express right to require that the employee(s) having the less seniority in the concerned classification work overtime.

Notwithstanding the above, when overtime is required immediately preceding or following a regular scheduled shift, the Company will only take into account the seniority of employees of those shifts and will not be required to offer overtime to an employee that is not currently on said shift. Conversely, the Company will be required to force the employee having the less seniority on the shift immediately preceding or following the period where the overtime is required before requiring other employees to perform mandatory overtime.

10.02 An employee who is called in to work overtime during a period that is not in conjunction with a scheduled shift shall be paid for at least four (4) hours at time and one half (1 ½).

10.03 All employees will be paid for their overtime hours worked after their regular schedule at time and one half (1 ½) the base hourly rate.

10.04 It is understood that there will be no pyramiding or duplication of premiums or overtime pay.

ARTICLE 11. ACCIDENT PREVENTION AND SAFETY

- 11.01** The Company will supply all its employees with a copy of its Rules and Regulations, and employees and the Union shall comply with the rules, regulations and practices set forth herein. The Company will give an adequate training to each new employee without experience.
- 11.02** The Company agrees that when an employee becomes sick or is injured while at work and that such sickness or injury necessitates that he be sent to a hospital or consult a doctor, this shall be done promptly.
- 11.03** An employee suffering an injury while at work shall report it immediately to his Supervisor and complete the necessary injury report form as required and as capable, and then consult the Company doctor, if necessary. In the event that the injury is such as to prevent the employee from reaching medical assistance unaided, the Company will provide transportation to and from the hospital (to home and/or work as appropriate).
- 11.04** An employee who suffers an accident while at work and who is therefore unable to resume his work for the remainder of that day, shall be paid at his applicable rate for the balance of his shift of that day.
- 11.05** An employee who has been off work due to an accident covered by Workmen's Compensation shall be permitted to return to work when certified fit by his attending doctor, subject to the right of the employer to have the employee examined by the Company doctor. Should the Company doctor determine that the employee is not fit to come back to work, the Company may refuse such return to work subject to the employee's right under applicable legislation.
- 11.06** The Company may require that an employee who is absent due to illness or accident be submitted to a medical examination by a doctor chosen by the Company, at the Company's expense.

11.07 The Company agrees to contribute seventy-five dollars (\$75.00) towards the purchase of C.S.A.-approved safety footwear or boots for the employees. To be eligible to receive payment, the employee shall produce a receipt confirming the purchase of C.S.A.-approved safety footwear or boots. The amount shall be paid once (1) per year during the month of May, upon presentation of a receipt by the employee to the Operation Manager or General Manager. It is mandatory for employees to wear such safety footwear or boots.

ARTICLE 12. SENIORITY

12.01 The first ninety (90) days worked by an employee shall be a probationary period during which the Company will assess whether a new employee is suitable to be retained and, if so, where in the Company's operations he may best be employed. If the Company determines that a probationary employee is not suitable, this shall not constitute a disagreement between the parties for arbitration purposes. As such, no grievance can be filed by the employee and/or the Union with regards to the termination of the employment of the employee during his probationary period for any reason.

- a) After completing his probationary period, an employee's seniority shall begin the first day worked in any classification covered by this Agreement and shall accrue thereafter as provided herein.
- b) If two (2) or more employees have the same seniority date, the sequence of seniority will be determined by the toss of a coin.
- c) During his probationary period, the employee shall not receive any benefits (except for statutory benefits), such as RRSP, vacation, floating statutory holiday, personal or paid sick leave. Furthermore, the employee shall not be eligible or be covered under the group insurance plan.

12.02 Seniority means the employee's continuous service for the Company within the bargaining unit, or where otherwise provided in this Agreement, within the classification.

12.03 Seniority rights previously acquired shall cease to exist and employment shall terminate in the following cases:

- a) When an employee voluntarily leaves his employment;
- b) When an employee is discharged for cause;
- c) When an employee retires;
- d) When an employee is not recalled from lay-off, within period provided in Article 13;
- e) When an employee, recalled to work by notice sent by registered mail to his last known address with the Company, fails or neglects within five (5) working days of receipt of said notice of recall, to report for work on the date indicated in the notice of recall;
- f) When an employee is absent from work for three (3) consecutive scheduled working days without advising the Operations Manager or his designee or without authorization;
- g) Any employee, who has his provincial driver's licence revoked through a court of law shall immediately notify the Company of such loss. If the employee is required to have a valid driver's licence for his job functions, the employee will be suspended from employment until such time as his driver's licence is returned. Any employee suspended for more than thirteen (13) months shall lose daily seniority for the remainder of his suspension and will be dismissed if the suspension reaches twenty-four (24) months. Any employee who is required for his job functions to have a valid driver's licence and whose driver's licence is revoked due to an indictable offence more than once during a five (5) year period shall cease to be employed by the Company.

- 12.04** Seniority within the job classification will apply for shift and vacation selection, overtime and, subject to 13.03 b), to layoff and recall rights.
- 12.05** The Company and the Union agree that any employee who transfers from one classification to another when there is an opening, shall continue to accrue seniority within his classification. During the trial period of ninety (90) days worked, the employee will not be able to apply his seniority in the new classification. After such period of time, his seniority shall apply and be equal to his total continuous service with the Company, calculated from the last date of hire in the bargaining unit, if the employee meets the requirements of the position. The employee will then have to choose between his present and his prior classification. Should he choose to remain in his present classification, he will lose all recall rights in his prior classification.
- 12.06** Any permanent vacancy for a position within the bargaining unit shall be posted for a period of five (5) working days. An employee wishing to apply for such a vacant position will be required to demonstrate that he possesses the qualifications and abilities required for such a position and/or classification. All applications must be in writing.

ARTICLE 13. LAYOFF AND RECALL

- 13.01** In the event of lay-off, affected employees will be notified in writing at least five (5) working days prior to the actual date of lay-off.
- 13.02** Any employee with one (1) continuous year of service or more and who is laid off will have recall rights up to twelve (12) months.
- 13.03** a) Layoffs will be done in reverse order of seniority and recalls will be done in order of seniority, subject to the application of paragraph b).

- b) An employee affected by a layoff and who has occupied, on a full-time basis, a position that is not affected by the layoff or a position that is the subject of a recall, within a period of three (3) years preceding the layoff of said employee, will be able to exercise his seniority rights within that classification. The employee shall provide the Company with his decision to exercise his rights under this paragraph within forty-eight (48) hours of his layoff or of a recall, failing which the employee will be considered as having decided not to invoke said seniority rights.
- c) Employees who move to a new position in application of paragraph b) will stay at their current salary level until such time that a level of the new position catches up with said current salary rate.

ARTICLE 14. ANNUAL VACATION

- 14.01** All employees will be granted vacation and statutory holidays with pay in accordance with the following provisions:
- 14.02** Employees who, at December 31st of the year preceding the year in which the vacation is to be taken, have completed less than one (1) year of continuous service with the Company, shall receive vacation pay calculated at the rate of four percent (4%) of their earnings with the Company for the period of their employment during the months preceding December 31st. Holiday entitlement shall be one (1) day per completed calendar month up to a maximum of ten (10) days.
- 14.03** Employees who, at December 31st of the year preceding the year in which the vacation is to be taken, have completed one (1) year or more of continuous service with the Company, shall receive vacation pay calculated at the rate of four percent (4%) of their earnings with the Company during the twelve (12) months preceding December 31st, and shall be entitled to two (2) weeks vacation.

- 14.04** Employees who, at December 31st of the year preceding the year in which the vacation is to be taken, have completed five (5) years or more of continuous service with the Company, shall receive vacation pay calculated at the rate of six percent (6%) of their earnings with the Company during the twelve (12) months preceding December 31st and shall be entitled to three (3) weeks vacation.
- 14.05** The Company shall pay vacation pay to which an employee is entitled to on the pay date immediately preceding the beginning of the vacation or on the regular pay period of the Company upon the employee's request.
- 14.06** When a statutory holiday occurs during an employee's vacation period, the vacation may be extended by one (1) day for such holiday and the Company shall pay the employee the wages to which he is entitled for such statutory holiday.
- 14.07** Vacation bids shall be made during the month of April, closing on April 30. If there are vacant slots available, an employee may request the slot in writing a minimum of forty-five (45) days prior, on a first come, first served basis. The Company will notify the employee within seven days of the completion of the bidding process or the request. Employees who wish to take vacation during January, February or March should make their requests in December. During a transfer, the employee keeps his choice.

ARTICLE 15. STATUTORY HOLIDAYS

- 15.01** The following statutory holidays shall be observed:

New Year's Day	Thanksgiving Day
Good Friday	Christmas Day
Victoria Day	Floating Day (<i>employee to decide date, subject to providing 30 days notice</i>)
St. Jean Baptist Day	
Canada Day	
Labour Day	

- 15.02** Statutory holidays will be observed and paid by the Company on the actual day upon which they occur. When such a holiday falls

outside the regular schedule of an employee, the employer shall decide if that holiday should be observed on the scheduled day immediately preceding or immediately following such a holiday. At the beginning of each year, the employer will publish a calendar indicating the days on which the holidays will be observed.

- 15.03** The compensation for all hours worked on each statutory holiday listed in Article 15.01 herein will be at time and one half (1 ½ times) the employee's base rate of pay.
- 15.04** Full time employees will be paid eight (8) hours, at the base rate for each statutory holiday listed in Article 15.01 herein. Part-time employees will be paid 1/20 of their base salary received in the four (4) complete weeks immediately preceding the statutory holiday, excluding overtime.
- 15.05** Employees who are on an unpaid leave of absence or on lay-off, or who are absent due to illness or accident when a statutory holiday occurs and who are absent without authorization on the scheduled shift immediately before or after the statutory holiday, shall not be entitled to be paid for such statutory holiday, except when the statutory holiday falls during the first week of his absence (excluding employees on CSST).
- 15.06** Wages will be paid for a statutory holiday to an employee absent from work under the following circumstances, provided that satisfactory proof is shown.
- a) Jury duty
 - b) Subpoenaed witness
 - c) Prior authorized absence, excluding those situations covered in Article 15.05

ARTICLE 16. BEREAVEMENT LEAVE

- 16.01** In the event of the death of his legal spouse (including common-law spouse), his children, his father, his mother, his brother or sister, or his grandparents, an employee shall be granted

bereavement leave for a period not exceeding his three (3) regular working days falling within the five (5) day period immediately following the day of the death. Additional time off, not exceeding thirty (30) days, may be granted, without pay, subject to Article 16.05 herein.

16.02 An employee who is entitled to bereavement leave under Article 16.01 herein is entitled to such leave with pay at his regular rate of wages for his regularly scheduled hours of work.

16.03 In the event of the death of any member of his immediate family, an employee shall be granted bereavement leave on any of his regularly scheduled working days that occur during the three (3) days immediately following the day of the death.

The expression "immediate family" means mother-in-law, father-in-law, brothers-in-law, sisters-in-law of the employee, and includes any relative permanently residing in the employee's household or with whom the employee resides.

16.04 If an employee is informed of the death of a member of his immediate family during his regularly scheduled shift or shift change, he will advise the supervisor and be granted permission to leave the Company premises immediately and shall be paid for the remainder of his regularly scheduled shift.

16.05 Should an employee be requested by the Company to provide satisfactory proof of death, he shall be obliged to do so in order to establish proper qualification for payment as provided for in Article 16.02 herein.

ARTICLE 17. LEAVE OF ABSENCE

17.01 A leave of absence without pay may, at the Company's discretion, be granted by the Company upon forty-five (45) days written notice, for a period not exceeding thirty (30) calendar days except for educational purposes, with official supporting documents, where the maximum period shall be of one (1) year. Such leave, when granted, shall be with accrual of seniority.

17.02 Maternity and paternity leaves will be in accordance with the applicable law.

17.03 One day leave with pay will be granted to the spouse for the birth or adoption of a child, to be taken within seven (7) days. Up to two (2) consecutive days with pay may be granted under special circumstances.

ARTICLE 18. GENERAL PROVISIONS

18.01 The Company will use best efforts to provide the employees with suitable lunchroom and locker room facilities given available space and operational considerations.

18.02 The Company shall furnish one suitable notice board for the exclusive use of the Union.

18.03 Upon termination of employment, no employee shall be paid until he returns to the Company the uniforms he has received free of charge.

18.04 The Company agrees to use best efforts to maintain current parking arrangements for employees at no cost.

18.05 Employees subpoenaed as witnesses or for jury duty shall be paid the difference between their normal daily wages and the amount they receive for such public duty, up to a maximum of five (5) days.

18.06 Employees who must appear in court for reasons other than those mentioned in Article 18.05 shall be granted a one (1) day leave of absence without pay provided they supply the proof or verification of such attendance.

18.07 The Company and the Union agree that consistent two-way communication is beneficial for all parties and both commit to support regular communication. Union/management meetings should be held upon request.

18.08 The Company agrees to maintain in force the insurance benefits in force as of the date of the coming into force of this Agreement.

The costs of such benefits are shared between the Company and the employees in the proportion in force as of the coming into force of this Agreement, subject to possible increases of premiums for the employees from time to time, provided that the Company will assume the first 10% of such total increases for the duration of this Agreement. Notwithstanding the foregoing, the current costs supported by the employees are not to exceed 25% for medical and 50% for dental.

ARTICLE 19. DURATION OF AGREEMENT

- 19.01** This Agreement shall be effective on the date of its ratification by the members of the Union, i.e. November 23, 2012, and shall continue in full force and effect until November 23, 2015. Thereafter, it shall continue in full force from year to year unless either party gives notice in writing of its intention to terminate the Agreement or to enter into negotiations for the purpose of amending the Agreement within a period of one hundred and twenty (120) days prior to its date of termination or until a strike or lock-out is declared.
- 19.02** The Company shall pay 100% of printing and translation costs of the Collective Agreement.

ARTICLE 20. INTERPRETATION

- 20.01** It is understood that the English version of the Collective Agreement shall be the official version for interpretation purposes.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year below.

SIGNED THIS _____ DAY OF _____ 2013.

SAGE PARTS CANADA INC.

INTERNATIONAL ASSOCIATION
OF MACHINISTS AND
AEROSPACE WORKERS,
DISTRICT 140 (LOCAL LODGE
1751)

Mark Pollack
President & CEO
General Chairperson
Sage Parts

Michel Pelot
Regional Assistant Directing
IAMAW, District 140

Harold Zuckerman
Vice-President Operations
Sage Parts

Valerie Markus
Union Representative
Sage Parts

APPENDIX A

RRSP

- a) Employees who have completed their probation period will have the option of participating in the Company sponsored RRSP. The Company will match employees' contributions up to a maximum of 4% of earnings per year.
- b) These employees shall have the option to contribute to either the Company sponsored RRSP or to the Fonds de solidarité (Québec Federation of Labour).
- c) Upon request, these employees may make additional contributions to the Company sponsored RRSP.

APPENDIX B

Wage Rates

<i>Job Classification - Driver</i>	
Level	Hourly Rate
Starting	\$12.00
Level 1	\$12.40
Level 2	\$12.80
Level 3	\$13.22
Level 4	\$13.66
Level 5	\$14.10
Level 6	\$14.55
Level 7	\$14.95

<i>Job Classification - Parts Pro</i>	
Level	Hourly Rate
Starting	\$13.00
Level 1	\$13.42
Level 2	\$13.85
Level 3	\$14.30
Level 4	\$14.80
Level 5	\$15.40
Level 6	\$15.80
Level 7	\$16.31

<i>Job Classification - Buyer</i>	
Level	Hourly Rate
Starting	\$16.50
Level 1	\$17.25
Level 2	\$17.80
Level 3	\$18.35
Level 4	\$18.94
Level 5	\$19.50
Level 6	\$20.35
Level 7	\$20.80

- a) Existing employees in a job classification will be assigned a level at the inception of the Agreement. On the anniversary date of the Agreement in 2013, 2014 and 2015, the employee will advance to the next level, within their job classification
- b) New employees will start at either the starting level, or other level as determined by the Company. Thereafter, each new employee will advance to the next level within their job classification on each anniversary of their employment.

- c) Employees who move to a higher classification (from Driver to Parts Pro, or Parts Pro to Buyer or Driver to Buyer) shall be placed in the level in the new classification which is closest to their current rate of pay plus (10%). Employees who move to a lower classification on a voluntary basis will be moved to the same salary level in the new classification. Employees who move to a lower classification on an involuntary basis will be moved to the closest salary level in the new classification. If their current salary level is higher than the highest level of the new classification, their current salary level will be frozen until such a time that the pay scale of the new classification catches-up with said salary level.
- d) Employees who are at or who exceed the top level shall be entitled to a 2.5% rate increase on the anniversary date of the Agreement in 2013, 2014 and 2015.

All full-time employees having completed their probation period shall be entitled to a total of five paid sick days of eight (8) hours, as per their schedule according to Article 9.02, as well as two (2) personal paid days per year, starting January 1st of each year.

Unused sick or personal days shall be paid at 75% on the first pay of the following year. The employee will have the possibility of transferring said amount directly into his RRSP.

APPENDIX C

Job Descriptions

Position: Driver

Responsible for delivering and picking up to/from customers and suppliers locations. Able to pick, package and generate paperwork for customer orders and customer & supplier returns. All general warehouse duties including supplier order check-in, parts put away, parts imaging, physical inventory, cycle counting and general housekeeping. Ability to use company enterprise system to perform required tasks. Valid driver's license. Other tasks that may be reasonably requested from time to time.

Position: Parts Pro

Responsible for all customer order fulfillment activities, via all forms of contact. Perform all activities related to inventory, parts research and identification and order processing. Able to pick, package, manifest and dispense parts to customers. Process and put away merchandise received. Able to use company enterprise system, research tools (including utilizing equipment manuals, parts history lookup and other similar tools). Perform all typical warehousing and logistics functions and any other related or requested customer supporting requirements assigned from time to time. Light purchasing and expending. Other tasks that may be reasonably requested from time to time. Occasional Driving

Position: Buyer

Primarily responsible for branch purchasing activities, including parts research, supplier identification and placing and managing supplier PO's. Ability and availability to perform all typical inventory management and warehousing and logistics functions as well as any other related or requested customer supporting requirements assigned from time to time. Should be able to fill in for Parts Pro. Other tasks that may be reasonably requested from time to time.

It is understood that the operation is small and employees in one classification will need to perform casual work of another. Additionally,

it is recognized that many centralized tasks are performed by the company off-site and the Branch Manager shall be able to perform purchasing activities on a normal basis.

APPENDIX D

Clothing

CLASSIFICATION AND ITEM	QTY	EMPLOYEE COST	CLEANING CHARGE	REPLACEMENT
Parts Pro, Branch Purchaser				
Shirt	11	Nil	Company	As needed
Pants	11	Nil	Company	As needed
Jacket (light, insulated)	1	Nil	Employee	Every three (3) years

CLASSIFICATION AND ITEM	QTY	EMPLOYEE COST	CLEANING CHARGE	REPLACEMENT
Driver				
Shirt	11	Nil	Company	As needed
Pants	11	Nil	Company	As needed
Jacket (4-season, convertible)	1	Nil	Company	As needed

All employees are required to wear the Company uniform at all times while on shift.

The Company shall supply at no cost a cleaning service for clothing pants and shirts.

“As needed” means no longer appropriate for wearing as evaluated by the Company, provided the life span of the item is of a maximum of three (3) years.

LETTER OF AGREEMENT NO. 1

BETWEEN: SAGE PARTS CANADA INC.
(hereinafter the “Company”)

AND: INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS, DISTRICT 140 (LOCAL
LODGE 1751)
(hereinafter the “Union”)

Starting Salary Levels and Signature Bonus

WHEREAS, in the context of a first collective agreement, there is a need to fix the initial level and salary rate of the employees;

WHEREAS in consideration of the ratification and signature of the collective agreement, the Company agrees to pay to each employee a signature bonus.

IN CONSIDERATION OF THE FOREGOING:

1. The Company and the Union agree to the following:

Employee Name	Classification	Initial Level	New Rate
Dupras, Éric	Parts Pro	Level 5	\$15.40
Kane, Michael	Parts Pro	Level 7	\$16.31
LaFleche, John	Parts Pro	Level 4	\$14.80
Markus, Valerie	Parts Pro	Level 5	\$15.40
Moore, Morrison	Parts Pro	Level 5	\$15.40
Woods, Kevin	Driver	Level 1	\$12.40
Xydis, Angelo	Purchaser	Level 6	\$20.35

This new rate applicable to each employee comes into force on the date of the signature of this letter of agreement.

2. The Company will pay to each employee mentioned in Section 1 a lump sum amount of \$750.00, payable by separate cheque to each said employee within fifteen (15) business days of the ratification by the members of the Union of this letter of agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year below.

SIGNED THIS _____ DAY OF _____ 2013.

SAGE PARTS CANADA INC. INTERNATIONAL ASSOCIATION
OF MACHINISTS AND
AEROSPACE WORKERS,
DISTRICT 140 (LOCAL LODGE
1751)

Mark Pollack
President & CEO
Chairperson
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Michel Pelot
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