FAIR LABOR
ASSOCIATION

January 10, 2011

Interim Report:
Third Party Complaint Regarding Gildan Dortex, Dominican Republic

Complaint

On July 15, 2010, the Fair Labor Association (FLA) received a Third Party Complaint (3PC) from the SITRAGILDAN union, affiliated with the union federation FEDOTRAZONAS, at the factory Gildan Activewear Dominican Republic (henceforth "Gildan Dortex"), located in Guerra, Dominican Republic. Gildan Dortex is one of the Gildan Activewear Inc. factories subject to the FLA program.

The 3PC alleged a range of noncompliances with the FLA Workplace Code of Conduct at the factory, in particular with the Freedom of Association and Collective Bargaining element of the Code. More specifically, the 3PC alleged that Gildan Dortex management violated said code element by engaging in the following practices (potentially relevant compliance benchmarks[1] added within brackets):

1. Harassment and forced resignations in early August 2009 of workers who were in the process of forming the union SITRAGILDAN [FOA.5 & FOA.12].

2. Shortly after SITRAGILDAN was formed, recognition by the firm of a competing union (SITRAGIL) alleged to have connections with management [FOA.7].

3. Negotiation and conclusion of a collective bargaining agreement between the factory and the SITRAGIL union on March 1, 2010 although SITRAGIL did not meet the requirements of the law regarding representation of 50% + 1 of workers [FOA.23].

In accordance with the FLA Third Party Complaint Procedure,[2] the FLA assessed the complaint and accepted it for review at Step 2.[3] The FLA formally informed Gildan and the complainant about its decision on July 28, 2010. A chronology of selected events pertinent to the allegations in the 3PC is given at Appendix 1.

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[1] The compliance benchmarks are at http://www.fairlabor.org/images/WhatWeDo/compliance_benchmarks.pdf.
[2] The FLA Third party Complaint procedure is set out in Section XI of the FLA Charter. See http://www.fairlabor.org/images/AboutUs/flacharter_october2009.pdf.
[3] Step 2: Informing the Participating Company or Licensee-- The Executive Director will inform any Participating Company or College or University Licensee involved in such Facility that a Complaint has been filed, and will provide the Participating Company or College or University Licensee with the information supplied by the Third Party. The Association will also provide a preliminary indication as to which Workplace Standards are potentially noncompliant. The Participating Company or College or University Licensee will be permitted up to forty-five (45) days either to request that the process go directly to Step 3 or to investigate the Alleged Noncompliance internally.

Investigation by Gildan

At Step 2 of the FLA Third Party Complaint Procedure, Gildan elected to investigate internally the allegations raised in the 3PC. On September 24, 2010, Gildan submitted to the FLA the results of its investigation. With respect to the allegations that were the subject of the 3PC, Gildan's response was as follows:

1. ***Allegation: Harassment and forced resignations in early August 2009 of workers who were in the process of forming the union SITRAGILDAN.***

Gildan Response: Around the time of the alleged events, Gildan commissioned a third-party monitoring organization – Accordia Global Compliance Group, henceforth Accordia – to investigate the freedom of association (FOA) situation at Gildan Dortex. Accordia conducted a field investigation from August 23 to August 28, 2009. The report of the investigation was made available on September 7, 2009, to the FLA and to the Worker Rights Consortium (WRC). The report substantiated some of the allegations raised by SITRAGILDAN and FEDOTRAZONAS but not others. In particular, the investigation by Accordia revealed that some members of the factory staff acted contrary to the FLA Workplace Code of Conduct and Gildan's own code of conduct by interfering with workers' rights to freely associate during the early formation of the SITRAGILDAN union. Before and after the Accordia investigation, Gildan put in place a remediation plan, including communications by company management to all levels of staff at the facility and additional training of management on FOA. A memo from Executive Vice-President Management Benito Massi for all employees to read, posted on September 2, 2009, stated:

> Gildan is committed to respecting Dominican Labor laws as well as its own code of conduct and that of the FLA.
>
> Our employees have the right to join or not to join any organization or association of their choosing, including a union, and have the right to engage in collective bargaining. Gildan will not in any way interfere with its employees' choice. Workers will not be subject to discrimination or punishment for joining a union if they so wish. All managers and supervisors at the factory are required to respect this policy.

Further, Gildan stated that the Ministry of Labor conducted an inspection on August 18, 2009, at Dortex to review the claim of an alleged violation of FOA and concluded that no such infraction was present.

Finally, Gildan stated in its response to the FLA that the fact that they had (at the time of the response, late September 2010) two unions in the factory vying for representation "is a clear indication that measures implemented by Dortex are permitting workers to exercise their rights to freedom of association."

2. ***Allegation: Shortly after SITRAGILDAN was formed, recognition by the firm of a competing union, SITRAGIL, a union with connection to management.***

Gildan Response: To rebut the allegation that Gildan management was involved in the formation of SITRAGIL, Gildan referred to the text of a summary judgment issued by the Judge

President of the Labor Court of the Judicial District of Santo Domingo on May 31, 2010, in the matter of a request by SITRAGILDAN to suspend the collective bargaining agreement with SITRAGIL. In that summary judgment, the Judge President stated that SITRAGILDAN had not presented evidence that Dortex management was involved in SITRAGIL's formation. Gildan also rebutted the allegation by referring to two other documents – a document from the Ministry of Labor certifying the establishment of the SITRAGIL union and an excerpt from a report conducted by the Fundación Laboral Dominicana (FLD) – stating that the establishment of the SITRAGIL union followed the requirements of the Dominican Labor Code.

3. ***Allegation: Negotiation and conclusion of a collective bargaining agreement between the factory and the SITRAGIL union on March 1, 2010 although SITRAGIL did not meet the requirements of the law regarding representation of 50% + 1 of workers.***

Gildan Response: The collective bargaining agreement signed on March 1, 2010, between Gildan Dortex and the union SITRAGIL was the result of good faith negotiations. Gildan stated that it conducted three separate "verifications" that all of the employees on the union's list were eligible employees of Dortex "even though such verification was not mandated by Dominican labor law. The union [SITRAGIL] was not legally required to submit – nor did Gildan validate – the affiliation forms or signatures thereon prior to signing the CBA. (In fact, we believe such an intervention would have been viewed as an inappropriate interference with labor rights.)"

In view of concerns about the veracity of the 50% + 1 representation by SITRAGIL, Gildan agreed to cooperate with an external verification conducted by the Fundación Laboral Dominicana (FLD), sponsored by the FLA and the WRC, and to remediate the situation based on the external verification's findings. [More on the review by the FLD and the remediation plan recommended by the FLA and WRC, and agreed by Gildan, is given below.] Gildan requested mediation with SITRAGIL with the objective of persuading SITRAGIL to voluntarily withdraw from the CBA; SITRAGIL agreed to the mediation but ultimately terminated the process.

Gildan's response goes on to recap its efforts to address the issue of representation and list numerous legal impediments in Dominican law to invalidate the existing CBA between Gildan Dortex and SITRAGILDAN. The response finally makes reference to the different actions that are in process before Dominican courts. Gildan believes that the Dominican courts should decide the representation dispute between the two unions.

Background: Independent Review of CBA Process

On March 19, 2010, the FLA and the WRC commissioned the Fundación Laboral Dominicana (FLD), an independent labor rights organization headquartered in Santiago, Dominican Republic, to review the process of affiliation and negotiation of the collective agreement (CBA), signed on March 1, 2010, between Gildan Dortex and SITRAGIL. The objective of the review was to determine if such negotiations were conducted in accord with the labor legislation of the Dominican Republic. Gildan collaborated with the review and to remediate the situation based on the external review's findings.

The FLD staff conducted field work between March 22 and March 27, 2010, and on April 8, 2010, produced a report presenting its findings and recommendations.[4] FLD staff reviewed documentation from the two unions at Dortex (SITRAGIL and SITRAGILDAN) and affiliation cards; interviewed company representatives involved in the verification of the majority of affiliation and the process of negotiation of the CBA; interviewed leaders of both unions; met with representatives of the union federations with which the local unions are affiliated; interviewed workers affiliated with both unions; conducted randomly selected interviews with members of the union that achieved the majority for collective bargaining purposes; consulted with Ministry of Labor officials, particularly officials of the Department of Mediation and Arbitration; and conducted technical analysis on the legal process followed by SITRAGIL to reach the CBA.

FLD reported that it interviewed 66 workers to explore the union affiliation issue. Fifty workers with SITRAGIL affiliation cards were selected at random from the list of 477 workers SITRAGIL submitted to the company to back up its claim of majority affiliation.

- Thirty-one (31) of these workers, or 62%, stated that they had not filled SITRAGIL affiliation cards and that the signatures that appeared in the cards were not theirs;

- Nineteen (19) of these workers, or 38%, confirmed that they were affiliated with SITRAGIL;

- Five (5) of the interviewees who appeared in the records as affiliated with SITRAGIL stated that they were actually affiliated with the SITRAGILDAN union.

It is worth quoting at length the central recommendation/finding of the report:

> That the process of obtaining the majority of affiliations presented by SITRAGIL to the company be declared null, as there is sufficient evidence to confirm that a significant number of workers registered as affiliated with the union are not aware of how their names turned up on the list of affiliates and assert that the signatures that appear in the affiliation register used by SITRAGIL to obtain an absolute majority are not theirs. **This action would preserve the fundamental rights of workers to affiliate or not affiliate to a union and allow workers whose rights were violated through the use of their names for unauthorized purposes, made even greater by the falsification of signatures in public documents, to reclaim them.** FLD makes this recommendation in recognition that the legally established procedure for dealing with the lack of validity of the agreement is through the Courts of the Dominican Republic. However, in an effort to find a speedy, harmonious and legal resolution, we are recommending that it be resolved through consensus among the parties, which is subsequently notified to the Ministry of Labor. (Emphasis in the original.)

[4] Fundación Laboral Dominicana, *Report on Review of the Negotiation of a Collective Agreement Between Gildan Activewear Dominican Republic Textile Company Inc (Dortex) and SITRAGIL in the Dominican Republic*, April 8, 2010, available at http://www.fairlabor.org/images/stories/fairlabor/FLD-GildanReport.pdf.

(a) Remediation Plan

Upon receipt of the FLD report, the FLA and the WRC held meetings with Gildan headquarters staff via telephone to develop an appropriate remediation plan. On April 23, the FLA and the WRC recommended to Gildan a remediation plan to address the freedom of association and collective bargaining issues that had arisen at Gildan Dortex and to avoid similar issues in the future. The remediation plan, which is attached in full at Appendix 2, contained the following recommendations to Gildan, among others:

- Rescind the collective bargaining agreement signed between Gildan Dortex and SITRAGIL on March 1, 2010. As a first step, Gildan Dortex should approach SITRAGIL/CITA to propose that the parties voluntarily sign an accord mutually rescinding the contract. If SITRAGIL/CITA does not agree to such action, Gildan Dortex should revert to the Ministry of Labor to have the agreement de-certified. If that option is not practical, Gildan Dortex should state that it is unilaterally rescinding the agreement because of evidence that SITRAGIL obtained the majority through fraud. In either case, the statement of rescission by the company should be reviewed by the WRC and the FLA before it is finalized.

- Cease to recognize or deal with SITRAGIL/CITA as the representative of workers for the purposes of collective bargaining, until such time as SITRAGIL/CITA would meet the membership requirements under Dominican law to hold such status.

- Unilaterally maintain in effect all direct benefits to workers established by the collective bargaining agreement … Discontinue all benefits in the collective bargaining agreement provided to, or through, SITRAGIL/CITA.

- Work with a credible, outside organization to carry out a robust program of worker rights education for all workers, including supervisors and managers, at the facility in which representatives of both unions, as well as the WRC and the FLA, are invited to participate.

- Meet on a monthly basis (or at other time intervals to be agreed upon by the parties) with representatives of both unions at the facility, on terms agreeable to the parties, to address employment grievances and labor issues at the facility. The minutes of such meetings, approved and signed by both parties, should be posted in the facility in one or more locations visible to workers.

- Negotiate with both unions a set of ground rules for organizing covering such issues as access, meetings with workers, distribution of publicity/educational materials, etc.…

- Should a union make the claim in the future to management that it represents a simple majority of the plant's workforce, require and cooperate with an independent verification process to test the union's claim that has been agreed by the union and management that is credible and transparent. If the simple majority is confirmed, negotiate in good faith with that union.

(b) Gildan Response to Remediation Plan

On April 29, 2010, Gildan responded to the aforementioned FLA and WRC action plan. Gildan did not object to any of the recommendations, although it qualified its proposed actions with respect to selected recommendations. (The full response from Gildan is attached at Appendix 3.) With respect to recommendation to rescind the current CBA and take some other supportive actions, Gildan management stated:

> Gildan will meet with SITRAGIL shortly to share with SITRAGIL the FLD review and attempt to obtain mutual agreement on an early termination of the CBA. If not successful with SITRAGIL, Gildan will (a) file a lawsuit on rescission of the CBA, and (b) simultaneously file a référé action requesting the labor judge to suspend the execution of the Sections of the CBA that foresee payment of benefits to SITRAGIL and CITA, respectively. These lawsuits are contingent on obtaining FLD's cooperation and sharing with us evidence of the fraud related to the affiliation forms, as this will be a key for these suits to succeed.

In response to the recommendation to cease dealing with SITRAGIL as the representative of workers, Gildan stated: "Although the FLD investigation indicated a lack of appropriate representation, the currently legally recognized bargaining unit is SITRAGIL. As mentioned in point one, Gildan will do its utmost to convince SITRAGIL to agree to an early termination of the CBA or will take legal action."

FLA Assessment of the Complaint

The FLA reviewed the aforementioned internal report submitted by Gildan pursuant to Step 2 of the FLA Third Party Complaint submitted by SITRAGILDAN and concluded that it did not address satisfactorily all of the allegations raised in the complaint.

Therefore, the FLA informed Gildan and the complainant on October 14, 2010, that it had moved the case to Step 3 of the Third Party Complaint Procedure[5] and would conduct further assessment either through an expert or an Independent External Monitor. The FLA has engaged an expert to provide independent assessment of the complaint and prepare a public report and recommendations. We anticipate that the field work for the assessment will take place in January 2011 and a public report will be available in early February 2011.

[5] Step 3: Assessment of the Complaint by FLA-- The Association will determine whether to proceed with further assessment through use of either an expert or an Independent External Monitor. If the Association decides after such consultation not to proceed then the Executive Director will terminate the process and provide a Summary Report to the Participating Company or College or University Licensee and the Third Party. If the decision is to proceed then further assessment will take place. The Participating Company or College or University Licensee will ensure that the assessor has access to any and all information which that assessor feels is necessary. The assessor will perform the work in a timely manner and, where applicable, in accordance with FLA monitoring guidelines. The assessor will prepare a report describing the work and any findings.

Appendix 1

Dortex Case Chronology, August 2009-March 2010
(with Respect to Freedom of Association and Collective Bargaining)

August 5, 2009	SITRAGILDAN/FEDOTRAZONAS informs management of the establishment of a "comité gestor."
Early August 2009	SITRAGILDAN and FEDOTRAZONAS allege that factory management is impeding the formation of the union by firing and harassing members of the "comité gestor."
End of August 2009	Accordia, a monitoring organization, is engaged by Gildan to conduct an independent review of the allegations raised by SITRAGILDAN/FEDOTRAZONAS.
September 3, 2009	SITRAGIL/CITA informs Dortex management of the establishment of a "comité gestor."
September 8, 2009	Accordia issues report. The report substantiates some of the allegations and not others. The Accordia investigation finds that some members of the factory staff acted contrary to the Gildan and FLA codes of conduct by interfering with workers' rights to freely associate during the early formation of the SITRAGILDAN union. Gildan puts in place a remediation plan, including communications by company management to all levels of staff at the facility and through additional training on its code of conduct.
September 9, 2009	SITRAGILDAN union officially recognized by the Ministry of Labor.
September 11, 2009	SITRAGIL union officially recognized by the Ministry of Labor.
September-October	Exchange of letters between Gildan, WRC, ITGLWF (FEDOTRAZONAS is an affiliate of ITGLWF) and ACILS regarding meetings with FEDOTRAZONAS. International organizations encourage Gildan to engage in dialogue with FEDOTRAZONAS.
November 25, 2009	SITRAGIL notifies Gildan that it represents the majority of workers and requests the start of negotiation of a Collective Bargaining Agreement. The notification was accompanied by 480 affiliation forms signed by workers to evidence that SITRAGIL had attained the 50% +1 threshold of non-management employees.

December 1, 2009	Gildan notifies SITRAGIL of inconsistencies in the affiliation forms and does not start negotiations.
December 2, 2009	SITRAGILDAN sends letter to Gildan opposing negotiations between the company and SITRAGIL. In its letter SITRAGILDAN (1) states that it has reached the threshold of 50% +1 of all non-management employees; and (2) requests that the company recognize SITRAGILDAN as the legitimate representatives of the workers. SITRAGILDAN does not provide affiliation forms or other evidence of majority membership to Gildan or the Ministry of Labor.
December 17, 2009	SITRAGIL notifies Gildan for a second time that it is the representative of workers and requests start of collective bargaining.
December 18, 2009	Gildan again informs SITRAGIL of inconsistencies in the affiliation forms and does not start collective bargaining negotiations.
January 28, 2010	SITRAGIL notifies Gildan for a third time claiming representation of Gildan Dortex workers. Gildan "validates" the information (confirming that SITRAGIL complies with Article 109 of the Dominican labor code and that the list includes only currently employed non-management employees) and agrees to enter into collective bargaining negotiations.
February 11, 2010	Gildan and SITRAGIL commence collective bargaining.
February 19, 2010	The Directorate of Mediation and Arbitration of the Ministry of Labor convene Gildan and SITRAGILDAN/FEDOTRAZONAS to discuss several allegations of violations of labor law at the factory raised by the union, among them the 4X4 system. Gildan's attorney argues that SITRAGILDAN does not have the legal capacity to request mediation/arbitration as it does not represent the workers. SITRAGILDAN/FEDOTRAZONAS' lawyer states that the union does have representation of workers and an "invitation" to the company to start collective bargaining will be forthcoming. No affiliation forms or other evidence of the legitimacy of this claim is provided to Gildan or to the Ministry of Labor.
March 1, 2010	SITRAGIL and Gildan conclude a collective bargaining agreement.

4/23/10

Appendix 2

Recommendations for Gildan Activewear Regarding
Gildan Dortex in the Dominican Republic
April 23, 2010

On March 19 2010, the Fair Labor Association (FLA) and the Worker Rights Consortium (WRC) commissioned the Fundación Laboral Dominicana (FLD) to conduct a review of the process of negotiation of a collective agreement between Gildan Dortex[1] and the labor union Sitragil (affiliated with the federation Cita-Sindical) in the Dominican Republic. The objective of the review was to determine if such negotiation was conducted in accord with the labor legislation of the Dominican Republic.

FLD conducted fieldwork for the review from March 22 to March 27, 2010, and subsequently consulted with legal experts and officials of the Ministry of Labor. On April 8, 2010, FLD presented the WRC and the FLA with a report summarizing their findings and suggestions on courses of action. The full report (without confidential attachments) is attached.

Based on the findings in the FLD report, the FLA and the WRC recommend that Gildan Activewear take the following actions:

1. Rescind the collective bargaining agreement signed between Gildan Dortex and Sitragil on March 1, 2010. As a first step, Gildan Dortex should approach Sitragil/Cita to propose that the parties voluntarily sign an accord mutually rescinding the contract. If Sitragil/Cita does not agree to such an action, Gildan Dortex should revert to the Ministry of Labor to have the agreement de-certified. If that option is not practical, Gildan Dortex should state that it is unilaterally rescinding the agreement because of evidence that Sitragil obtained the majority through fraud. In either case, the statement of rescission by the company should be reviewed by the WRC and the FLA before it is finalized.

2. Cease to recognize or deal with Sitragil/Cita as a representative of workers for the purposes of collective bargaining, until such time as Sitragil/Cita would meet the membership requirements under Dominican law to hold such status.

3. Unilaterally maintain in effect all direct benefits for workers established by the collective bargaining agreement (including increases to employee pay; compensation associated with the Christmas holiday, maternity, and the death of the worker or family member; opportunities for severance upon resignation; and free breakfast and lunch for night shift employees).

4. Discontinue all benefits in the collective bargaining agreement provided to, or through, Sitragil/Cita (including payment for office rent and union dues; paid leave for union representatives for activities and funds for union travel; educational scholarships distributed by the union; and funds for union activities related to Workers Day and Christmas). In the case of uncertainty regarding how to proceed with particular provisions of the collective bargaining agreement, Gildan Dortex should consult with both unions and Gildan Activewear do the same with respect to the FLA and the WRC.

[1] The full name of the factory is Gildan Activewear Dominican Republic Textile Company Inc.

5. Inform workers (1) that the agreement of March 1 has been rescinded because it was determined that Sitragil had not met the legal threshold to compel the negotiation of such an agreement; and (2) that, until such a time as that threshold is reached, Gildan Dortex will not recognize or deal with Sitragil as a representative of workers for collective bargaining, but (3) that Gildan will honor the benefits for employees established by the agreement although not through Sitragil. This message should be conveyed to workers through the same means by which the company informed workers that the agreement was signed, including the posting of a statement in visible locations in the factory and explanations to small groups of workers.

6. Inform workers, through a written statement and verbal communications (including the above-mentioned small group meetings), that Gildan Dortex is committed to respecting workers' rights to freedom of association and collective bargaining under Dominican law and applicable codes of conduct and that the company will commence bargaining in good faith with any union that demonstrates through an independently conducted verification procedure that it represents 50%+1 of the factory's non-confidential employees.

7. Work with a credible, outside organization to carry out a robust program of worker rights education for all workers, including supervisors and managers, at the facility in which representatives of both unions, as well as the WRC and the FLA are invited to participate. The program should have a strong emphasis on workers' associational rights. Also provide training to management and to the two unions on collective bargaining.

8. Meet on a monthly basis (or at other time intervals to be agreed upon by the parties) with representatives of both unions at the facility, on terms agreeable to the parties, to address employee grievances and labor issues at the facility. The minutes of such meetings, approved and signed by both parties, should be posted in the facility in one or more locations visible to workers.

9. Negotiate with both unions a set of ground rules for organizing covering such issues as access, meetings with workers, distribution of publicity/educational materials, etc. Those rules should provide representatives of both unions, and their respective federations, with access to the worksite during non-working hours (i.e., lunch and break periods) to meet with workers and inform them of the benefits and responsibilities of joining a union, consistent with domestic law.

10. Should a union make the claim in the future to management that it represents a simple majority of the plant's workforce, require and agree to a credible, transparent, independent membership verification process to test the union's claim. If the simple majority is confirmed, negotiate in good faith with that union.

The FLA and the WRC expect that Gildan Activewear will take immediate action with respect to rescinding the collective bargaining agreement with Sitragil (Recommendation 1) and ceasing to deal with such union as representative of the workers at Gildan Dortex (Recommendation 2), while maintaining the benefits granted to workers under the collective bargaining agreement (Recommendation 3). The WRC and the FLA further expect that, within 30 days of the issuance of these recommendations, Gildan Activewear will submit a detailed action plan on how it intends to implement the remaining recommendations.

April 29, 2010

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Dear Jorge and Jeremy,

We would like to acknowledge the report based on the verification carried out by the FLD in the Dominican Republic from March 22 to 28, 2010 and your recommendations received on April 23rd.

We understand the conclusions of the report but would like to point out that we find it a bit confusing in its structure that could lead to misunderstandings on the part of the readers. We also regret that the report does not say clearly that Gildan was not behind the creation of Sitragil but we appreciate you took some of our comments into account.

With regards to your recommendations communicated to us on April 23rd and further to the conversation we had on April 27th, we have addressed them point by point:

1. Gildan will meet with Sitragil shortly to share with Sitragil the FLD review and attempt to obtain mutual agreement on an early termination of the CBA.

   If not successful with Sitragil, Gildan will (a) file a lawsuit on rescission of the CBA and (b) simultaneously file a référé action requesting the labor judge to suspend the execution of the Sections of the CBA that foresee payments of benefits to Sitragil and CITA, respectively. These lawsuits are contingent on obtaining FLD's cooperation and sharing with us evidence of the fraud related to the affiliation forms, as this will be a key for these suits to succeed.

2. Although the FLD investigation indicates lack of appropriate representation, the currently legally recognized bargaining unit is Sitragil. As mentioned in point one, Gildan will do its utmost to convince Sitragil to agree to an early termination of the CBA or will take legal action.

3. We agree with this recommendation as we have already committed to maintain all direct benefits for workers established by the CBA.

4. As a token of good faith, Gildan is discontinuing benefits of the CBA provided to Sitragil/CITA although this could bring a lawsuit by Sitragil seeking damages for alleged violation of the CBA.

5. We agree to inform workers during this process.

6. We agree with this recommendation.

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7. We agree with this recommendation and as you know, we have discussed the proposal received by the FLD at the end of January and would be ready to start training shortly.

8. We will review this recommendation once the legal capacity for collective negotiations has been established.

9. We will review this recommendation once the legal capacity for collective negotiations has been established.

10. To avoid similar problems regarding affiliation in the future, we will discuss with all parties an independent process to validate proper representation once one of the two unions can demonstrate it has reached proper representation (50% +1).

We are confident that you will realize the seriousness in which we are addressing your recommendations and hope that our feed-back will meet your expectations. As we discussed on Tuesday, April 27th, we are most interested in addressing the current situation promptly and finding a solution that would be agreeable to our stakeholders, including our employees.

Do not hesitate to contact me should you have any questions.

Best regards,

Corinne Adam

Corinne Adam
Vice President, Corporate Social Responsibility

GILDAN