

A G R E E M E N T

BETWEEN

**DOMTAR INC.
NAIRN CENTRE SAWMILL**

(hereinafter referred to as the 'Company')

AND

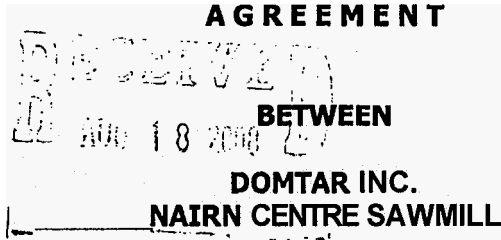
**COMMUNICATIONS, ENERGY AND
PAPERWORKERS' UNION
AND ITS LOCAL 31-X**

(hereinafter referred to as the 'Union')

Covering the Period

September 1, 2005 to August 31, 2010

00960(08)



(hereinafter referred to as the 'Company')

AND

**COMMUNICATIONS, ENERGY AND
PAPERWORKERS' UNION
AND ITS LOCAL 31-X**

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Covering the Period

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CONTENTS

Article I	- Purpose.....	1
Article II	- Period.....	1
Article III	- Recognition and Jurisdiction.....	2
Article IV	- Rates and Classifications.....	6
Article V	- Union Membership.....	7
Article VI	- Vacations With Pay,.,.	10
Article VII	- Holidays With Pay.....	14
Article VIII	- Adjustment of Grievances,.....	19
Article IX	- No Strike- No Lockout.....	26
Article X	- Working Conditions.....	26
Article XI	- Hours of Work,,,,,,	32
Article XII	- Seniority.....	48
Article XIII	- Bulletin Boards,.,	62

Article XIV -	Health and Welfare.....	62
	14:01 Weekly Indemnity.....	62
	14:02 Long Term Disability.....	63
	14:03 Group Life Insurance.....	69
	14:04 Medical, Surgical Drug & Hospital Care Plans.....	71
	14:05 Dental Care Plan.....	72
	14:06 Vision Care Plan.....	74
	14:07 Benefits at Lay Off.....	74
	14:08 Disputed WSIB Claims.....	74
	14:09 Health and Dental Cost Sharing	75
Article XV -	Pension Plan.....	76
Article XVI -	Bereavement Pay.....	83
Article XVII -	Jury Duty.....	84
Article XVIII -	Leave of Absence.....	85
Article XIX -	Severance Pay.....	85
Article XX -	Apprenticeship Plan.....	87
Article XXI -	Automation and Technological Change.....	92

Schedule "A"	Trades Training - Schedule of Wage Rates.....	91
Schedule "B"	Occupation Codes, Rates, Dates.....	94
Schedule "C"	Union Seniority List.....	99
Schedule "D"	Letters of Understanding	
	1. Weekly Indemnity.....	103
	2. Four Crew Maintenance Schedule	104
	3. Job Groupings,,.....	108
	4. Contractors.....	112
	5. Call List.....	114
Schedule "E"	General Information	117

INDEX

	Article	Page
Adjustment of Grievances	VIII	19
Apprenticeship Plan	XX	87
Automation	XII	60
Automation and Technological Change	XXI	92
Benefits at Lay Off	XIV	74
Bereavement Leave	XVI	83
Bulletin Board	XIII	62
call outs	XI	39
Climatic Controls	X	31
Compassionate Leave	XVI	a3
Contracting Out	III	4
Coverals	X	31
Dental Plan	XIV	72
Disputed WSIB Claims	XIV	74
Education Fund	X	32
Electrical Maintenance	III	5
Exchange of Shifts	XI	35
Floating Holidays	VII	17
Grievance Procedure	VIII	19
Hours of Work	XI	32
Job Postings	XII	50
Joint Health & Safety Committee	X	26
Joint Health & Safety Conference	X	27

INDEX

	Article	Page
Jurisdiction	III	2
Jury Duty, Crown Witness,	MI	84
Subpoenaed Witness	XVII	84
Leaves of Absence	XVIII	85
Letters of Understanding		102
Life Insurance	XIV	69
Long Term Disability	XIV	63
Lumber Graders	XII	55
Meals	XI	45
Membership	V	7
New Job Classifications	IV	6
Overtime	XI	40
Pension Plan	XV	76
Period of Agreement	II	1
Posted Back Up Positions	XII	58
Probationary Period	XII	48
Purpose of Agreement	I	1
Recognition	III	2
Safety Equipment and Apparel	X	28
Semi-Private Hospital Care	XIV	72
Seniority	XII	48
Seniority Ranking		99
Severance Pay	XIX	85
Shift Differential	XI	34
Shift Workers Schedule	XI	32

INDEX

P

Statutory Holidays	VII	14
Trades Tools	X	28
Trades Training		91
Schedule of Trade Rates		94
Union Membership	V	7
Vacations With Pay	VI	10
Vision Care Plan	XIV	74
Wage Schedule		94
Weekend Maintenance	XI	36
Weekly Indemnity	XIV	62

ARTICLE I - PURPOSE

1:01 The purpose of this Agreement is to secure for the Company and the Union the full benefits of orderly and legal collective bargaining in respect to hours, wages and working conditions as specified in Articles of this Agreement and to secure to the utmost extent possible, the safety and physical welfare of the employees, economy of operations, quality and quantity of output and protection of property. This Agreement moreover **seeks** to provide for fair and peaceful adjustments of all disputes that may arise between the parties. It is recognized as a duty of the parties hereto and of all employees to cooperate fully, individually and collectively, for the advancement of **the conditions set forth herein.**

1:02 Throughout this Agreement, use of the masculine gender shall be considered also to include the feminine.

ARTICLE II - PERIOD

2:01 The Company and the Union agree one with the other that they will abide by the Articles of this Agreement from **September 1st, 2005** to **August 31st, 2010** inclusive, and from year to year thereafter unless either party desires to change or terminate the Agreement, in which ~~case~~, the party desiring the

change or termination shall notify the other party, in writing, within ninety (90) days prior to August 31st of the particular year that such is its desire. Either party opening the Agreement in the manner provided above shall notify the other party, in writing, as to the changes desired.

NAIRN CENTRE SAWMILL START-UP
PROTOCOL

It is understood that the potential start date for the Nairn Centre Sawmill will be between April 1st, 2008 and August 31st, 2008.

Should the mill not start during this period, the Memorandum of Agreement will become null and void.

ARTICLE IIII - RECOGNITION AND JURISDICTION

3:01 (a) The Company recognizes the Union as the sole collective bargaining agent for all its employees employed by the Company on its operations in Nairn Township.

For the purpose of this Article, employees shall be all those employed on the job classifications set out on the Wage Schedule attached to and forming part of

the **Agreement**, including ~~those~~ who are engaged on job classifications which may be established and become part of the **Wage** Schedule during the term of the Agreement. This provision excludes: Shift Supervisor, persons above the rank of Shift Supervisor, **Scalers**, Office Staff and Security Personnel.

3:01 (b) The employees of contractors engaged on operations of the Company in Nairn Township shall be considered employees within the terms of this Agreement, save and except the employees of contractors and/or contractors who are engaged to perform occasional special services not commonly performed by employees covered by the terms of this Agreement, employees of contractors where such contractors are engaged for the purpose of erecting structures and where such contractor is bound by an Agreement with a Union or Unions affiliated with a central labour body covering such work. The Union will be advised at least **two (2)** weeks in advance of any Company plans to "contract out work" except in the ~~case~~ of a genuine emergency. **Upon request of the Union, the Company shall provide certificates of qualification to the Union of any contractor entering the property.**

3:02 (a) Supervisory personnel, Relief Production Supervisor while replacing Production Shift Supervisors, which includes contractors, whose

employees are considered to be employees under this Agreement, shall not perform work which would normally be a function of an employee in the job classifications covered by this Agreement, except when instructing employees and in cases of emergency which involve physical danger to employees or danger to property. The Company further agrees that the Relief Production Supervisor will not be allowed to administer disciplinary action as per Article 8:11.

3:02 (b) The Company will not contract out repair and maintenance work which is normally performed by the maintenance crew, for which the mill is equipped, for which crews are available and which employees are capable of performing. The Company agrees to pay the defined Union dues for all contractors who perform work normally performed by members of the bargaining unit as well as capital work projects on this site. Any contractors employing the following trades; millwrights, mechanics, electricians, carpenters and/or welders will be included in this payment of Union dues.

When the Company contemplates the need for contractor services, they shall meet with the Union to discuss manpower needs and the availability of bargaining unit employees for such work. The mandate for these

meetings will be to discuss and identify the opportunities to use bargaining unit employees before using contract services as a means to improve cost saving initiatives and employment opportunities for Nairn Centre employees. This clause is for pro-active discussion purposes only.

3.02 (c) Electrical Maintenance

It is the policy of the Company to have no one but Electricians perform maintenance work on electrical equipment.

Only trained electrical personnel are permitted to reset inside an electrical panel.

3:03 It is agreed that Company operations shall not be interrupted as the result of any jurisdictional dispute that may arise between the Union and any other Union affiliated with the C.L.C. Questions of jurisdiction shall conform to the regulations covering such matters as fixed by the C.L.C. and the Company will not be asked to act upon any matter of jurisdiction between organizations of the C.L.C.

ARTICLE IV - RATES AND CLASSIFICATIONS

4:01 The Wage Schedule is attached hereto and forms a part of this Agreement.

4:02 If, during the life of this Agreement, a significant change in the job content occurs in any job classification listed in the attached Wage Schedule, the rate thereto shall be adjusted by negotiations between the parties. Upon failure to reach agreement, the matter may be referred to Stage III of the Grievance Procedure.

4:03 For job classifications not listed in the attached Wage Schedule, the Company shall set a temporary wage rate. Where the Company has prior knowledge of the necessity for establishing a new job classification, the Company will notify the Union, in writing, at least two (2) weeks in advance, and if the Union requests, the Company will discuss the applicable rates and conditions prior to the commencement of the new job. Where circumstances require immediate and unforeseen establishment of a new job classification, the Company will notify the Union, in writing, immediately.

Any such rates will be based on comparison with the prevailing rate for similar and/or related occupations in the attached Wage Schedule.

After a thirty (30) day trial period any such rate or rates shall be negotiated with the Union and, after such agreement is reached, it shall then become a part of the Wage Schedule and be attached thereto. It is understood that the thirty (30) day period can be extended by mutual consent of the parties. Upon failure to reach agreement on a rate or rates, the matter may be referred to Stage III of the Grievance Procedure. Rates when established shall be retroactive to the date of establishment of the new job classifications.

The Company when combining job classifications covered by the Collective Agreement agree that the senior employee(s) of the jobs which have been combined shall receive first consideration and shall receive a training period as described in Article 12:07(e).

ARTICLE V - UNION MEMBERSHIP

5:01 Any employee who is now a member in good standing or who becomes or is reinstated as a member of the Union shall, as a condition of continued employment, maintain such membership in good standing throughout the term of this Agreement. The Union shall be the sole judge as to whether an employee is a member in good standing and shall notify the Company promptly of any change in the standing of any such employee.

5:02 (a) When hiring new employees, subject to the skill and ability of the applicants to perform the work required of them, the Company will give preference to Union members.

If Union members do not apply the Company shall have the right to employ non-Union help.

The Company agrees to advise the Union from time to time of its labour requirements.

5:02 (b) New employees shall make application to join the Union when first approached to do so by a duly authorized Union official. The Company shall upon hiring, advise all new employees to report to the Financial Secretary within ten (10) days of commencing work. Failure of an employee to comply with the conditions herein shall be cause for immediate termination of employment.

5:03 (a) The Company will deduct from all employees covered by the Labour Agreement from monies due them and remit to the Union, initiation fees and/or weekly membership dues but not fines, assessments or other levies.

5:03 (b) Deductions so made will be remitted to the Union weekly, said remittance to be accompanied

by itemized lists in alphabetical order, in duplicate, of names with Christian names as payrolled. A copy of the list will be given by the Company to the Financial Secretary of the Union or his representative.

5:03 (c) Yearly Union dues deductions will be shown on the T-4 slips.

5:04 Union representatives shall have the right to visit the operation in connection with Union business. Such representatives shall report to the Personnel Supervisor or Operations Manager on arrival.

5:05 The Union shall furnish the Company with the listing of local Union officers and shall amend these lists promptly as changes occur. Failure to advise the Company of such changes will not in any way affect the authority of the Union officers.

5:06 The Company will furnish a list of supervisory personnel to the Union office at the start of the contract year and amend it, if required, at the end of each month. The amended list will show the effective date of the changes. Failure to advise the Union of such changes will not in any way affect the authority of Company supervisors.

5.07 The Company agrees to participate in the CEP Humanity Fund and will match up to a maximum of \$10,000 per year.

ARTICLE V I - VACATIONS WITH PAY

6:01 (a) Vacation pay shall be paid to each employee by cheque to be issued at the time of termination or when the vacation is taken. Vacation pay shall be paid to each employee by separate cheque.

6:01 (b) Vacation pay credits shall be paid to each employee on the following basis:

(1) Four percent (4%) of gross earnings for employees who have worked less than four (4) years in one period of employment with the Company.

(2) Six percent (6%) of gross earnings for employees who have worked more than four (4) years, but less than ten (10) years in one period of employment with the Company.

(3) Eight percent (8%) of gross earnings for employees who have worked more than ten (10) years, but less than eighteen (18) years in one period of employment.

(4) Ten percent (10%) of gross earnings for employees who have worked more than eighteen (18) years but less than twenty-five (25) years in any one period of employment.

(5) Twelve percent (12%) of gross earnings for employees who have worked more than twenty-five (25) years.

(6) In the case of employees whose period of employment dates back to June 1, 1963, their years of service shall be calculated as from June 1st, 1963. In the ~~case~~ of employees whose period of employment started after June 1st, 1963, years of service shall be calculated from date of hiring. Status of present employees is as shown on Schedule "C" attached.

(7) Employees will be paid one normal weeks earnings at their regular rate of pay for each week of vacation or 2% of gross earnings in the previous calendar years, whichever is greater. Employees must have worked at least 750 hours during each calendar year. Time off due to compensable accidents shall be considered as time worked.

Weekly Indemnity

In the event that not enough time remains in the corresponding calendar year to

accommodate the equivalent time off, or any portion thereof, such employee will be permitted to carry over any unused vacation to the following year.

6:02 A period of employment is defined for purpose of this Agreement as:

(a) In the case of an employee who has established seniority as a period during which he maintains his accrued seniority.

(b) In the case of a probationary employee as a period not broken by a leave or an absence of more than three (3) working days, excepting layoff.

6:03 *An* employee who has been continually employed for one year shall take vacation time off at a time which is satisfactory to the employee and the Company. Each two percent (2%) of vacation pay credit shall entitle an employee to one ~~week~~ week of time off each year.

6.04 **Vacation requests made after April 15th will be confirmed and posted by May 15th. This clause is for the vacation period from April 15th to December 31st.**

6.05 Vacation requests made **after** April 15th will be confirmed as soon as possible but in no case later than one month after the request. Vacation shall be allotted by seniority. Total vacation allotment at one time will be **15%** per department.

6.06 All employees will be instructed on August 15 to schedule any outstanding vacations at a time satisfactory to him and his supervisor. Employees who have not scheduled their outstanding vacation by September 15 will have it assigned by the Company.

6.07 When economically feasible a plant vacation shutdown of one week will be scheduled each year at Christmas. The Company will advise the Union on March 1st of each year of the proposed vacation shutdown, where applicable.

6.08 The Company reserves the right to shutdown its operations for one or two consecutive weeks during the summer months in July and/or August. The Company must notify the Union by April 14th of each year the dates of shutdown. For clarification purposes, employees will be expected to take vacation during the shutdown. Maintenance employees will be expected to work during the shutdown. Article 6.05 will apply to employees in the Maintenance Department.

6.09 Should the Company decide to operate parts of the mill during the summer shutdown, a list will be posted plantwide by seniority for volunteer employees to register.

ARTICLE VII - HOLIDAYS WITH PAY

7:01 Employees who have acquired seniority status by having completed their probationary period shall be qualified to be paid without the performance of work for the following holidays:

New Years Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Canada Day	Christmas Day
Civic Holiday	Boxing Day

When any of the above holidays fall on Saturday, it shall be observed on the preceding Friday, and if the holiday falls on Sunday, it will be observed on the following Monday.

Canada Day and Remembrance Day may be observed on Friday or Monday with mutual agreement between parties.

Remembrance Day (November 11th) holiday will be observed during Christmas and New Year's period. The shutdown day will be mutually agreed no later than September 1st each year. If agreement of

the date is not reached by September 1st, the holiday will be observed on November 11th.

In addition, employees who have accumulated three (3) months seniority will be granted two (2) floating holidays per contract year (September 1st to August 31st) to be taken at a time satisfactory to the employee and his supervisor. Floating holidays not taken prior to July 1st in each year will be scheduled.

An employee who, by reason of layoff, is prevented from taking his floating holiday(s) shall receive pay in lieu of such holiday(s).

7:02 (a) An employee who has established seniority in accordance with Article **ML**, is eligible for holiday pay provided:

(i) He works his last scheduled shift prior to the holiday and first scheduled shift following the holiday, unless prevented by circumstances beyond his control, or

(ii) If an employee has worked any of the available work days within the thirty (30) days immediately prior to the holiday, is on authorized leave of absence when the holiday occurs, he shall receive holiday pay for the first holiday that occurs during his absence, or

(iii) An employee who is obliged to cease

work due to layoff during the thirty (30) day period immediately prior to the holiday, shall receive holiday pay for the holiday(s) within such thirty (30) day period, or

(iv) **An** employee who is obliged to cease work due to sickness or accident certified by a licensed practitioner during the thirty (30) day period immediately prior to the holiday shall receive holiday pay for the holiday(s) within such thirty (30) day period.

7:02 (b) i) Hourly paid employees will receive eight (8) times their hourly rate.

ii) Employee will receive the equivalent amount of his regular shift's pay.

7:02 (c) If an employee who qualifies under Article XII is recalled and works anytime during the fourteen (14) calendar day period immediately following the holiday(s), he shall receive holiday pay for the preceding holiday(s).

7:03 **An** employee who is requested to work on any of the holidays in Section 7:01 shall be paid for all time worked at one and one-half times his regular rate up to eight (8) hours worked, and double time after eight (8) hours **and shall have the option**

of receiving eight (8) hours off work with pay at a time mutually agreeable between the parties or receive eight (8) hours pay as per Article **7.02(b)**.

7:04 An employee on regular vacation during a week in which a statutory holiday falls, shall have the option of having a day off with pay at a time mutually convenient to the employee and his supervisor within the following 180 days or having the holiday pay added to his regular vacation pay. If the employee elects not to defer his holiday payment, he must advise Management not later than ten (10) days prior to the commencement of his vacation period. Further the payment of overtime will not be a reason to deny floaters or **stats**.

7.05 In an attempt to distribute floating holidays as fairly as possible, the following has been agreed to as a minimum.

On any given *day*, floaters will be allocated by Company wide seniority but within operational areas. All requests must be on the Personnel Supervisor's desk at least three (3) days previous to the requested floater.

There will be no distinction between floaters and **stats**.

Floaters/stats will be allocated in the operational areas as follows:

	<u>3 Shift Operation</u>	<u>2 Shift Operation</u>
Planer	Six in total two per shift	Five in total two per shift
Woodyard Debarker & Large Log Mill	Six in total two per shift	Five in total two per shift
Chip & Hog Fuel drivers	One per shift/total of three	One per shift total of two
Electricians	One in total	One in total
Millwrights Set-up men	2 per shift/total of Four	2 per shift/total of Four
Mechanics	One in total	One in total
Filers	One in total	One in total
	22	19

The Company shall continue to allow 15% of employees off on floaters and/or stats on a two-shift operation per day plant-wide and 18% of employees allowed off on floaters and/or stats on a three-shift operation per day plantwide.

This has been agreed to in the best interest of all personnel involved; however, it in no way is intended to change the existing Labour Agreement.

The cooperation of all employees and supervisory personnel is requested to make this system work.

ARTICLE VIII - ADJUSTMENT OF GRIEVANCES

8:01 It is the mutual desire of the parties hereto that complaints of an employee be adjusted as quickly as possible. It is generally understood that an employee has no grievance until he has given his shift supervisor an opportunity to adjust his complaint. Prior to reducing a complaint to a grievance as per Article 8:03 the employee may request his Shop Steward to be present at any further discussion with his shift supervisor.

8:02 (a) The Company shall recognize the Grievance Committee which shall consist of the President, two executive officers and at the discretion of the Grievance Committee the Steward involved.

It is understood that the Stewards and other Union officers shall not be absent from their regular duties in order to deal with a grievance without

obtaining prior authorization from their shift supervisor. This permission will not be unreasonably withheld.

The Company agrees to pay members of the Grievance Committee for loss of wages for authorized time lost for handling of grievances.

The shop Stewards recognized by this Agreement shall be as follows:

- a) Planer Mill (include mobile equipment operators)
- b) Large Log Mill (include mobile equipment operators)
- c) Small Log Mill (include mobile equipment operators)
- d) Processor & Yard (include mobile equipment operators & garage)
- e) Maintenance (include electrical crew)

When the operating schedules for (a) to (d) consists of more than one shift there will be one Steward on each shift.

8:02 (b) It is agreed that there shall be no discrimination exercised in any manner towards the Stewards or Union Grievance Committee members or other Union members.

8:03 A grievance under the provision of this Agreement is defined to be any difference between

the parties or between the Company and employees covered by this Agreement involving the interpretation, application, administration or alleged violation of any of the provisions of this Agreement.

8:04 STEP I - Grievances as defined above shall be taken by the employee together with the Union Steward having jurisdiction directly to the employee's immediate shift supervisor for adjustment. Any grievances submitted to the shift supervisor in accordance with this procedure shall be in writing and will be disposed of by the shift supervisor in writing. Failing a satisfactory adjustment within forty-eight **(48)** hours, then;

STEP II - The matter shall be taken up by a member of the Grievance Committee and the Steward having jurisdiction with the **Area** Superintendent and the Human Resources Supervisor. This procedure shall be in writing and will be disposed of by the **Area** Superintendent and the Human Resources Supervisor within five (5) days, then;

STEP III - Within ten (10) days the matter shall be taken up by the Grievance Committee with the General Manager of the Company or his representative. Failing a satisfactory adjustment then;

STEP IV - Within fifteen (15) days the matter shall be presented to the Company by the Grievance Committee and the National Representative. Failing a settlement within fifteen (15) days, then;

STEP V - Either party may within the following fifteen (15) ~~days~~, refer the matter to Arbitration.

In Arbitration, the Company and the Union shall each select one man; these ~~two~~ (2) shall select a third party who shall act as Chairman. Either party shall appoint its nominee not later than five (5) days after receipt of written notice of the other party's nomination. The Arbitration Board's decision shall be final and binding on both parties to this Agreement. In the event of the failure of the ~~two~~ (2) people selected by the respective parties to select a third party ~~as~~ provided above, they shall ask the Provincial Minister of Labour to appoint a third party.

All time limits mentioned in the grievance procedure may be extended by mutual consent of the Company and the Union. If a grievance is processed through to arbitration the Arbitration Board shall have the power to relieve against non-compliance of time limits.

Nothing herein shall prevent the parties from mutually agreeing on a sole arbitrator to arbitrate grievances arising out of this Agreement.

8:05 It is understood that the function of the Arbitration Board shall be to interpret and apply this Agreement and that it shall deal only with the specific questions as submitted and shall have no power to alter, add to, or amend this Agreement. However, the function of the Arbitration Board shall include the power to consider adjustments to individual job classifications under **Section 4:02** and rates for job classifications under **Section 4:03** and to revise the rates therefore. The Arbitration Board shall have no power to decide questions involving general wage adjustments.

8:06 Sundays, Statutory and Legal Holidays shall not be included in any time limits in this Article of the Agreement.

8:07 A grievance arising from a claim by an employee that his discharge or suspension by the Company was unjust or contrary to the terms of this Agreement, must be dealt with, in writing, by both parties and must be presented to the Company not later than ten (10) days after the discharge or suspension becomes effective. Grievances dealing with suspension shall be processed from the second step. In the case of suspension by the Company, the Company shall notify the employee, in writing, of the reason for such suspension.

Discharge grievances will be processed beginning at Step III of the grievance procedure. The Company shall notify the employee, in writing, the reason for discharge.

In the event that an employee is found by an Arbitration Board to have been unfairly discharged or suspended by the Company, the Company agrees that the employee will be reinstated on his job under terms and conditions decided by the Arbitration Board.

8:08 Each party to this Agreement shall pay all expenses of the member of the Arbitration Board selected by it or by the Minister of Labour and shall share equally in the fees and expenses of the third member of the board.

8:09 Grievances which involve Company policy in respect to the interpretation, application, administration or alleged violation of the Agreement may be processed commencing at Step III of this Grievance Procedure.

8:10 If the Company has a grievance as defined in Section 8:03, it shall commence at Step III of this Grievance Procedure by the General Manager or his representative presenting the matter, in writing, to the officers of the Union.

8:11 Employees to be disciplined (**including reprimand**) by the Company will be provided with Union representation. When an employee has been indefinitely suspended from work, the parties will endeavour to meet before the employee's next regular scheduled shift or at a time agreeable to both parties. The Company will copy the Union on all verbal warnings issued.

The disciplinary record of an employee shall not be used for the purposes of establishing progressive discipline after a period of twelve (12) months of work has lapsed without any other disciplinary infraction occurring.

In cases involving theft or sabotage, this discipline shall remain active for a period of three (3) years of work from the date of the infraction.

8.12 Grievances which involve Article XIV (to include WSIB claims) in respect to interpretation, application, administration or alleged violation of this Agreement shall be processed commencing at Step III of this grievance procedure.

ARTICLE IX - NO STRIKE - NO LOCKOUT

There shall be no strike caused, called, or supported by the Union or its members, nor lockouts by the Company during the life of this Agreement.

ARTICLE X - WORKING CONDITIONS

10:01 (a) It is agreed that the Company and the Union shall cooperate collectively in improving safety and first aid practices. The Company and the Union agree to set up and maintain a Joint Health & Safety Committee to promote safe working conditions and practices. There will be at least two (2) meetings of the Safety Committee each calendar quarter. The position of the Chairman shall alternate between a Company Co-chairman and a Union Co-chairman.

The Chairman of *each* meeting shall make a report in triplicate, copies going to the Company office, the Union office, and the bulletin boards.

A member of the Committee is entitled to such time off from his work as is necessary to attend meetings of the Committee, and the time *so* spent shall be deemed to *be* work time for which he shall be paid straight time while on shift or time and one half if off shift for all hours in attendance at the safety meetings (call out time not *applicable*).

All required safety equipment (excluding safety boots) is provided at the employee's induction, and on-the-job familiarization and safety training is provided by immediate supervisor.

The Company agrees to establish a new classification called Union Health & Safety Representative. This person will be excused from his/her normal duties for a maximum of eight (8) hours per week (to exclude any overtime that may result in the performance of their duties in this position or as a Health and Safety Committee Representative). The nature of this position is to assist the Company in their compliance with the OSHA and their internal Health and Safety program. The Union Health and Safety Co-chair will be the individual to fill this position. The Company shall be responsible for maintaining the employee's current wage rate, and any benefits related to his/her employment.

10:01 (b) The Company agrees that Local 31-X representatives will attend all future E. B. Eddy Forest Products Ltd./Communications, Energy and Paperworkers Union Safety Conferences. Six (6) delegates from Local 31-X may attend the conference. These delegates will be compensated for any loss of wages incurred as a result of attending the Conference.

10:02 It is agreed that there shall be properly equipped first-aid kits sufficient for normal requirements, located on the operation.

10:03 The Company agrees to provide a statement for each weekly pay period to all employees, showing all credits, deductions, hours of work and the rate per hour, all hours worked at premium rate, and the type of work performed by the employee during such pay period.

10:04 All hand tools and equipment required on the job will be made available to all employees on loan. When an operator of equipment is required by the Company to do a mechanical repair job, he will be furnished such tools as are required. All tools and equipment not returned will be charged for in full. Worn out or broken tools will be replaced with serviceable tools free of charge provided that the worn out or broken tools are returned. The Company will provide free insurance against damage by fire or theft of tradesmen's tools normally required by tradesmen to the full replacement value of such tools. Employees will be required to furnish the same tools which were required in the past. Tradesmen, to be eligible for above insurance, must provide the Company with a list of their tools. Employees' damaged or broken tools must be reported to the supervisor and arrangements are made for replacement. The same

policy applies to tools lost by fire or theft. However, there may be some delay in the replacement as we must investigate the circumstances.

The Company will place an order to replace tools within seven (7) working days.

10:05 The Company agrees that it will furnish on loan, all mandatory safety equipment and personal safety apparel save and except safety boots.

The Company further agrees to sell to employees safety boots at ninety-five dollars (\$95.00) below invoice price to the Company.

The Company will provide, at no cost to the employee, one (1) pair of chainsaw pants (summer or winter) to all employees who regularly operate chainsaws within the course of their normal duties. In addition, the Company shall pay to a maximum of twenty (\$20) dollars towards the purchase of a second pair of chainsaw pants each year. Upon request the Company will replace any worn ~~at~~, or damaged chainsaw pants.

The wearing of safety equipment and apparel will not become a condition of employment unless it has been agreed to by the Company and the Union or is mandatory under Government legislation.

The Company will provide quality work gloves for all employees.

10:06 With a mill-wide compulsory safety eyeglass policy, the company, will provide all safety glasses, including industrial prescriptions safety glasses.

10:07 The Company agrees to supply on loan, raincoats and oilers aprons, however, this shall not apply to normal personal items, such as shoes, pants, etc.

10:08 The Company and the Union agree that Labour Management Consultation Meetings could be held on a monthly basis, unless circumstances arise that would necessitate immediate meetings or discussions on matters involved. The purpose of these meetings will be to discuss with the Union ways and means of improving conditions for all employees covered by this Agreement, the interpretation of this Agreement and to provide information and discuss issues related to the Company operations.

A committee member is entitled to such time off from his work as necessary to attend meetings of the committee. Such time spent shall be deemed to be work time for which he shall be paid straight time while on shift or ~~off~~ shift for all hours in attendance of a meeting.

10.09 Coveralls

The Company will supply tradesmen, that is, carpenters, millwrights, mechanics, electricians, filers and utility operators with suitable coveralls as made available by a supply service of Company choice. Fifty percent (50%) of the cost of the laundering will be borne by the employee.

Each employee would have a set of five (5) coveralls for his personal use. He would be issued a clean pair of coveralls each week upon return of this soiled pair. The Company will pay the full cost of laundering one pair of coveralls.

The individual employee will be responsible for loss or damage to the coveralls for normal wear and tear; however, coveralls damaged by unforeseen circumstances beyond his control will be replaced by the Company after inspection.

Insulated coveralls will be supplied by the Company when required, the cost of laundering will be paid by the Company.

10.10 The Company shall ensure any mobile

equipment (new or existing), operator's cabs, rental equipment, washrooms and lunchrooms are equipped with climatic controls so as to provide the necessary heat and air conditioning for employee's health.

10:11 The Company provides first aid arrangements as required by Provincial laws.

10:12 Effective the first date of the contract renewal the Company will contribute by monthly cheque to the Financial Secretary of the local union **\$0.04** per hour per employee for all compensated hours for the purpose of providing paid education leave.

Said paid leave will be for the purpose of upgrading the employee's skill in all aspects of health and safety and trade union education.

Employees on paid education leave of absence will continue to accrue seniority and benefits during such leave.

ARTICLE XI - HOURS OF WORK

11:01 (a) The week for operations shall be six (6) days per week Monday to Saturday inclusive. The work week for day or shift workers shall be forty (40) hours, eight (8) hours per day, Monday to Friday

inclusive, or Tuesday to Saturday inclusive **or the workweek for day or shift workers shall be forty-four (44) hours, nine (9) hours per day Monday to Thursday inclusive and eight (8) hours Friday. For clarification, the start time shall be between 6:00 a.m. and 7:00 a.m.. The second shift shall immediately follow the first shift.**

It is agreed that day work or shift work employees may be required to work in excess of their regular work day or shift or work week, and will be paid in accordance with Section 11:05 for such time worked. If an employee requests to be excused from working overtime, permission will not be unreasonably withheld.

11:01 (b) For the purpose of this Agreement, Sunday shall begin at 7:00 a.m. on Sunday and end at 7:00 a.m. Monday.

A holiday shall begin at 7:00 a.m. the day of the holiday and end at 7:00 a.m. the day following the holiday. An employee's "sixth day" (Saturday or Monday) shall begin at 7:00 a.m. of that day and end at 7:00 a.m. the day following.

11.02 On two-shift operations, the first shift shall consist of eight (8) consecutive hours, meal time

excepted, and shall commence at **7:00 a.m. and end at 3:30 p.m.** The second shift shall consist of eight (8) consecutive hours, meal time excepted, and shall commence **at 3:30 p.m. and end at 12:00 a.m.** and shall carry a shift differential of the second shift. **There will be a one (1) hour gap between shift schedules for Chip Truck Drivers**

11:03 (a) On a three-shift operation, the shifts shall be eight (8) consecutive hours. The starting and stopping times for the three (3) shifts and the shift differential to be paid, shall be as follows:

	StartingTime (betweenthehours of)	StoppingTime (betweenthehour of)
1st shift	7:00 a.m. - 8:00 a.m.	3:00 p.m. - 4:00 p.m.
2nd shift	3:00 p.m. - 4:00 p.m.	11:00 p.m. - 12:00 a.m.
3rd shift	11:00 p.m. - 12:00 a.m.	7:00 a.m. - 8:00 a.m.

Shift Differential:

1st shift - nil;

2nd shift - \$0.52 per hour;

3rd shift - \$0.62 per hour.

11.03(b) The hours of work and the “sixth day” for day workers and shiftworkers shall be posted by **3:00 p.m. seven (7) days in advance of the work week taking effect.** However, the Company reserves the right to revise the schedule when necessary up to twelve (12) **Thursday** noon previous to the work

week. The starting and stopping times shall remain constant and fixed during the weekly period subject to the following:

An employee may not change shifts during the week except when his shift schedule is changed by the Company. When an employee's shift schedule is changed by the Company he will **be** paid at one and one-half times his regular rate for the first shift worked after the change. When the employee reverts to his original shift, he shall be paid at his regular straight time rate provided that there is a break of at least eight (8) hours between shifts worked.

When an agreement for a change of shift by employees is requested, forms for this shift change will be made available by the Supervisor for signature by the employees concerned and their Supervisors.

The Company will post by the 15th of each month, the operating schedule (not the work schedule) for the following month for the Sawmill and the Planer.

11:03 (c) If an employee, who has completed his scheduled work week, is required for work on his "sixth day" or Sunday, such overtime shall be posted by the preceding Friday noon. If he is available for the posted overtime work at regular starting time and is unable to commence work for reasons beyond his

control he shall receive four (4) hours pay at time and one-half provided he remain available for the four (4) hour period if so requested by the Company.

11:04 (a) A day or shiftworker who is unable to work the full day or shift for reasons beyond his control, shall be paid for the full day or shift.

To qualify for the above the employee must stay on the job until told by the Shift Supervisor that he may leave and must accept other than his normal work if it is offered.

11:04 (b) If, during his scheduled work week, a day or **shift** worker reports for work at his scheduled starting time and is unable to commence work for reasons beyond his control, and if no reasonable efforts have been made to notify him not to report, he shall receive four (4) hours pay for reporting, provided he remains available for the four (4) hour period if so requested by the Company.

Notification procedures shall be established locally.

11.04(c) Weekend Maintenance Schedule

Permanent Vacancies:

- 1) **When permanent vacancies occur in the regular work force the maintenance employees working the weekend schedule will be allowed to bid on those vacancies (as per Article 12:07).**

Pay Cheques:

- 2) Employees working the weekend maintenance schedule will be allowed to pick-up their pay cheques earlier on Thursday, when available.

Vacation, Sickness or Accidents:

- 3) Weekend maintenance employees will be used to supplement regular crews for vacations, sickness or accidents only when necessary.

Statutory Holiday Pay:

- 4) Weekend maintenance employees required to work on a Statutory Holiday could be paid the following ways:
 - a) Receive time and one-half only for time worked and bank **twelve (12) hours** or one day. It is to be understood that bank time taken must be taken at a time agreeable to both parties and that whole days must be used.
 - b) Receive pay for day worked as per Article 7:03.
- 5) Weekend maintenance schedule employee's vacations will be scheduled by weekends.

Work Schedule:

- 6) It is to be understood that the hours of work would be as follows:
 - a) Friday, **7 a.m. to 7:00 p.m.**, mealtime **included.**

Saturday, 7a.m. to 7:00p.m., mealtime included
first 8 hours.

Sunday, 7a.m. to 7:00p.m., mealtime included
first 8 hours.

b) Saturday, 7a.m. to 7:00p.m., mealtime included
first 8 hours.

Sunday, 7a.m. to 7:00p.m., mealtime excepted
first 8 hours.

Monday, 7a.m. to 7:00p.m., mealtime included.

It is further understood that the last 4 hours of work on Saturday and Sunday will include a 20 minute paid lunch period.

Friday or Monday and Saturday shall be paid at straight time for the first twelve hours worked and time and one half for all hours worked after twelve hours. Time worked on Sunday shall be paid at time and one half for the first eight hours worked and double time will be paid for all hours worked after eight hours.

- 8) Statutory Holidays and Floaters shall be compensated at twelve (12) hour the employee's regular rate of pay for the day.**

11:05 Time worked in excess of eight (8) hours per day or shift (after nine hours for employees covered by Article **11.01(a)**), all hours worked on Sunday and all hours worked by an employee on his designated "sixth day" (Saturday or Monday) or outside his scheduled shift shall be paid for at the rate of time and one-half.

For calculating overtime pay shift differentials shall not be considered as part of an employee's applicable hourly rate.

When an employee is called out for overtime work, after completing his shift or when called out on his day off, he shall be guaranteed four (4) hours pay at time and one-half if he works less than four (4) hours, and eight (8) hours at time and one-half for employees who work more than four (4) hours but are unable to work the full eight (8) hours.

An employee previously requested to work overtime before the start of his regular day or shift will be paid time and one-half for hours worked prior to the commencement of his regular day or shift.

Overtime _____

A Distribution

An overtime opportunity will first be offered to those employees scheduled on that piece of equipment on the opposite shift(s) with the lowest overtime.

If unable to obtain **an** employee, then the overtime opportunity will be offered to those employees within the classification but on a different piece of equipment.

The offer will be made to the employee(s) with the skill and ability to perform the work (not requiring any training or orientation) with the lowest amount of accumulated overtime. The exception to this general rule is the Loader and Millwright occupations.

If still unable to secure an employee to work the overtime needed, then the Supervisor will canvass the general departmental workforce who possess the skill and ability to perform the work (not requiring training or orientation). The offer will be made to the senior employee(s) with the lowest accumulated overtime.

Where the Company has avoided overtime by

assigning labourers to meet its need and an insufficient number of labourers are available thereby necessitating an overtime requirement, the overtime in such circumstances shall be offered to employees in the classification with the least number of overtime hours worked month to date.

Equalization of overtime as described in i) above shall be effected daily; shall be based on time actually agreed to work (not on the basis of time earned or offered) and shall occur amongst employees in the classification in which the need for overtime arises.

B. Classifications

i) As used throughout this document a classification means the job encompassed by the specific occupation code and rate established therefore as set out in Schedule "B" to the collective agreement and such additional classifications as may mutually agreed to by the Union and the Company.

ii) For the purpose of this document, an employee's classification is the classification to which he has been scheduled to work for the week.

iii) **For** the purpose of this document an employee who has been transferred at the Company's request to another classification for the majority of his workday, shall be considered to fall within the classification to which he was transferred and not the classification from which he was transferred for the purpose of overtime distribution as provided for above.

C. W e n d O v e r t i m e L i s t s

A sign up sheet will be posted in the Security Office **each** Monday at noon.

Employees wishing to be considered for any weekend overtime must sign this **list**. Employees may indicate whether they wish to be considered only for opportunities in their department and/or plant-wide. They may also indicate their desire to be scheduled for 8 or 12 hour shifts.

The list will be taken down **each** Thursday at **7:00 A.M.**

Those employees shown on this list will have their accumulated overtime hours added beside their **name**. The overtime hours to **be** used for **each** employee will **be** those in the Company's payroll system **as** of noon on Thursday.

Based upon the relative accumulated overtime for each employee any weekend overtime work available will be assigned to those employees listed. This overtime will be work falling outside of a classification scheduled for a given week to be performed on the weekend. It is further understood that these overtime lists are for the sole purpose of determining availability of employees for weekend overtime and for providing the equalization of such overtime.

Assignments will be based upon each employee's **skill**, efficiency and ability to perform the required assignments.

The finalized list will be posted by 2:00 P.M. Thursday at the Security Office.

Departments will also be sent a copy of the assignment sheet for posting. If the company's requirements for overtime change, an amended overtime schedule will be posted by noon on Friday. If an employee is affected by a schedule change after the list is posted on Thursday s/he will be notified. **An** employee scheduled to work on the weekend will be charged the corresponding hours at the time for the purpose of additional overtime distribution,

Any employee shown on this posted list must

obtain the supervisor's permission before the shift starting time, if they are unable to attend work. When such is not possible, the employee may use the established practice of absence reporting through the Security department. Employees not reporting for work as scheduled will be charged the corresponding number of overtime hours except when the Company cancels the overtime that had been scheduled.

Any overtime worked by those employees on the list after midnight of each Wednesday that was not known at noon on Thursday will not be considered in the distribution of overtime for that weekend.

The overtime hours in the Company's payroll system will be deemed to be accurate for the purpose of this procedure. In addition any overtime assignments that have been accepted but not yet worked by an employee will be added to their accumulated overtime shown on the Payroll system.

The Company will record overtime worked by each employee for each week and post in a visible location.

11:06 (a) A ten minute "quarter time" on Company time shall be allowed twice ~~each~~ shift.

(b) Meals

Arrangements have been made with a restaurant to deliver meals to the Sawmill. The meals will be in a Styrofoam container and transported in a thermal box.

The Company agrees that, unless notified the previous day, an employee who is required to work a minimum of two (2) hours beyond his regular hours will be provided with a meal at the Company's expense. After the provision of the first meal, under this Section a hot meal will be provided every four (4) hours thereafter at the Company's expense.

Employees who agree to work for at least twelve (12) hours in a day (excluding weekend scheduled maintenance crews) will be provided with a meal after eight (8) hours. If an employee continues to work after twelve (12) hours, he will receive a meal every four (4) hours after the first one.

The Company will provide refrigerators and microwave ovens in the following recognized lunch rooms:

- | | |
|-------------------|------------------------|
| 1) Large Log Mill | 4) Electrical Shop |
| 2) Filing Room | 5) Small Log Mill |
| 3) Planer | 6) Processor Area West |
| | 7) Garage |

Note: Processor Area East lunch room will be in the Small Log area.

11.07 The parties agree that the following shift scheduling options shall only apply to the current department known as the Filing Department and the employees who work in this department on what is referred to as a three (3) shift schedule. There shall be no expansion or modification of the **shift** scheduling or departments without agreement **by the Union. The Company shall** postpone of the following three shift scheduling options listed below **in** this clause and the selected schedule shall apply, unchanged for the entire work week, Monday to Friday for all the employees who work the three shift schedule.

Option 1 – Three shift schedule (as set out in 11.03) (mealtime included)	Days 7:00 a.m. to 3:00 p.m. Afternoon 3:00 pm – 11:00 pm Nights 11:00 pm – 7:00 am
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OR

Option 2 –Threeshift schedule **Days 7:00 am– 3:00 pm**
 (Filing Room only) **Afternoons 3:00pm–11:00pm**
 (mealtime included) **Nights 7:30 pm – 3:30 am**

11.08 In case of a break down in the Planer or Sawmill Departments, lunch can be advanced by thirty (30) minutes and coffee breaks by fifteen (15) minutes and shall apply to normal departmental breaks for all classifications. **It** is understood that this modification **of** the departmental breaks shall impact the entire Department in which the breakdown occurred.

ARTICLE XII – SENIORITY

12:01 The Company recognizes the principle of seniority. Seniority will govern, subject to reasonable consideration of skill, efficiency and ability, in promotions, transfers, layoffs, and recalls after layoffs.

As of September 1, **2005**, the seniority ranking of employees is as set in Schedule "C" attached.

12:02 Employment of any new employees shall be considered as probationary until he has completed thirty (30) days of work in one period of employment. Upon completion of this probationary period he shall be classed as a qualified employee with seniority ranking dating back to his date of hire. A discharge, quit or absence without leave, shall break any accumulation of qualifying days.

12:03 In the case of layoff due to a shortage of work the Company will notify the men intended to be laid off at least two (2) work days in advance, unless the shortage of work is beyond the Company's control. The Union Grievance Committee will receive a list of the men affected, prior to the intended layoff.

On the second working day of each month the Company agrees to provide the Union with a report indicating the up-to-date working

status of each employee for the previous month (WSIB/LTD/WI/Active/ Layoff/Resignation/Termination).

12:04 When the approximate time of the recall is known at the time of layoff employees leaving will be informed of such approximate dates at that time. But in any case, notice in writing will be sent to an employee at his given address at least fourteen **(14)** days before he is required to report for work. Employees will be required to acknowledge receipt of such notice and report for work on the date specified unless other arrangements have been made in writing.

12:05 **An employee who has established seniority and who returns to work in time shall retain his seniority ranking during absences due to:**

- (a) sickness or injury, certified by a licensed physician, dentist, or licensed chiropractor.
- (b) i) layoff for lack of work not exceeding twenty-four (24) months.**
 - ii) In the event of a permanent closure of the mill, be it total or partial, the duration of the right of recall is increased from twenty-four (24) months to thirty-six (36) months provided that the employee**

hasten (10) years of seniority on the layoff date.

- (c) leaves-of-absence granted at the employee's request not exceeding ten (10) months.
- (d) employment with the Union not exceeding twelve (12) months. Such leave may be renewed upon request.
- (e) employment with the Company outside the bargaining unit not exceeding eleven (11) months.

An employee who quits of his own accord or is discharged and not reinstated, or fails to report to work following recall as provided in Section 12:04 shall automatically lose all seniority. **An** employee who fails to return from leave-of-absence on the date specified, shall **lose** his seniority unless his return to work on time is prevented by circumstances beyond his control. All absences from work **must** be covered by leaves-of-absence the issue of which is discretionary but which will not **be** withheld unreasonably.

12:06 When employees apply/bid **or is transferred** from one job classification to another, senior employees with the necessary qualifications shall receive first consideration. In such ~~cases~~ an employee shall receive the rate for the job to which he is transferred. When, due to shortage of work, in his ~~bidded~~ classification an

employee is assigned to a lower paid job classification, the employee shall receive the rate for his new job classification as of the date of assignment. In the case of a temporary change to a lower job classification at the Company's request, the employee shall retain the rate of his previous job classification,

Tradespeople will not be permitted to apply/bid outside their classification until they have worked in the specific trade as a licensed tradesperson for a period of time equal to their apprenticeship. An employee hired on directly as a licensed tradesperson will not be permitted to apply/bid outside his classification for a period of one year. In a lay off situation, laid off tradespeople will exercise mill seniority.

12:07(a) The Company, when filling posted vacancies, will do so from within the bargaining unit in accordance with Article 12:01. Notice of impending vacancies will be posted on the bulletin boards for five (5) working days and will be mailed to employees off work on WI, LTD or WSIB.

12:07(b) Temporary appointments may be made without posting for filling vacancies of less than ~~six~~ **(6)** calendar weeks duration.

12:07(c) Newly created jobs will be posted on the bulletin boards by the Company for five (5) working days prior to any appointments to such jobs, stating normal job requirements. A newly created position *can*, at the Company's discretion, be considered temporary for not more than twelve (12) consecutive months. Should it be decided during this 12 month period to make the position permanent, then the job will be posted as per Article 12:07 (a).

12:07(d) Employees shall not be considered for posted jobs unless they apply in writing within a five (5) day period. An employee absent from work for a period of more than thirty days (vacation time accepted), shall automatically be listed as an applicant on all postings that occurred within the ninety (90) day period immediately prior to his return to work. Immediately upon his return he will be so advised by the Company and must signify forthwith that he is allowing the application to stand. Failure to so signify will render the application null and void. The Company shall post notices showing the names of successful applicants for posted vacancies and newly created jobs.

12:07(e) The job will be filled from among the qualified applicants on the basis of Section 12:01 of this Agreement.

An employee who subsequently accepts a posted job shall be allowed (5) work days in which to qualify (or further time as may be mutually agreed to but will not be unreasonably withheld). **An** employee may forfeit an accepted bid within the qualifying period no more than once in any twelve month period. Failure of an employee to qualify or his election to forfeit shall entitle him to return to his former job without loss of seniority or benefits.

It is agreed that for permanent vacancies, the successful, senior employee of the applicants to fill the vacancy, as per existing clause 12:01, will be given preference to any junior employee provided that:

- (a) He had occupied that job previously and is qualified to meet the job requirements, or,
- (b) Should training be required to meet the job requirement, he will be allowed the necessary time of training, or
- (c) He has qualified to do the job.

An employee who is contracted to accept a posted vacancy will be allowed up to eight (8) hours of paid time to observe the incumbent perform the posted occupation,

An employee who subsequently accepts a posted job shall be allowed five (5) work days in which to qualify (or further time as may be mutually agreed to but

will not be unreasonably withheld). **An** employee may forfeit an accepted bid within the qualifying period no more than once in any twelve (12) month period. Failure of an employee to qualify or his election to forfeit shall entitle him to return to his former job without loss of seniority or benefits.

In addition, the following conditions shall **apply:**

- (1) There will be no limitation on upward mobility.
- (2) Lateral or down bids with reference to job postings will be limited to one successful bid per eight month period.

When an employee bids down, prior to acceptance of the bid, discussions with the Union may take place to reflect the effect on the operation.

If the effect of lateral or down bidding seriously affects the operation of the plant, the Company and the local Union agree to meet immediately and solve the problem.

The local Union committee will be advised of the successful applicant prior to placing the employee on the job.

A junior qualified employee may **fill** a vacancy temporarily while another employee is being trained.

Lumber Graders

For Domtar to retain permission by C.L.A. to use their license, grading practices must be in compliance to their rules and guidelines - loss of the license would eliminate opportunities to market our lumber.

The grader classification cannot be compromised for any reason and in order to ensure consistent quality and customer satisfaction this Article states:

Terms agreed upon in this Article pertain to graders only and are not applicable in any way to any other operation.

For the purpose of this Article, **C.L.A.** license relates to Class A & B without distinction.

1. Only licensed graders will hold a permanent bid; other openings will be filled from the recognized "Back-up" bid by seniority. Licensed graders will have priority in Grading;

as of the date of this letter of understanding. The licensed grader rate will only be paid after a **C.L.A.** license is obtained and training complete.

2. a) In a lay off situation when more senior (non graders) employees would be laid off, senior non-bid licensed graders will be considered to fill grader requirements (by way of a temporary bid) providing such individuals can fulfill the training requirements in the agreed-to designated time; training to be conducted as stated below.

b) When a lay off is deemed to be longer than **10** weeks (equal to the training period), the more senior non graders who would **otherwise** be laid off will be given an opportunity to train and work as a grader for the duration of that lay off (similar to temporary bid in **2 a)**, above).

3. Training for new grader bids will be:

week one - study **C.L.A.** grading rules regulations with minimal on-line training

week two - same as week one with increased time on the table

week three - on table most of time as extra

grader to view procedures and practice rules
week four - week long **C.L.A.** training with
the **C.L.A.** test

C.L.A. Test: If unsuccessful, repeat week one through four prior to **C.L.A.** testing and if unsuccessful again then the person is returned to previous job and may apply for the grader bid only upon the next posting.

4. "B" licensed graders will be required to write each **C.L.A.** test until the "A" license is obtained. A permanent bid grader within the classification will remain on the table until after 2 consecutive failures of the **C.L.A.** tests - training will be supplied to ensure individuals are properly prepared.

5. A QUALITY/GRADING COMMITTEE
will be established to manage the training program and any quality concerns ongoing; the class "A" license recognition will be a high priority project.

12:07 (9) A job that becomes vacant because the incumbent has had to vacate it due to sickness or injury, vacation, bereavement leave, jury duty and/or a leave of absence not exceeding thirty (30) work

days, shall be classified as a temporary vacancy and shall be filled according to the provisions of Section 12:07 (a) and the job posting will note that it is of a temporary nature.

The employee who had occupied the job, upon his return to work shall once again occupy the job that he had filled prior to vacating for any of the reasons set forth above, provided however, that the job is still in effect and is not filled by a senior employee who, for reasons of notice of layoff from his former job has exercised his seniority on this particular job.

An employee can hold only one Permanent and/or a temporary or backup position (as per current practice).

12.07(g) Posted Back-up Positions

The Company agrees, for employees who have accepted agreed to posted back-up positions, when a permanent vacancy occurs in that position, the senior back-up employee will be promoted to fill the vacancy.

The following positions are agreed to Back-up Positions:

- **Lumber/Grader**
- **Log Loader/ Crane Operator**

- Filers
- Kiln Operator

12.07 (h) Lay off and Recall After Layoff

(1) People retain the right to their last successful bid upon job classification during a layoff situation. This becomes their "regular" classification.

(2) While awaiting return to their "regular" job classification they may bid, and **if** successful **fill** another vacancy. When a permanent position in their "regular" classification comes open, due to recall and their seniority allows it, they will be offered the one time chance to return. **If** rejected, their new classification becomes their "regular" classification.

(3) Any job classification which requires an additional employee will not be posted as a vacancy unless there are no people remaining that have been displaced from their "regular" classification due to layoff. **If** there are no people as above, the job classification will then be posted as a permanent vacancy.

(4) Should an employee leave a job he had successfully bid upon, to return to his "regular"

classification, that job will be posted as a vacancy unless people in that classification are also available due to layoff.

12:08 Lists showing the seniority ranking of employees will be prepared and posted on Company bulletin boards, available for the information of all employees and will be updated and revised every month. A copy of this listing will be forwarded to the Union.

12:09 The management and the operation of the plant, and the direction and the promotion of the working forces is vested exclusively in the management of the Company subject only to the seniority Article herein and provided, however, that this will not be used for discrimination against employees.

12:10 When jobs are discontinued due to the introduction of new methods, automation and technological change or due to curtailment of operations (excluding normal fluctuations in production levels) affected employees shall be offered alternative employment on remaining jobs in accordance with Article XII, to meet the Company's labour requirement and if such employees require training to perform the alternative employment effectively, they shall be trained by the Company.

Technological Change

The Company and the Union recognize that technological change, while necessary to the industry, may have an impact on manpower and employment levels. In order to address these concerns, the parties agree to the following guidelines in addressing technological changes.

Technological change means the introduction by the employer in its operations of equipment different in nature, type or quantity from that previously utilized by the employee, a change in the operation related to the introduction of that equipment or a modification of existing equipment currently in use in the workplace which affects one or more employees.

Any disagreement as to whether or not a manpower reduction is attributable to technological change shall be subject to the grievance procedure. It is understood that any grievances of this nature will be dealt with in the same fashion as a discharge **case**.

ARTICLE XIII - BULLETINBOARDS

13:01 The Union shall have the right to post notices dealing with Union affairs upon the bulletin boards of the Company providing such notices have been approved by the Personnel Supervisor or Manager.

The Company will provide four Union notice boards in the following locations:

- one in each lunch room, and one at the office of Ted Bell.

ARTICLE XIV - HEALTH AND WELFARE

14:01 WEEKLY INDEMNITY - The Company will maintain and pay the premium cost of a Weekly Indemnity insurance plan and will administer the insurance plan as outlined in Schedule 'E'. The plan will provide seventy percent (**70%**) of the employee's regular straight-time rate up to the maximum noted below or the E.I. maximum, whichever the greater. The Company will reimburse an employee up to a maximum of **\$40.00** for all medical documents (including Supplemental Reports) and medical exams requested by the Company for such claims upon presentation of a receipt from the attending physician.

Effective first of the month following date of ratification for all employees actively at work, the

maximum weekly indemnity benefit will be increased to \$520/week or the E.I. maximum, whichever the greater effective September 1, 2000. Effective September 1, 2002 the maximum weekly indemnity benefit will be increased to \$540/week and effective September 1, 2004, the maximum weekly indemnity benefit will be increased to \$560/week.

14:02 LONG TERM DISABILITY - The Company shall pay the monthly premium cost of the Long Term Disability Benefit Plan.

The Long Term Disability Benefit Plan shall be administered in accordance with the terms of an insurance policy.

1. Eligibility - The Long Term Disability Benefit Plan shall be compulsory for all employees who have accumulated two months seniority with the Company.

2. Effective Date of Coverage - An eligible employee is entitled to benefits provided he is actively at work on the first day the Long Term Disability Plan becomes effective. The plan becomes effective February 1, 1979.

An eligible employee absent from work due to sickness or accident at the effective date of the Plan, shall only be eligible for Long Term Disability Plan benefits upon the return to continuous active full-time employment for a period of more than four consecutive weeks.

An eligible employee absent from work due to layoff at the effective date of the Plan shall be entitled to the Long Term Disability Benefit plan benefits upon recall on reporting to work.

The Company shall have the right to give medical examinations to employees returning from such layoff to determine their eligibility under the Plan.

3. Qualifying Period - An insured employee shall be eligible to receive an amount of Long Term Disability Plan Benefit after fifty-two weeks of benefit entitlement for the Same disability under the Weekly Indemnity Plan. Benefit payment shall not commence during a strike until the termination of the strike.

4. Definition of Disability - "Disability" shall mean an insured employee who has received fifty-two (52) weeks of benefits for the same disability under the Weekly Indemnity Plan and is thereafter unable because of disease or injury to work at any available occupation in the Company for which he is reasonably fitted by education, training or experience.

5. Amount of Benefit

Effective first of the month following ratification for those employees actively at work increase the maximum monthly benefit to 55% of monthly earnings as defined in (5)(b) up to a maximum monthly payment of \$2100.

- (b) "Monthly Earnings" means, in the case of a day or shift worker, 173 x his regular hourly rate.
- (c) "Hourly Rate" means the regular rate of the employee effective immediately prior to the date on which the disability occurred, excluding overtime.
- (d) The benefits payable under this Plan are reduced by any primary disability payments made under the Canada Pension Plan, or any Company group disability income plan. Benefits are not affected by War Pensions, Workplace Safety and Insurance Disability Pensions, or by any insurance policies he may have purchased himself.

6. Duration of Benefits

- (a) Benefits will be paid for one month, for each completed month of service prior to commencement of the Long Term Disability Benefits, while the employee is disabled.
- (b) Service for purposes of the plan will be based on the seniority ranking of employees as is set in Schedule "C" attached.
- (c) Disability benefits will be paid one month in arrears.

7. Termination of Benefits - Benefits shall cease upon the occurrence of any one of the following:

- (a) On the date the employee ceases to be disabled. (If there is a recurrence of the same disability within six (6) months of return to work, a new qualifying period will not be required, and the disabled employee will be eligible for any balance of Long Term Disability Benefit payments. This provision shall take precedence over any recurrent disability provision under the Weekly Indemnity Plan), or
- (b) On exhaustion of the benefit period, or
- (c) Up to normal retirement age, or
- (d) On death.

8. Exclusion-

- (a) **An** employee receiving Long Term Disability Benefits will not be eligible for vacation or statutory holiday pay.
- (b) Benefits under the Long Term Disability Plan will not be payable for claims resulting from:
 - (i) Any injury arising out of or sustained

while doing any act or thing pertaining to any occupation or employment for remuneration or profit, or

(ii) Any injury or illness entitling the employee to compensation under any Worker's Safety and Insurance or similar legislation, or

(iii) Self-destruction or any self-inflicted injury, while sane or insane, or

(iv) Disability for which the employee is not under the treatment of a physician, or

(v) Alcoholism or drug addiction, unless the employee is undergoing a recognized course of treatment by a specialist in the care and treatment of alcoholism and drug addiction or the employee is undergoing regular rehabilitative treatment approved by the insurer and a licensed physician.

(vi) Disability or loss (1) while the employee is on, or could be placed on Pregnancy/Maternity Leave, or (2) if employee fails to qualify for Pregnancy/Maternity Leave because of failure to meet the length of service requirements, during the period of Pregnancy/Maternity Leave that the

employee could be on if she qualified for such leave, in accordance with the current Employment Standards Act, Ontario or any other relevant provincial statutes.

9. Rehabilitation- An employee receiving an amount of Long Term Disability Benefit may be asked to undergo reasonable rehabilitation measures which have been the subject of prior consultation with the employee's doctor, at no cost to the employee. If such employee refuses to undertake such rehabilitation, he may be declared not eligible for an amount of disability benefits.
10. Physical Examinations - The Company and/or insurer reserves the right to require periodical physical examinations throughout the duration of the employee's absence due to disability. Such examinations shall be conducted by a physician or physicians designated by the Company and/or insurer.

Cost of physical examinations, transportation and reasonable out-of-pocket expenses related thereto will be paid by the insurer.

Any dispute arising between the Company and/or the insurer's physician and the

employee's physician will be resolved by a physician (preferably a specialist) chosen by the Company and the Union.

11. Effective first of the month following date of ratification, the Company is prepared to extend Medical, Surgical, Drug and Hospital Care Plan Coverage to all employees on Long Term Disability for a period of their disability.

14:03 GROUP LIFE INSURANCE • The London Life Insurance Company, E.B. Eddy Forest Products Ltd., Group Policy No. 11706 will remain in effect during the life of this Agreement.

The above plan benefit will be \$45,000.00 life insurance with twenty-four (24) hour Accidental Death and Dismemberment (A.D. & D.) coverage for each active employee.

Effective September 1, 2001, the Company will increase the amount of life insurance to \$60,000. Effective September 1, 2001, the Company will increase the amount of A.D. & D to \$60,000.

The Company agrees to pay one hundred percent (100%) of the premium cost of Life Insurance.

It is understood that the 5/12th rebate to employees under E.I. will be retained by the Company.

Spouse and Children

Effective first of month following date of ratification, the Company will provide dependent Life Insurance on the following basis:

- 1) Employee pays 100% of cost.
- 2) Spouse \$5,000.00.
- 3) Each unmarried child
 - a) 14 days but less than 1 year of age \$400.00
 - b) 1 year but less than 19 years or 25 years when a student full time, wholly dependent on the employee for support \$2,000.00
 - c) The spouse's Life Insurance will be reduced to \$500.00 upon the employee's retirement and cancelled on his death.

Paid-Up Life Retirees

The Company will issue a cheque for \$2,500 to retirees upon date of retirement for acquiring life insurance.

14:04 **MEDICAL, SURGICAL, DRUG AND HOSPITAL CARE PLANS** - The Company will pay the premium for the Liberty Health Drug Plan and Semi-Private Hospital Care Plan coverage for all active employees during the term of this Agreement.

Effective September 1, 2000, the Company is prepared to extend the provisions of the drug plan coverage for all employees retiring between the ages of 60 and 65 until they attain age 65. **It is understood and agreed that this coverage will be made available to employees retiring before August 31, 2010.**

The Company contribution to employees who are off work due to a Worker's Safety and Insurance claim or a Weekly Indemnity claim will be continued for a period of up to twenty-four **(24)** months.

The Company contribution to employees who are off work due to a Long Term Disability claim will be continued for the period of the disability.

14:05 DENTALCARE PLAN

1. Eligibility- Participation in the Plan is limited to employees who have accumulated three months of seniority with the Company from date of employment.

2. Plan Design-

a) Service and benefits as provided in Blue Cross No. 7 Basic Plan and Rider No. 1. (100%)

b) Services and benefits as provided in Blue Cross Rider No. 2. (50%) Maximum \$1,000.00 per calendar year per person.

c) Services and benefits as provided in Blue Cross Rider No. 3. (50% co-insurance). The maximum lifetime benefit for orthodontic service covered expenses \$1,000.00 per insured family member.

Effective first of the month following date of ratification amend plan to provide for the 1997 O.D.A. Schedule of Dental Fees.

Effective September 1, 2001 amend the plan to provide for the current dental coverage increase to \$1,500 per calendar year per insured person with a one year lag on the O.D.A. Schedule of Fees.

It is understood and agreed that the Plan will provide for the continuation of coverage for the period an employee is off work due to layoff or leave of absence, but in no case beyond the end of the month following the month in which such absence commenced.

3. Administration- The Plan will be administered in accordance with an appropriate contract or set of procedures reflecting the Plan design outlined in Item 2 above. The decision as to the choice of administrative vehicle from among service carriers, insurance companies or self-administration will be made by the Company on the basis of appropriate study of these alternatives.

4. Premiums- The premium cost of this Plan shall be paid by the Company.

5. Integration- The Plan will not provide like benefits where such are currently being provided by federal or provincial legislation.

If during the life of this Agreement Federal or Provincial government shall introduce legislation to provide benefits already covered by this Plan, the Plan shall be amended so as to eliminate said benefits.

14:06 VISION CARE PLAN - Metropolitan Life Insurance Company, E. B. Eddy Forest Products Ltd., Group Policy 60526 will remain in effect during the life of this Agreement.

Effective first of the month following the date of ratification increase the vision care maximum benefit to \$150.00 every two (2) calendar years. The benefit will be equivalent to Blue Cross Vision Care Plan (Basic) for all employees and their dependents.

14:07 BENEFITS AT LAYOFFS - The following benefits shall be paid to the end of the month following lay off

- a) Life Insurance
- b) Medical, Surgical, Drug and Hospital Care Plan,
- c) Dental Care Plan
- d) Vision Care Plan

14.08 Disputed W_____

It is understood that when delays in excess of fifteen (15) days occur in Workers' Compensation payments due to a dispute, the Company is prepared to advance an employee two weeks benefits to be repaid when payment is received. It is understood that the two weeks payment will be equivalent to

two weeks of Weekly Indemnity benefits. It is further understood that every two weeks after the first advance a further two week advance will be issued until such time as the dispute is settled and the compensation payments begin.

If a Workers' Safety and Insurance Board claim is denied, repayment to the Company will be made when the employee receives payment through Weekly Indemnity.

The fifteen (15) day period will begin from the last day worked.

14.09 Effective date of ratification, the health and dental plan premium costs will be shared at a rate of eighty-five percent (**85%**) by the Company and fifteen percent (**15%**) by the employee.

As of August 31, 2010, the Company resumes full payment of premiums at which point this Article becomes null and void on this date.

ARTICLE XV - PENSION PLAN

15:01 FLAT BENEFIT PLAN - The Company will establish and administer a non-contributory pension plan for all hourly-rated employees with one year of service or more effective September 1, 1984. Normal retirement will be first day of the month following attainment of age 65. An employee with ten (10) years of continuous Company service can elect to retire after age 55, however, the monthly payments will be actuarially reduced. The cost of the plan will be paid by the Company.

Effective September 1, 2001, the Flat Benefit Pension Plan is increased from \$32.00 per year of pensionable service to \$38.00 per year of pensionable service for employees who are accruing service in the Flat Benefit Pension Plan after September 1, 2001.

It is understood that this increase of \$6.00 per year of pensionable service will not apply to retirees covered under the Letter of Understanding Re: Special Downsizing Retirement Window. It will also not apply to employees who will receive a severance payment under the Letter of Understanding Re Severance Pay.

To offset the cost of the pension formula increase for past service and for current service, the Company and the Union agree to reduce the Hourly

Wage Rate increases granted under the term of this Agreement by 3.95%, during a period of three (3) years and six (6) months.

A temporary adjustment to the Hourly Wage Rate of all positions will subsequently be made to reflect this hourly wage increase reduction effective September 1, 2001. A special rate adjustment will be made effective March 2005, to increase individual rates to 99.5% of their original projected level, taking into account the permanent cost of 0.50% for current service cost increase.

In addition, employees will be allowed to transfer their 2000 Domtar Profit Sharing payment into the Money Purchase Plan on a pre-tax basis.

Guaranteed Payments- If a retired employee's death occurs before he has received sixty (60) monthly payments of retirement income under the plan, his retirement income payments will continue to be paid to his beneficiary until the remainder of the sixty (60) monthly payments has been paid from the trust fund.

Surviving Spouse Pension - If a married employee with 10 years of continuous **service** with the Company, who qualifies for early retirement after age 55 and before age 65, dies before his retirement date

the employee's surviving spouse will receive 60% of the earned pension allowance for the life of the surviving spouse, commencing on the first day of the month following date of death. If the surviving spouse is more than 10 years younger than the **deceased** employee, the monthly pension would be actuarially reduced.

Disability Benefit • **An** employee with at least 10 years of continuous service who has attained age 55, has qualified for disability benefits under the CPP/QPP and is totally and permanently disabled will be eligible for a monthly disability pension without actuarial reduction.

(i) Effective September 1, 1995 the Flat Pension Plan is amended to provide for \$32.00 per month per year of pensionable service for both past and future service.

(ii) Effective September 1, 1995, any member in service who elects to retire early upon his/her attainment of age 60 or after, provided he has accumulated at least ten (10) years of continuous service, will receive, commencing on his/her early retirement date, a retirement income benefit equal to the retirement income benefit he/she had accumulated to such early retirement date without actuarial reductions subject to the minimum reductions required by Revenue Canada.

(iii) ~~Effective September 1, 1995~~, any member who has attained age sixty (60) and has accumulated a minimum of ten (10) years of continuous service shall be eligible to the following bridging supplement.

Those employees retiring early on or after age 60 with at least ten (10) years of continuous service shall receive a bridging supplement of fifteen dollars (\$15.00) per month per year of continuous service to a maximum of thirty (30) years. The bridging supplement will reduce to zero on the first day of the month following the member's sixty-fifth (65th) birthday or on his/her death, whichever occurs first.

Employees off work on Long Term Disability benefits shall continue to accrue Flat Benefit Pension credits at no cost. This provision is to be applied to those employees currently receiving Long Term Disability benefits.

15:02 ~~MONEY PURCHASE PLAN~~-Effective January 1, 1993, in addition to the current Flat Benefit Plan noted above, a mandatory ~~Money Purchase~~ Plan will be introduced and will be applicable to all employees after one ~~(1)~~ year of service.

This new Money Purchase Plan will be contributed to by both the Company and the employee. The level of monthly contributions will be \$55.00 by both the Company and the employee. Effective September 1, 1998, at the option of the employee, the monthly contribution level by both the employee and employer will increase from \$60.00 to \$70.00.

Effective September 1, 1999, at the option of the employee, the monthly contribution level by both the employee and the employer will further increase to \$90.00.

Effective date of ratification, at the option of the employee, the monthly contribution level by the employee will increase to one hundred and ten (\$110) dollars with no match from the employer after seventy (\$70) dollars.

Effective August 31st, 2010, the pension plan will revert back to \$90.00/\$90.00.

In addition to those options noted above, employees will be offered the opportunity to transfer monies generated from the Production Bonus into the Money Purchase Plan at their option. The administrative costs associated with the Money Purchase Plan are to be paid for by the Company. Any investment fees will be the responsibility of the employee.

Employees off work on Long Term Disability shall be entitled to continue contributing into the Money Purchase Plan while off on disability. The Company agrees to make their contribution for as long as the employee continues to make his/her contributions.

Those employees on W.S.I.B. can continue to contribute into the Money Purchase Plan for up to twenty-four (24) months. If the employees elect to continue contributing, the Company will continue to make their required contributions.

Employees who are off work due to a Weekly Indemnity claim *can*, for a period of up to twelve (12) months continue to contribute into the Money Purchase Plan. If the employees elect to continue contributing, the Company will continue to make their required contributions.

15.03 DEFINED CONTRIBUTION PLAN - All employees hired after January 1, 2008, will participate in the following plan. They will not be allowed to participate in the two existing plans which are available only to employees hired before January 1, 2008. The actual pension plans will be replaced (for new hires only) by a defined contribution plan. Within the defined contribution plan, the employer

will match employee contributions up to a maximum of 4%. The employee will have the option of contributing more than 4%. The plan text will be available at the start of the plan.

15.04 Pension Committee

Upon ratification, the Company and the Union **will** implement a Pension committee.

The Pension Committee:

The Company agrees to meet with the union on an annual basis to review all of the pension plan activities for the previous year. During the course of this meeting the Company **will** discuss and provide to the Union data pertaining to the operation of the plans such as: total contributions made in the plans, number of participants in the plan, number of employees retiring from the plan, the rate of return on investments, audited financial statements, actuarial valuations, annual information on returns and plan amendments available.

The Union Committee shall consist of CEP Local 31-X President and two other members.

The Company will pay all of the costs.

ARTICLE XVI - BEREAVEMENT PAY

16:01 When death occurs to an employee's spouse or children, the employee will be granted leave to attend the funeral and shall be paid for eight (8) hours at his regular straight time rate for time **lost** up to a maximum of five (5) days in the eight (8) day period beginning with the day of death. When death occurs to an employee's father, mother, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, brother, sister, grandparents, **grandchild**, the employee will be granted leave to attend the funeral and shall be paid for eight (8) hours at his regular straight time rate for time **lost** up to a maximum of three (3) days in the eight (8) day period beginning with the day of death. The intent of this clause is to allow the employee to attend the funeral without loss of earnings. Pay will be granted for the regular scheduled work days **lost** during the period. Any claim for bereavement pay must be submitted by the employee in writing along with proof of bereavement in the employee's immediate family. If the employee does not attend the funeral, he shall

receive one (1) days compassionate leave with pay.

An employee must have thirty(30) or more days of service to qualify for payment. The five day funeral leave will be granted over an eight day period for scheduled work days lost beginning with day death occurs.

An employee absent on scheduled vacation will be granted the usual number of days applicable to funeral leave in addition to his vacation at a time mutually convenient to the employee and the Company within sixty (60) days.

ARTICLE XVII - JURY DUTY

17:01 In the case of an employee who is called for jury service, subpoenaed witness or crown witness, the Company shall pay, for each day of such service, an allowance equal to the difference between eight (8) hours of pay based on his regular straight time hourly rate and the payment he received for jury service. The employee will present proof of service and of pay received therefore when making his claim for such allowance.

The employee will be excused from his shift if he is required to work anytime in the calendar day he is required for jury duty.

ARTICLE XVIII - LEAVE OF ABSENCE

18:01 The Company agrees to pay regular straight time wages to employees on temporary leave of absence forty (40) hours in one **pay** period for Union business. The local Union shall be billed for straight time wages paid. The Company will make all normal deductions for income tax, C.P.P., etc. A request in writing for a leave of absence for official Union business will be submitted to the Human Resources Supervisor at least ten days in advance and the request will be granted subject to availability of employees to cover the vacancy. Requests in writing received less than ten days in advance will be granted provided the granting of the request will not affect operations. The payment of overtime premium will not be considered as affecting mill operations subject to availability of employees to cover the vacancy.

SEVERANCE PAY

19:01 A permanent employee with at least two years' continuous service who is laid off due to job elimination by Management decision for such causes as more efficient operation, change or elimination of a process, lack of orders, shall be paid severance pay if no job is available. Severance pay shall not be paid due to job elimination for such causes as fire, flood, explosion or "Act of **God**".

Severance pay shall be paid in accordance with the following:

a) Severance pay shall be 2% of an employee's total earnings for his last full period of service without interruption due to lack of work. Severance pay will not be paid to employees who resign or are discharged. One-half of this severance pay is payable after the employee has been laid off due to job elimination for a period of twelve (12) weeks. The second half of the severance pay is payable after the employee has been laid off a total of six (6) months. It shall be the responsibility of the employee to make application for such severance pay.

(b) If recalled to work before the severance payment is payable, no such payment will be made. Any employee refusing a recall shall forfeit his right to severance pay.

(c) If an employee is recalled after having received all of the severance pay due him, he will, as of the day of return, commence a new period of accumulation which will be credited toward any future layoff.

(d) If an employee is recalled after having received half of the severance pay due him, he will, upon return to work, retain the right to the unpaid portion which will be added to any new accumulation of severance pay.

ARTICLE XX - APPRENTICESHIP PLAN

20:01 An Ontario Government approved apprenticeship program will be established in the following trades:

Millwright
Heavy Duty Equipment Mechanic
Electrician
Sawfiler
Others may be added as required.

The length of the apprenticeship program will be four work periods of 2000 hours plus all mandatory school periods.

The number of employees in the apprenticeship program in **each** trade will be governed by the future manpower requirements in the trade.

1. The program will be based on the Ontario Government's Apprenticeship and Tradesmen's Qualification Act. **The Company shall provide, to the employee any Academic Upgrading needed to meet the minimum qualifications to apply for the apprenticeship program.**

2. Applicants must have a minimum of grade 10 education or equivalent as required for a certified program. They will be required to submit to a series of aptitude tests to determine their suitability

for the apprenticeship program. When more than the required number of applicants pass the aptitude tests the senior employee(s) shall be awarded the apprenticeship.

3. The formal training program will be completed and the certificates of qualification, both Government and Company, will be issued.

4. Straight time overtime hours will apply towards the required accumulated time. The Personnel Department will keep records of accumulated time for each apprentice.

5. Some of the regulated trades programs will require modification to ensure that apprentices learn tasks required in the Nairn operation

6. Apprentices must acquire a complete set of trade related tools before 4800 work hours have been accumulated.

7. There will be a sixty (60) day probationary period for all employees entering the apprenticeship program. During this period, if the employee does not display the necessary aptitude for the particular trade he may be returned to his former job without loss of seniority. The apprentice must be successful at the in-school apprenticeship program in order to continue

in the program. Two successive failures at school will constitute a dissolution of any contract between the Company and employee. Similarly the contract will be dissolved if the Advisory Committee recommends the withholding of two successive pay increases.

8. The Company agrees to provide apprentices the difference between forty **(40)** hours at his regular rate and any Government subsidies available while at the in-school program. All benefits will continue during the period the apprentice is at school. The Company will provide one hundred **(\$100)** per week for room and board in addition to the Government compensation. The Company will further supply all books or materials on loan to the apprentice in order to complete the required course.

The Company is prepared to reimburse an employee for mileage in accordance with our divisional travel policy that states mileage is calculated from an employee's home or the mill, whichever is closer.

9. The progress of each apprentice will be recorded and kept on file in the Personnel Department.

10. Wages will be in accordance with Schedule "A" attached.

11. The program will be supervised by the Trades Training Advisory Committee, which will consist of two members of Local 31-X, two members of Management, and a Chairman. The Chairman's position will be filled by the Director of Human Resources, Wood Products.

12. It is understood that the rate for the second, third or fourth period will not be paid until the apprentice completes the mandatory schooling at the end of each period. If the apprentice's school results are successful, all hours worked between the end of a period, the time an apprentice goes to school, will be paid rates retroactive to the **start** of the period.

13. In a lay off situation, those still on the property due to seniority will continue in or be recalled to the Apprenticeship Program based on progress (accumulated hours) to date.

SCHEDULE "A"
SCHEDULE OF WAGE RATES
FOR
TRADES TRAINING PROGRAM

Millwrights
Heavy Duty Equipment Mechanics
Electricians
Sawfilers

Four periods of 2000 hours

1st Period	1-2000 hours	Apprentice 1
2nd Period	2001-4000 hours	Apprentice 2
3rd Period	4001-6000 hours	Apprentice 3
4th Period	6001-8000 hours	Apprentice 4
Completion of Program		Licensed

ARTICLE XXII- AUTOMATION AND TECHNOLOGICAL CHANGE

The Company proposed this introduction of an Article aimed at addressing automation and technological change:

- (A) The Company is concerned about the impact on employees and conditions of employment resulting from technological change, automation and change or elimination of a process.
- (B) A Joint Committee on Automation and/or Technological Change will be established consisting of six persons, three selected by Management and three selected by the Union. The function of the Joint Committee shall be advisory to Management and it will study the effects on employees, their employment status and their working conditions in the mill, of changes resulting from automation and/or technological change.
The Joint Committee, among other things will consider early retirement, retraining, transfers to other **jobs**, as well as the availability of assistance from the various levels of Government as a means of assisting employees displaced by changes resulting from automation and/or technological change.

- (C) Having concern for the impact of such changes which may result in job elimination, the Company undertakes to advise the Union as far in advance as is feasible (not less than ninety (90) days) of such changes which the Company has decided to introduce, which will result in significant change in the employment status of employees. The Company will indicate, when notification of this technological change is made, which position(s) will be affected.
- (D) At such time, the Company will supply the Joint Committee, for its use, such information as may be required.
- (E) All persons who are employed with one (1) years continuous service who are set back to a lower paid job due to job elimination under conditions set forth above, his rate shall be maintained for a period of six (6) months from date of set back. For an additional period of six (6) months, an adjusted rate will be established midway between his previous rate at time of set back and the rate of his new job for each work week, which depends upon the operating schedule. At the end of one (1) year, the rate of the job to which he is assigned will apply.

Schedule "B"
Occupation Codes, Rates and Dates

JDE Code	Description	Present	Date of Ratification	Day after Ratification	Aug 31, 2010
701	Carpenter-Apprentice 1	\$21.48	\$21.48	\$18.26	\$21.48
701	Carpenter-Apprentice2	\$22.20	\$22.20	\$18.87	\$22.20
701	Carpenter-Apprentice3	\$22.96	\$22.96	\$19.52	\$22.96
701	Carpenter-Apprentice4	\$23.66	\$23.66	\$20.11	\$23.66
701	Carpenter	\$26.42	\$26.42	\$22.46	\$26.42
702	Electrician-Apprentice1	\$21.48	\$21.91	\$18.62	\$21.91
702	Electrician-Apprentice2	\$22.20	\$22.64	\$19.25	\$22.64
702	Electrician-Apprentice3	\$22.96	\$23.42	\$19.91	\$23.42
702	Electrician-Apprentice4	\$23.65	\$24.12	\$20.50	\$24.12
702	Electrician	\$26.42	\$26.95	\$22.91	\$26.95
703	Filer-Apprentice I	\$21.48	\$21.91	\$18.62	\$21.91
703	Filer-Apprentice2	\$22.21	\$22.65	\$19.26	\$22.65
703	Filer-Apprentice3	\$22.96	\$23.42	\$19.91	\$23.42
703	Filer-Apprentice4	\$23.65	\$24.12	\$20.50	\$24.12
703	Filer- Licenced	\$26.42	\$26.95	\$22.91	\$26.95
704	Filer Assistant	\$23.66	\$24.13	\$20.51	\$24.13
705	Fitter	\$22.96	\$23.42	\$19.91	\$23.42
706	Millwright-Apprentice1	\$21.48	\$21.91	\$18.62	\$21.91
706	Millwright-Apprentice2	\$22.21	\$22.65	\$19.26	\$22.65
706	Millwright-Apprentice3	\$22.96	\$23.42	\$19.91	\$23.42
706	Millwright-Apprentice4	\$23.66	\$24.13	\$20.51	\$24.13

706 Millwright–Licenced	\$26.42	\$26.95	\$22.91	\$26.95
707 Millwright–Unlicensed	\$26.42	\$26.95	\$22.91	\$26.95
708 Sawfiler – Unlicensed	\$26.42	\$26.95	\$22.91	\$26.95
710 Crewleader–Millwright	\$27.39	\$27.94	\$23.75	\$27.94
711 Crewleader–Electrical	\$27.39	\$27.94	\$23.75	\$27.94
712 Relief Production Super	\$27.39	\$27.39	\$23.28	\$27.39
713 Batten Mill Operator	\$21.48	\$21.48	\$18.26	\$21.48
717 Crewleader – Filing	\$27.39	\$27.39	\$23.28	\$27.39
720 Cherry Picker Operator	\$22.27	\$22.27	\$18.93	\$22.27
721 Chip Truck Driver	\$22.81	\$22.81	\$19.39	\$22.81
722 Poclain Operator	\$22.75	\$22.75	\$19.34	\$22.75
723 Stationary Loader Oper.	\$22.27	\$22.27	\$18.93	\$22.27
724 Truck Driver–S/L	\$22.27	\$22.27	\$18.93	\$22.27
725 Heede Crane Operator	\$25.40	\$25.40	\$21.59	\$25.40
740 General Labourer	\$21.48	\$21.48	\$18.26	\$21.48
750 Lumber Recovery Oper.	\$22.43	\$22.43	\$19.07	\$22.43
751 Bin Man	\$21.67	\$21.67	\$18.42	\$21.67
752 Butt Saw Operator	\$21.72	\$21.72	\$18.46	\$21.72
753 Chipper Canter Operator	\$24.05	\$24.05	\$20.44	\$24.05
754 Chipper Operator	\$21.72	\$21.72	\$18.46	\$21.72
755 Clean Up Person	\$21.48	\$21.48	\$18.26	\$21.48
756 Slab Recovery Operator	\$22.52	\$22.52	\$19.14	\$22.52
757 Dry Kiln Operator	\$22.70	\$22.70	\$19.30	\$22.70
758 Re-entry Operator	\$23.04	\$23.04	\$19.58	\$23.04

759 FramerInfeed Man	\$21.48	\$21.48	\$18.26	\$21.48
760 Framer Operator	\$22.75	\$22.75	\$19.34	\$22.75
761 Framer Outfeed Man	\$21.55	\$21.55	\$18.32	\$21.55
762 Greenchain Man	\$21.58	\$21.58	\$18.34	\$21.58
763 Hood Slasher Operator	\$22.75	\$22.75	\$19.34	\$22.75
764 Descanner Operator	\$22.63	\$22.63	\$19.24	\$22.63
765 Licensed Grader/ Trimmerman	\$24.86	\$24.86	\$21.13	\$24.86
766 Lift Operator(Train1-30)	\$21.78	\$21.78	\$18.51	\$21.78
767 Lift Operat.(Train31-60)	\$22.03	\$22.03	\$18.73	\$22.03
768 Lift Operat.-Lumber Hdl.	\$22.27	\$22.27	\$18.93	\$22.27
769 Log Processor Operator	\$24.35	\$24.35	\$20.70	\$24.35
770 Mark II Operator	\$23.05	\$23.05	\$19.59	\$23.05
771 Planer Mill Infeed Man	\$24.35	\$24.35	\$20.70	\$24.35
772 Reman Operator	\$22.42	\$22.42	\$19.06	\$22.42
773 Stacker Man	\$21.95	\$21.95	\$18.66	\$21.95
774 Sticker Placer	\$21.58	\$21.58	\$18.34	\$21.58
775 Trimmerman - L.L.M.	\$23.43	\$23.90	\$20.31	\$23.90
776 Debarker Operator	\$22.28	\$22.28	\$18.94	\$22.28
777 Twin Resaw Operator	\$23.81	\$23.81	\$20.24	\$23.81
778 Unlicensed Grader	\$21.95	\$21.95	\$18.66	\$21.95
779 Utili Operator	\$22.55	\$22.55	\$19.17	\$22.55
780 High Speed Stud Oper.	\$23.05	\$23.05	\$19.59	\$23.05
781 Wedge Mill Bundler	\$21.60	\$21.60	\$18.36	\$21.60
782 Wedge Mill Operator	\$21.98	\$21.98	\$18.68	\$21.98

783 Tilt Hoist Operator	\$21.48	\$21.48	\$18.26	\$21.48
784 Strapper Operator	\$22.11	\$22.11	\$18.79	\$22.11
785 Package Maker/ Operator	\$22.40	\$22.40	\$19.04	\$22.40
786 Assist. Processor Operat.	\$22.75	\$22.75	\$19.34	\$22.75
787 Lift Operat.–Log Handlg.	\$22.27	\$22.27	\$18.93	\$22.27
788 EastScanner Operator	\$22.34	\$22.34	\$18.99	\$22.34
790 Utility Operator–Olivine	\$23.04	\$23.04	\$19.58	\$23.04
792 Flow Person	\$23.84	\$23.84	\$20.26	\$23.84
793 Primary Sorter	\$22.43	\$22.43	\$19.07	\$22.43
794 Lmbr. Strapper/Wrapper	\$22.34	\$22.34	\$18.99	\$22.34
796 Lumber Wrapper	\$21.99	\$21.99	\$18.69	\$21.99
797 Processor Truck Driver	\$21.48	\$21.48	\$18.26	\$21.48
798 Handpull Loader Operat.	\$22.42	\$22.42	\$19.06	\$22.42
799 Dry Kiln Lead*	\$23.64	\$23.64	\$20.09	\$23.64
Licensed "B" Grader	\$24.08	\$24.08	\$20.47	\$24.08
800 Day Worker (Maintenance)	\$26.42	\$26.95	\$22.91	\$26.95
801 Chaser– Sawmill	\$24.05	\$24.05	\$20.44	\$24.05

JOB GROUPINGS

741 Sawyer	\$24.05	\$24.05	\$20.44	\$24.05
742 Mobile Equipment	\$22.57	\$22.57	\$19.18	\$22.57
743 Machine Operator	\$22.57	\$22.57	\$19.18	\$22.57
744 Log Preparation	\$22.57	\$22.57	\$19.18	\$22.57
745 Machine Operator2	\$24.36	\$24.36	\$20.71	\$24.36

746 Labourer–Job Rotation	\$22.57	\$22.57	\$19.18	\$22.57
747 Licensed Grader- Job Rotation	\$24.86	\$24.86	\$21.13	\$24.86
748 Stacker/Bin Person	\$22.57	\$22.57	\$19.18	\$22.57
749 Crane/Log Loader	\$25.40	\$25.40	\$21.59	\$25.40

WAGE RATE INCREASES

Effective date of ratification a 2% wage increase will be offered to Trimmer Operator and Maintenance classifications

Effective September 1, 2010	2.0% wage increase
Effective September 1, 2011	2.0% wage increase
Effective September 1, 2012	2.0% wage increase

SCHEDULE "C"
NAIRN CENTRE SAWMILL
SENIORITY LIST

<u>Employee</u> <u>Number</u>	<u>Ranking</u> <u>Number</u>	<u>Name</u>	<u>Seniority</u> <u>Date</u>	<u>Telephone</u> <u>Number</u>
20	1	Labrecque, Jacques	02/02/68	869-1288
22	2	Landry, George	21/08/68	869-4178
23	3	Beaudry, Ronald	20/09/68	869-2970
30	4	Moore, Ralph	18/12/70	869-1067
39	5	Thibeault, Richard	15/01/73	869-4943
57	6	St. Pierre, Gerard	16/04/73	869-2409
97	7	Richer, Roland	10/07/73	869-1762
115	8	Legrow, Richard	08/08/73	869-3160
125	9	Simonds, Phillip	04/09/73	869-4336
128	10	Fairbairn, Lloyd	04/09/73	869-5941
139	11	Newton, Eric	02/10/73	869-2557
174	12	Beaudry, Aime	02/04/74	522-3763
205	13	Goodchild, Rennie	19/08/74	869-2292
219	14	Legrow, Ken	07/04/75	869-6135
226	15	Bouillon, Marcel	07/04/75	869-2200
232	16	Dupuis, Donald	21/04/75	522-6748
243	17	Boomhower, Calvin	12/05/75	869-4923
244	18	Thaxter, Fred	12/05/75	869-3709
258	19	Gibson, Ronald	12/05/75	869-0419
248	20	Simon, Jean	20/05/75	692-5325
301	21	Thibodeau, Maurice	21/07/75	869-2659
314	22	Mandamin, Ivan	18/08/75	859-2365
332	23	Gagne, John	02/09/75	869-4617
340	24	Noble, William	02/09/75	869-1074
355	25	Karvonen, John	22/10/75	869-2769
353	26	Varey, Robert	24/10/75	368-3039
361	27	St. Michel, Ken	05/11/75	869-2084
379	28	Green, Floyd	23/02/76	862-7070
399	29	Joyce, Robert	10/03/76	862-8312

404	30	Totman, Charles	15/03/76	869-4431
411	31	Jordan, James	15/03/76	368-0387
446	32	Simon, Edward	23/03/76	368-3151
451	33	Owl, Mervyn	26/04/76	865-2516
467	34	Lamothe, Robert	13/05/76	869-2736
481	35	McDonald, Roger	07/06/76	282-2113
225	36	Lamothe, Jean Paul	10/06/76	869-2424
527	37	Kaiser, Klaus	17/02/77	377-4736
559	38	Massicotte, Allen	21/02/77	869-1750
562	39	Ellis, Robert	21/02/77	869-1767
574	40	Lemieux, Ronald	28/02/77	869-1595
585	41	Bouchard, Arthur	08/03/77	865-3154
600	42	Lingenfelter, William	25/04/77	676-2016
608	43	Lagrandeur, Andre	27/06/77	869-0251
613	44	Lalonde, Michel	08/08/77	869-6169
619	45	Elliott, Howard	18/08/77	869-2923
640	46	Dougan, Brian	13/09/77	869-0438
650	47	Volpel, Martin	11/10/77	692-9186
651	48	McAllister, Jack	11/10/77	865-2980
664	49	Salo, Robert	02/11/77	869-6165
666	50	Pleuna, Larry	07/11/77	692-1514
679	51	Martell, Phillip	20/02/78	865-2368
695	52	Evelegh, Brian	30/05/78	522-7072
709	53	Minor, Claude	29/06/78	855-8131
731	54	Larocque, Roland	06/11/78	855-3871
748	55	Recollet, Ronald	06/06/79	859-2788
728	56	Toulouse, Melvin	11/06/79	865-3484
757	57	McIvor, David	04/09/79	368-3108
759	58	Toulouse, Donald	17/09/79	865-2984
768	59	Fairbairn, Bruce	15/10/79	869-0299
769	60	Kozachanko, Mike	15/10/79	869-3786
781	61	Gignac, Ronald	28/01/80	692-1672
786	62	Shank, Alcide	13/02/80	690-0827
803	63	Bouchard, Robert	05/08/80	865-3085
811	64	Larocque, Leon	10/09/80	855-9812
812	65	blonde, Real	10/09/80	869-4032
814	66	Ducharme, Richard	15/09/80	869-4026
818	67	Brimicombe, Paul	18/11/80	869-4091

822	68	Varey, Michael	05/02/81	368-3667
823	69	Vallee, Kevin	05/02/81	670-9257
826	70	Robinson, James	18/02/81	368-1872
828	71	Rancourt, Raymond	11/05/81	285-0889
844	72	Kitler, David	30/03/83	869-5222
851	73	Fensom, Joseph	25/05/83	869-4427
857	74	Moroz, William	13/02/84	869-0648
858	75	Leonard, Roy	13/02/84	869-5720
861	76	Antonio, David	14/02/84	869-3682
865	77	Gaudreau, Richard	19/03/84	862-0095
867	78	Lajeunesse, Ronald	20/03/84	869-3306
870	79	Campbell, James	17/04/84	673-4801
873	80	Lacasse, Daniel	18/04/84	869-0659
877	81	Fenton, Dan	23/04/84	368-3688
902	82	Roy, Marc	22/10/84	692-0861
924	83	Bolduc, George	29/05/85	285-0512
1031	84	Spry, Allan	08/09/87	368-3134
1153	85	Bentley, Sheldon	17/10/89	869-3083

SCHEDULE "D"

LETTERS OF UNDERSTANDING

1. Weekly Indemnity
2. Four Crew Maintenance Schedule
3. **Job** Groupings
4. Contractors
5. Call List

**DOMTAR INC.
NAIRN CENTRE SAWMILL OPERATIONS
AND
COMMUNICATIONS, ENERGY AND
PAPERWORKERS' UNION
AND ITS LOCAL 31-X
NAIRN CENTRE, ONTARIO**

**LETTER OF UNDERSTANDING
RE
WEEKLY INDEMNITY**

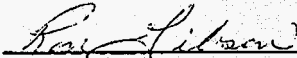
It is understood and agreed that any employee placed under a quarantine due to either contact with or suffering from a communicable disease will be covered by Weekly Indemnity. It is also understood and agreed that any employee who is off work for treatment due to alcohol or drug addiction and is under the care of a licensed physician will be covered under Weekly Indemnity. The normal three day waiting period will apply.



For the Company



For the Union



For the Union

**DOMTAR INC.
NAIRN CENTRE SAWMILL OPERATIONS
AND
COMMUNICATIONS, ENERGY AND
PAPERWORKERS
UNION
AND ITS LOCAL 31-x
NAIRN CENTRE, ONTARIO**

**LETTER OF UNDERSTANDING
RE:
FOUR CREW MAINTENANCE SCHEDULE**

The Parties agree that this Letter of Understanding and specific provisions cited below shall identify, amend and supersede the Collective Agreement as it relates to the Four Crew Maintenance Schedule. The parties agree that the provisions of this Letter of Understanding can be amended by mutual agreement.

1. The maintenance schedule shall have four **crews**; a day crew will be scheduled from **7:00 a.m. to 7:00 p.m.**, mealtime included. **An afternoon crew** will be scheduled from **12:00 p.m. to 12:00 a.m.**, mealtime included and shall carry a shift differential of \$0.57 as per the attached work schedule. A night crew will be scheduled

from **7:00 p.m. to 7:00 a.m.**, mealtime included and shall carry a shift differential of \$0.57 per hour as per the attached work schedule.

2. Article 7.02(b) will be deemed to be amended to read:

"Hourly employees will be compensated for eight **(8)** times their hourly rate for the day of the Statutory Holiday if they are not scheduled to work that day. If the employee was scheduled to work on a Statutory Holiday he will receive the equivalent amount of his regular shift's pay. If he was required to work on a Statutory Holiday he will receive pay for the day worked as per Article 7.03 or receive time and one-half only for time worked and bank eight hours or one day. It is understood that the banked time taken must be taken at a time agreeable to both parties and that whole days must be used."

3. This Letter of Understanding shall supersede the provisions of Article 11.01(a).
4. The first paragraph of Article 11.05 will be deemed to be amended to read:
"Time worked outside an employee's scheduled shift or work week and the first eight **(8)** hours

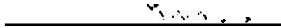
on Sunday shall be paid for at the rate of time and one-half. Double time will be paid after eight (8) hours of work on Sunday except as provided in #1 above."

5. Article 16.01 will be deemed amended to read that the provisions of this Article will provide for payments as stipulated provided that they do not exceed forty **(40)** hours per week for an immediate family member and twenty-four **(24)** hours per week for the remaining individuals cited."
6. Article 17.01 will be deemed amended to read that in ~~case~~ of an employee who is called for jury service, subpoenaed witness or crown witness, the Company shall pay for each day of service, an allowance equal to the difference between the employees scheduled hours of work for that day based on his regular straight time hourly rate and the payment he received for jury service up to a maximum total of forty **(40)** hours of work for the week.
7. Floating holidays as stipulated in Article 7.01 will be deemed to equal eight (8) times the employees regular straight time wage.


8. The parties agree that there shall be a twenty (20) minute paid lunch break and two ten (10) minute coffee breaks on the twelve (12) hour schedule.



For the Company



For the Union



For the Union

DOMTAR INC.

**NAIRN CENTRE SAWMILL OPERATIONS
AND
COMMUNICATIONS, ENERGY AND
PAPERWORKERS'
UNION
AND IIT LOCAL 31-X
NAIRN CENTRE, ONTARIO**

**LETTER OF UNDERSTANDING
RE:
JOB GROUPINGS**

The parties agree to the following provisions in order to facilitate the implementation of the New **Job** Groupings. The parties agree that if at any time during the duration of the current Collective Agreement a significant problem or concern arises or a new position is created, the parties agree to meet and discuss the issue fully. Where mutually agreeable, the parties can amend the Job Groupings detailed within the Letter of Understanding.

1. All employees within a particular **Job** Grouping will fully participate in the job rotation unless a particular employee has provided the Company acceptable documentation confirming his inability to perform a particular task(s). Such employees will not receive the Wage Rate for the Job Grouping but would rather be paid in accordance with the previous classification structure.

2. The Company will ensure that all employees are fully trained under the current training mechanisms, including health and safety prior to being deemed as qualified on ~~each~~ and every former job classification in a particular Job Grouping. Employees shall receive the Job Grouping ~~Wage~~ Rate immediately.
3. At the time of posting a vacancy within a particular Job Grouping, the posting will reference the specific vacancy from the former job classification structure and the particular job classifications contained within the Job Grouping.
4. The rotation schedule within a particular Job Grouping will be determined by the employees within that Job Grouping and as agreed with the respective supervisor.
As a general principle such rotations shall occur once per quarter shift.
5. The Job Groupings will be as presented by the Company. The 'New' Log Preparation Area requires four positions per shift. The Company is prepared to recognize the skills and transferability of the incumbents in the former Debarker and Utility Operator classifications in order that they may assume two of the newly created positions per shift. The remaining two positions per shift will be posted in accordance with the provisions of Article 12.
6. The current incumbents in the Trimmerman position shall maintain their existing wage rate and will receive any increases negotiated by the Union until such time as they vacate the position or retire.

JOB GROUPINGS:

The employees will rotate within the following job groupings.'

SAWMILL

<u>Current Position</u>	<u>Job Groups</u>	<u>Current Rate</u>	<u>New Rate**</u>
Chipper/Canter	Sawyer	\$21.48	\$21.48
Flow Person	Sawyer	\$21.28	\$21.48
Lift Operator-Log Handling	Mobile Equipment	\$19.89	\$20.15
Lift Operator-Lumber	Mobile Equipment	\$19.89	\$20.15
Trimmerman	Machine Operator	\$20.92	\$20.15
Esterer Operator	Machine Operator	\$20.02	\$20.15
Debarker Operator	Log Preparation	\$19.90	\$20.15
Utility Operator	Log Preparation	\$20.13	\$20.15
Step Feeder	Log Preparation	n/a	\$20.15
Chaser	Log Preparation	n/a	\$20.15
Clean up	Labourer	\$19.17	\$20.15
Stacker Man	Labourer	\$19.59	\$20.15
Sticker Placer	Labourer	\$19.27	\$20.15

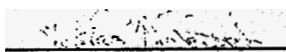
PLANER

<u>Current Position</u>	<u>Job Groups</u>	<u>Current Rate</u>	<u>New Rate**</u>
Licensed Grader	Licensed Grader	\$22.18	\$22.20
Infeed Operator	Machine Operator2	\$21.74	\$21.75
Tilt Hoist Operator	Machine Operator2	\$21.74	\$21.75
Lift Operator- Lumbar	Mobile Equipment	\$19.89	\$20.15
Handpull Loader	Mobile Equipment	\$20.01	\$20.15
Package Maker	Labourer	\$20.00	\$20.15
Strapper Operator	Labourer	\$19.74	\$20.15
Clean Up	Labourer	\$19.17	\$20.15
Heede Crane Operator	Heede Crane Operator	\$22.68	\$22.68
Dry Kiln Lead	Dry Kiln Lead	\$21.10	\$21.10
Chip Truck Driver	Chip Truck Driver	\$20.36	\$20.36
Licensed Trades	Licensed Trades	\$23.58	\$23.58

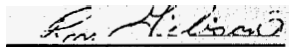
**** Wage rates shall be as per Schedule "B"**



For the Company



For the Union



For the Union

**DOMTAR INC.
NAIRN CENTRE SAWMILL OPERATIONS
AND
COMMUNICATIONS, ENERGY AND
PAPERWORKERS' UNION
AND ITS LOCAL 31-X
NAIRN CENTRE, ONTARIO**

**LETTER OF UNDERSTANDING
RE
CONTRACTORS**

The parties agree that this Letter of Understanding and the specific provisions cited below shall identify, amend and supersede the Collective Agreement as it relates to contractors.

The employees of contractors engaged in the loading and hauling of wood chips and bark will not be considered employees within the term of this agreement.

It is also agreed that this letter is non-negotiable for **two (2)** terms **of** the Collective Agreement, with the first Collective Agreement ending August 31, 2010.

[Faint signature]
For the Company

[Faint signature]
For the Union

[Handwritten signature]
For the Union

**DOMTAR INC.
NAIRN CENTRE SAWMILL OPERATIONS
AND
COMMUNICATIONS, ENERGY AND
PAPERWORKERS' UNION
AND ITS LOCAL 31-X
NAIRN CENTRE, ONTARIO**

**LETTER OF UNDERSTANDING
RE
CALL LIST**

It is agreed between the Union and the Company that there will be a **Call** in list in which these employees will be called in by seniority.


All work will count towards seniority and once the employee has completed the required probationary period, his/her seniority will **start** from their date of hire.

These employees must submit to the Company their availability seven (7) days prior to the schedule being posted.

A copy of the availability sheets will be forwarded to the Local weekly.

Phone records will be given to the Local upon request.

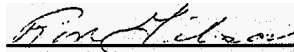
Maximum of 15% of bargaining unit members will be on the Call list.



For the Company



For the Union



For the Union

Signed this 20th day of DECEMBER
2007, in Nairn Centre, Ontario.

FOR THE COMPANY

Domtar Wood Products
Nairn Centre Sawmill
Operations

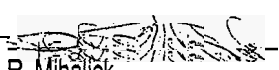

D. Drouin
General Manager
Nairn Centre

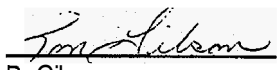

S. Blanchette
Director
Health and Safety Manager

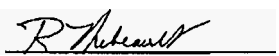

D. Swanson
Human Resources
Health and Safety Manager

FOR THE UNION

Communications, Energy and
Paperworkers' Union and Its
Local 31-X


R. Mihalick
National Representative
Sawmill Operations


R. Gibson
President- Local 31-X


R. Thibeault
Chief Steward


A. Beaudry

SCHEDULE "E"

GENERAL INFORMATION

PLAN EFFECTIVE DATE

The benefits described in this booklet are in effect as of **September 1, 2000**.

ELIGIBILITY

All full-time hourly employees who are members of the Communications, Energy and Paperworkers Union and its Local 31-X are eligible to participate in this plan.

If you have dependents you may insure them as well. Your spouse is eligible and your unmarried children (including adopted, foster and stepchildren). Dependent children are insured up to age 21.

Any mentally retarded or physically handicapped children may remain insured past the maximum age provided the child is incapable of self-sustaining employment and is wholly dependent on you for support and maintenance.

EFFECTIVE DATE OF COVERAGE

You **become** eligible for Life Insurance after having completed 30 work days of continuous active full-time employment and Long Term Disability immediately upon becoming insured for Weekly Indemnity benefits.

Your Weekly Indemnity coverage, and that of your dependents, is effective after having completed 30 work days of continuous active full-time employment. Your Dental coverage, as well as your dependents', is effective on the date you complete a waiting period of 90 work days or service for full-time employment.

Your Medical, Surgical, Drug and Hospital Care plans, and that of your dependents, is effective on the first day of the fourth month following the date you were employed for full time and full pay.

If you are actively insured for personal coverage and later acquire a dependent, you may enroll your dependent in the Health plan by notifying the Personnel Office.

If you are not actively at work on the date your Weekly Indemnity, Medical, Dental or Vision coverage would normally **become** effective, coverage will commence on your return to work for full time and full pay.

If one of your dependents is hospitalized on the date Medical coverage would normally become effective, coverage will commence on the day following discharge from the hospital.

HOW TO OBTAIN THE INSURANCE

To obtain the insurance described in this booklet, you should complete and sign all necessary application cards. No medical examination is required for you if you apply for the insurance within the times stated.

IF YOU LEAVE OUR EMPLOY

Your group insurance will terminate if you leave our employ. You have the right to change your Life Insurance to an individual policy as available by the carrier.

LIFE INSURANCE

DEATH BENEFIT

In the event of your death from any cause, your Life Insurance under the Plan will be paid to the beneficiary you have named. If you have named more than one beneficiary and one of those beneficiaries should die before you, his or her share of the insurance will be paid to the surviving beneficiaries or if there is none, it will be paid to your estate.

The amount of your Life Insurance is \$60,000.00. In no event shall your insurance continue beyond your date of retirement.

ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT

If, as the result of an accident, you suffer any of the losses listed below within 90 days of the accident, payment will be made as indicated. The principal amount of your Accident Death and Dismemberment Insurance is an amount of your Group Life Insurance.

LOSS OF:

- Life.
- Total and irrecoverable loss of sight of both eyes.
- Both hands by severance at or above wrist joints.
- Both feet by severance at or above ankle joints.
- One hand or one foot by severance at or above wrist or ankle joints respectively, together with the total and irrecoverable loss of sight of one eye.
- Loss of one hand and one foot by severance at or above wrist and ankle joints respectively.

One-half of the Principal Amount shall be payable for:

- Loss of one hand by severance at or above wrist joint.
- Loss of one foot by Severance at or above ankle joint.
- Total and irrecoverable loss of sight of one eye.

1. If more than one of the losses specified in the Schedule of Losses and Indemnities shown above shall be sustained by the employee as a result of any one accident, payments shall not exceed the Principal Amount of Accidental Death and Dismemberment Insurance on the employee at the date of such accident.

2. If an employee has suffered prior to the date of becoming insured hereunder, or does thereafter suffer, the loss of one hand by severance at or above the wrist joint or one foot by severance at or above the ankle joint, or the total and irrecoverable loss of the sight of one eye, the Accidental Death and Dismemberment Insurance on the Schedule of Insurance provided that the amount of Insurance payable for the loss of one hand, one foot, or the sight of one eye shall be one-half the principal amount of the Insurance.

3. The Insurance shall not cover accident, injury, death or other loss which shall result either directly or indirectly, from any one of the following:

- (a) self-destruction or self-inflicted injuries while sane or insane;

- (b) committing or attempting to commit an assault or criminal offence;
- (c) riot, civil commotion, insurrection, war or hostilities of any kind, or any **act** incident thereto;
- (d) bodily or mental infirmity or illness or disease of any kind;
- (e) the inhalation of gas of any kind, voluntarily or otherwise, resulting in poisoning, asphyxiation or any other condition causing death;
- (f) poisoning or infection, other than infections occurring simultaneously with and in consequence of an accidental cut or wound;
- (g) injuries of which there is no visible contusion or wound on the exterior of the body, unless drowning or internal injuries are revealed by autopsy;
- (h) participating in aeronautics other than as permitted under the carriers policy.

CONVERSION PRIVILEGE

When your insurance terminates because of termination of your employment, you will have the privilege of converting your Life Insurance, within the next 31 days without medical examination, to a new policy on any of the carriers regular plans for an

amount not exceeding the amount of your Group Life Insurance.

If you die during the 31 day period in which you might have exercised this conversion privilege, your beneficiary will be paid the amount of Life Insurance which you would have been entitled to convert.

LONG TERM DISABILITY INSURANCE

DISABILITY

During the first year of income payments your disability must prevent you from performing any and every duty relating to your regular job or engaging in any occupation or performing any work in the sawmill. After that time you will be considered totally disabled if you are unable to engage in any occupation or perform in any work in the sawmill for which the carrier considers you to be reasonably qualified by education, training or experience. However, if you are working or engage in any occupation for wage or profit other than rehabilitative employment approved by the carrier, you will not be considered to be totally disabled.

BASIC MONTHLY EARNINGS

Your regular monthly earnings on which your benefit will be based will exclude overtime pay, bonuses and other special compensation as at the date you become disabled.

BENEFIT

If you become totally disabled before you are 65 and your disability lasts longer than 52 weeks of benefits under the employer's Weekly Indemnity Plan, you will be paid a monthly income which is payable at the end of each month of disability as long as you are disabled but not beyond age 65 and in no event for more than the number of completed months equal to the employee's service. You must be under treatment by a licensed physician to receive benefits.

The amount of income for which you are eligible will be reduced as follows:

1. By any payment for loss of time to which you are entitled from the Workplace Safety and Insurance Board and Canada or Quebec Pension Plan, excluding any payment in respect of your children.
2. Further reductions will be made so that the amount you would receive from the carrier and from any other sources (any other group, association and governmental insurance, sick leave or retirement plan of your employer) does not exceed 85% of your basic monthly earnings.

Generally, your monthly benefit is considered taxable income. If it is not taxable, the 85% limit would apply

to your basic earnings after deductions have been made for income tax and pension plan.

Estimates of disability income from any of these sources will be used until the actual benefits have been established.

IF A DISABILITY RECURS

If you become totally disabled again within six months due to the same or related cause and not receiving any income disability benefits, payments will commence again without the necessity of completing the 52 weeks. Disabilities occurring after the six month period will be treated as if no prior disability had occurred and the 52 week period must be completed again.

GENERAL

The group insurance policy must be in force when your disability commences but payments will continue even if the policy is terminated as long as you remain disabled.

LIMITATIONS

Coverage is made as broad as possible. However, exclusions include self-inflicted injury; disabilities

resulting from riot, civil commotion, insurrection, war or hostilities of any kind, or active duty in any armed service during a time of war.

WEEKLY INDEMNITY BENEFIT

If you are totally disabled, unable to work, and under the continuing care of a physician, you will receive a weekly income not exceeding 70% of your weekly earnings. Your benefits will commence on the earlier of:

1. The fourth day of disability caused by sickness.
2. The first day of a disability due to an accident.
3. The first day of hospitalization.

During any one period of disability your benefits will continue until you recover or for a maximum of 52 weeks, whichever is earlier.

The Company and/or the insurer reserve the right to require an independent medical examination to confirm the employee's absence due to disability. Such an examination shall be conducted by a physician or physicians agreeable to the employee and the Company.

Any dispute arising between the Company and/or the insurer's physician and the employee's physician will be resolved by a physician (preferably a specialist) chosen by the Company and the Union.

Costs of such physical examinations, medical documents, transportation and reasonable out-of-pocket expenses related thereto will be paid by the Company and/or insurer. An employee will continue to receive W.I. benefits or the equivalent from the Company while he/she is awaiting such examination(s).

EXCEPTIONS AND LIMITATIONS

Disability benefits are not payable for the following:

1. A disability caused by self-inflicted injuries or illness.
2. A disability resulting from insurrection, war, service in the armed forces of any country, or participation in a riot.
3. A disability due to any cause at any time when you are on pregnancy leave of absence or could be placed on such leave by your employer in accordance with the relevant Provincial Statutes or that agreed upon by you and your employer.
4. For any disability for which you are entitled to benefits under any Workplace Safety and Insurance Act.
5. At any time when you are on vacation and receiving full pay.

HEALTHCARE BENEFITS

DRUG COVERAGE

Your drug plan coverage, and that of your dependents, is effective on the first day of the second month following the date you were employed for full time and full pay. Drugs, serum, and injectibles purchased on a prescription of a medical doctor, except for vitamins and vitamin preparations (unless injected) and patent or proprietary medicines are eligible for **coverage** by this drug plan and available by presenting your personal identification card supplied by the carrier and a 35¢ deductible fee per prescription.

HOSPITAL COVERAGE

Your Provincial Health Plan provides ward coverage for in-hospital accommodation. This additional coverage allows you, and your dependents, semi-private in-hospital accommodation. This semi-private hospital coverage is effective on the first day of the fourth month following the date you were employed for full-time and full pay.

DENTAL BENEFIT

On behalf of each covered individual in your family, the Dental Benefit will reimburse you for dental expenses based on the percentages indicated by the carrier. The maximum amount payable per individual

for services is \$1,000.00. Effective September 1, 2001, the maximum amount payable per individual for services is \$1,500.00

TREATMENT PLAN

In order for you and your dentist to learn in advance how much the carrier will pay and how much must be paid by you, it is recommended that a Treatment Plan be filed with the carrier whenever the total cost of the proposed dental work is expected to exceed \$200.00. The Treatment Plan identifies coverage and limitations for specific services and clarifies insurance percentages, specific limits and Dental Fee Guide allowance before dental treatment commences. The Treatment Plan is not intended to limit you in your choice of dentist, to tell you or your dentist what treatment should be performed or to tell the dentist what fee to charge.

A Treatment Plan is a plan of dental treatment (including x-rays if required) showing the patient's dental needs, a written description of the proposed treatment necessary in the professional judgement of the dentist, and the cost of the proposed treatment.

ELIGIBLE EXPENSES

Eligible expenses are those which are recommended as necessary by a physician or dentist that are not in

excess of the fee specified for general practitioners in the 1987 Dental or Denturist Fee Guide of the Province of Ontario. Fees for specialists will be considered if the patient was referred by a physician or another dentist. There are several dental procedures which are covered by Provincial Health Plans up to certain maximums. If the dentist or dental surgeon chooses to charge more than that payable by the Provincial Plan, legislation in some provinces does not permit the excess charges to be eligible under this Plan.

Situations may arise where alternate methods of treatment may be available. It is solely for you and your dentist to decide which method will be employed. The carrier reserves the right to use the least expensive method of treatment that would provide a professionally adequate result as the basis for determining their liability.

Only those treatments listed are eligible.
The following treatments are payable at 100%:

EXAMINATIONS:

Initial examination of a new patient
(once every 3 years)..... 01110, 01120, 01130
Re-examination of a previous patient
(once every 6 months).....01200
Specific examination.....01400

Emergency examination and/or consultation
01300, 94400
94100, 94200

CONSULTATIONS:

Treatment planning- per unit of time05100
 With patient.....05200
 Another dentist.....93100

SPECIFIC DIAGNOSTIC PROCEDURES:

Bacteriologic cultures for determination
 of pathologic agents.....04100
 Dental caries susceptibility test.....04200
 Biopsy, **soft-hard** tissue.....04300, 04310
 Cytologic examination.....04330
 Pulp vitality tests.....04400

RADIOGRAPHIC EXAMINATION AND INTERPRETATION

(X-RAY):

Intraoral periapical **films**. complete series.....02100
 Intraoral periapical **films**.
 -one to ten films.....02111, 02120 incl.
 Occlusal films02131, 02134 incl.
 Posterior bitewing films.,02141, 02144 incl.
Extraoral films.....02201, 02204 incl.
 Sinus examination.....02304
 Sialography.....02400
 Use of radiopaque dyes to demonstrate lesions.....02430
 Temporomandibular joint films02504, 02505
 Panoramic film.....02600
 Cephalometric films02701, 02705 incl.

Interpretation of radiographs from
 another source - per unit of time.....02800
 Tomography.....02920
 Hand and wrist
 (as diagnostic aid for dental treatment)02930

PREVENTIVE SERVICES:

Scaling and polishing..... 11100, 11200, 11300
 Topical fluoride treatment.....12400
 Oral hygiene instruction.....13200, 13210
 Occlusal equilibration.....43310

TREATMENT OF DENTAL CARIES (FILLINGS)

Sedative (palliative) dressing.....39930

AMALGAM RESTORATIONS:

Primary teeth.....21101, 21105 incl.
 Permanent anterior and bicuspid teeth...21211, 21215 incl.
 Permanent molar teeth.....21221, 21225 incl.
 Pin reinforcement.....21301, 21305 incl.
 Silicate restorations.....22101, 22102
 Acrylic or composite restorations.....23101, 23223 incl.

SURGICAL SERVICES - REMOVAL OF TEETH:

(REMOVAL OF ERUPTED TOOTH - UNCOMPLICATED)

Single tooth.....71101
 Each additional tooth in same surgical site.....71111

SURGICAL REMOVALS:

Removal of erupted tooth (complicated).....72100
Removal of impacted tooth.....72210, 72220
72230, 72240

REMOVAL OF RESIDUAL ROOTS

Soft tissue coverage.....	72310
Bonetissue coverage.....	72320
Anaesthesia.....	92110, 92120, 92201
.....	92202, 92215, 92251
.....	92252, 92310, 92311
.....	92330, 92340

PERIODONTAL SERVICES

(DIAGNOSIS AND TREATMENT OF GUM TISSUE)

NON-SURGICAL SERVICES - PER UNIT OF TIME

Application of displacement dressing.....	41100
Management of acute infections and other oral lesions.....	41200
Desensitization of tooth surface.....	41300

SURGICAL SERVICES:

Gingival curettage.....	42001
Gingivoplasty.....	42002
Gingivectomy.....	42003
Osseous surgery.....	42100
Osseous grafts - single, multiple site.....	42103, 42104
Soft tissue grafts.....	42200, 42300
Vestibuloplasty.....	42310
Postsurgical treatment - periodontal, per unit of time.....	42500

ADJUNCTIVE PERIODONTAL SERVICES:

Provisional splinting - intra coronal, extra coronal - per unit of time.....	43200, 43210
Periodontal scaling and root planning per unit of time.....	43400

Special periodontal appliances (including occlusal guards).....43600

ENDODONTIC SERVICES:

Pulp capping.....31100, 31110

Vital pulpotomy..... 32201, 32202, 32210, 32211

Root canal therapy..... 33100, 33120, 33200, 33220

.....33300, 33320, 33400, 33420

Apexification..... 33501, 33502, 33503, 33504

.....33511, 33512, 33513, 33514

Periapical Services 34101, 34102, 34103, 34104

.....34111, 34112, 34114, 34115

.....34201, 34202, 34203, 34212

Root amputation- amputation

at one root- two roots.....34401, 34402

OTHER ENDODONTIC PROCEDURES:

(PREPARATION OF TOOTH FOR TREATMENT)

Gingival curettage.....39100

Alveolectomy.....39110

Banding of tooth to maintain sterile

operating field39120

Hemisection..... 39210, 39220, 39230, 39300

Chemical bleaching only

per unit of time.....39400

Intentional removal. apical filling

and reimplantation.....39501, 39502, 39503, 39600

Emergency procedures,..... 39901, 39902, 39903, 39904

.....39910, 39940, 39960, 39970

.....39980, 39985

SURGICAL SERVICES:

Surgical exposure of tooth.....	72410, 72411, 72412
Transplantation of a tooth.....	72430
Surgical repositioning of a tooth	72440
Enucleation of an unerupted tooth and follicle.....	72450
Alveoplasty - per unit of time.....	73100, 73110
Gingivoplasty and/or stomatoplasty.....	73119, 73120
Osteoplasty- per unit of time.....	73133, 73134, 73135
.....	73140, 73141
Surgical excision.,	74108, 74109, 74408, 74409
Surgical incision.....	75100, 75110
Fractures.....	76198, 76210, 76250, 76310
.....	76350, 76910, 76950, 76951
Frenectomy	77800, 77810, 78110
Miscellaneous surgical services	
.....	79104, 79301, 79302, 79303
.....	79304, 79305, 79306, 79307
.....	79308, 39401, 79601, 79602
.....	79603, 79604
Adjunctive general services - drugs (injections).....	96100, 96101

The following treatments are payable at 50%:

PROSTHETIC SERVICES:

Complete maxillary denture (once every 3 years)	51100
Complete mandibular denture (once every 3 years).....	51110
Complete maxillary and mandibular	

dentures (once every 3 years)	51120, 51300, 51310, 51320
.....	51600, 51610, 51620
Removable partial dentures...	52120, 52121, 52220, 52221
.....	52230, 52231, 52320, 52321
.....	52400, 52410, 52500, 52510
.....	52520, 52525, 52530, 52531
.....	52535, 52600, 52610, 52630
.....	52800
Denture adjustments.....	54250, 54300, 54301, 54302
Denture repairs.....	55101, 55102, 55103, 55104
.....	55201, 55202, 55203, 55204
.....	55520, 55530, 55700
Denture rebasing, relining....	56200, 56201, 56210, 56211
.....	56220, 56221, 56230, 56231
.....	56260, 56261, 56262, 56263
.....	56270, 56271, 56272, 56273

ORTHODONTIC SERVICES:

PRE-TREATMENT DIAGNOSTIC SERVICES:

Diagnostic Models X-Rays.....	4530, 2701, 2702
.....	2703, 2704, 2705

Cephalometric work-up.....	2750
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PREVENTIVE & INTERCEPTIVE ORTHODONTICS:

Habit Inhibiting.....	82101, 82102, 82201, 82202
Space regaining.....	81105, 81106, 81201
.....	81202, 81251, 81252
Space Maintenance.....	15100, 15110, 15120, 15400
Cross Bite Correction etc.....	81261, 81203, 81204
.....	81205, 81206

CORRECTIVE ORTHODONTICS:

Removable & Fixed Appliance Therapy

- 81115, 81116, 81120
- 81125, 81126, 81130
- 81131, 81140, 81207
- 81208, 81209, 81210
- 81211, 81212, 81213
- 83214

Retention.....83111, 83112

VISION CARE BENEFIT

If, while insured, you incur Vision Care expenses for yourself or for a covered dependent you will be paid benefits in an amount equal to such Vision Care services, subject to the following provisions.

The following services when prescribed by a licensed physician or licensed optometrist shall be covered, but not to exceed \$150.00, in any 24 month period effective the first of the month following date of ratification.

1. Lenses and frames for eyeglasses, sunglasses and
2. Contact lenses.
3. Services and materials in connection with vision training and orthotics.
4. Services and materials in connection with medical or surgical treatment.
5. Replacement of lost, stolen or broken eyeglass lenses or eyeglass frames.

No benefits are payable for amounts charged for any of the following services:

1. Services rendered before the insurance on account of the person who receives such services became effective.
2. Services received because of any injury arising out of or in the course of any employment for wage or profit or sickness entitling the covered person

to benefits under any Workers' Compensation or Occupational Disease Law.

3. Services for examinations for the purpose of prescribing or fitting of eyeglasses, sunglasses or safety glasses.
4. Services to the extent that such services or benefits for such services are available under any plan or program established pursuant to the laws or regulations or any Government and any services to the extent that any Government prohibits payment of insurance benefits therefore.
5. Services to the extent that they or benefits therefore are provided under any other group insurance plan or prepayment plan or for which benefits are otherwise provided under the group policy.
6. Services for which the person receiving them is not required to make payment, or where payment is received as a result of legal action or settlement.

IF YOU LEAVE OUR EMPLOY

Your Vision Care Benefit will cease 31 days after leaving our employ if you have received Vision Care services as specified, as a direct result of a complete eye examination.

147

Proposed Maintenance Schedule "II"

Crew	Week 1							Week 2							Week 3							Week 4							
	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
1		D	D			A	A	A			D	D			N	N			D	D	D			N	N				
2		N	N			D	D	D			N	N			D	D			A	A	A			D	D				
3	A			D	D				N	N			D	D	D			N	N			D	D			A	A		
4	D			N	N				D	D			A	A	A			D	D			N	N			D	D		

The foregoing schedule will result in the following cycle of worked days:

<u>Worked</u>	<u>Off</u>
2	2
3	2
2	3

All shifts will be of 12 hours duration

Monday to Saturday will be paid at straight time for the first twelve hours and time and one half for all hours worked after twelve hours

Time worked on Sunday shall be paid at time and one half for the first twelve hours worked and double time for all hours worked after twelve

Dayshift will be from 7:00 a.m. to 7:00 p.m. mealtime included

Nightshift will be from 7:00 p.m. to 7:00 a.m. mealtime included

Afternoon shift Will be from 12:00 p.m. to 12:00 a.m. mealtime included

14