

COLLECTIVE AGREEMENT

—between—

**STRATHCONA PAPER
DIVISION OF ROMAN CORPORATION LIMITED
(hereinafter called the “Employer”)**

—and—

**COMMUNICATIONS,
ENERGY AND PAPERWORKERS UNION
OF CANADA and its LOCAL 492
I.F.C. - C.L.C.
(hereinafter called the “Union”)**

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Article 1

GENERAL PURPOSE OF THE AGREEMENT

1.01 It is the general purpose of this Agreement to promote the mutual interests of the Employer and its employees and to provide for the operation of the mills under conditions which will further the safety and welfare of employees, economy of operations, quality and quantity of production, cleanliness of plant, and protection of the environment, property and plant, to the fullest extent possible.

Clarity Note:

Mills for the purpose of this Agreement includes any off-site warehouse facility owned or operated exclusively by the Employer.

1.02 It is the duty and responsibility of the Employer, of the Union, and of the employees to co-operate fully, individually and collectively, to attain the objectives and to bring about observance of the spirit as well as the letter of this Agreement.

1.03 The practice of mutual bargaining between the Employer and the Union shall be continued.

1.04 Suggestions, recommendations or complaints with reference to management, the Union, safety or production will receive due consideration.

Article 2

RECOGNITION

2.01 In order to carry out the general purpose of this Agreement, the Employer recognizes the Union as the sole collective bargaining agent for all employees of the Employer who are eligible for membership in the Union.

2.02 Employees of the Employer who come under this Agreement and are entitled to membership in the Union consists of those employees employed in and outside the mill except supervisors, persons above the rank of supervisors, security officers, all employees engaged in administration, sales, accounting, supervision, administration and control with respect to environmental and effluent control, clerical or other office work.

Clarity Note:

The intention of this article is to ensure that those presently represented by the Union remain represented by the Union.

Article 3

DEFINITIONS

For purposes of this Agreement:

- (i) An employee means an employee in the Bargaining Unit who has successfully completed their probationary period.
- (ii) Students means those hired for vacation and other relief who are presently enrolled in and returning to school.
- (iii) Job seniority shall accrue from the latest date of permanent entry into an employee's current job classification. An employee can only have job seniority in the job classification that the employee regularly works.
- (iv) Departmental seniority shall accrue from the latest date of permanent entry into an employee's current department. An employee can only have departmental seniority within the department that the employee regularly works.
- (v) Mill seniority shall be determined by an employee's length of continuous service computed from their most recent date of hire.
- (vi) Union Executive Committee is comprised of the Union President, Vice President, Recording Secretary, Financial Secretary, and Treasurer.
- (vii) The Labour Pool classification means employees who are scheduled to work any regularly scheduled shift to fill-in or provide relief. The schedule for Labour Pool employees will be established and changed in accordance with the Employer's requirements from time to time. Labour Pool employees shall be paid the greater of the hourly wage rate for the classification worked or the hourly wage rate for the Labourer A Labour Pool classification.
- (viii) Continuous service for the purposes of determining the number of vacation weeks entitlement means all years of employment with the Employer served on a continuous basis and without loss of seniority pursuant to Article 11.
- (ix) Corresponding shifts means shifts one (1) and three (3), or shifts two (2) and four (4).

- (x) The term disability means a state of incapacity due to sickness or accidental bodily injury which requires the regular and personal attendance of a licensed physician and which prevents engagement in any occupation within the employee's bargaining unit for a period of twenty-four (24) months after commencing LTD benefits and in any gainful occupation for which an employee is reasonably qualified by training, education, or experience.

Article 4

UNION SECURITY

- 4.01 An employee of the Employer within the Bargaining Unit shall be advised by the Employer at the time of hire that they must join the Union upon commencement of employment and as a condition of continued employment maintain such membership in good standing.
- 4.02 Any new employee shall be considered on probation for the first seventy-five (75) shifts worked. The Employer undertakes to provide a probationary employee with performance feedback after forty-five (45) shifts. At the conclusion of their probationary period the employee's seniority shall be determined as of their last date of hire and the employee shall have their name placed on the seniority list effective from such date.
- 4.03 In the case of termination and where the probationary employee grieves, the Employer shall be required to show that it acted reasonably in judging the employee unsuitable for continued employment with the Employer.
- 4.04 The Employer will deduct current Union dues and initiation fees as directed in writing by the Union and will remit such funds to the Union on a monthly basis. The Employer will deliver to the Union with such payments a summary of dues and fees collected. The Employer will supply to the Union a list of all new employees who are eligible to join the Union.
- 4.05 The Union shall indemnify and save harmless the Employer against any and all suits, actions, causes of action, claims and demands or any other form of liability arising as a result of any action taken by the Employer for the purpose of complying with this article.

- 4.06 The Employer will have summer students sign a form that they are only engaged for the summer. It is also agreed that such students will have their employment terminated at the end of the summer.
- 4.07 Any maintenance or tradesperson hired on a temporary basis shall become a member of the Union and shall be deemed to be a newly hired employee after three hundred (300) hours of work within sixty (60) calendar days. Their mill seniority will date from sixty (60) days prior to the date that they are deemed to be a new hire.
- 4.08 The members of the Union Executive Committee will be permitted reasonable time during working hours, upon providing notice to their supervisor, to attend to bona fide union business relating to its membership and to attend at Employer/Union meetings.

Article 5

MANAGEMENT RIGHTS

- 5.01 It is the exclusive function and right of the Employer to operate and manage its business in all respects, except where any right to do so has been specifically restricted by the terms of this Agreement. The Employer reserves the right to formulate and implement, from time to time, rules, regulations, policies and procedures regarding the use and operation of equipment and plant facilities and the conduct of employees in the plant.
- 5.02 These rights shall be exercised in a manner consistent with the other provisions of this Agreement.

Article 6

NO STRIKES OR LOCK-OUTS

- 6.01 In view of the orderly procedure established by this Agreement for the settling of disputes and the handling of grievances, the Union agrees that, during the term of this Agreement, there will be no strike, slowdown or stoppage of work, and the Employer agrees that there will be no lock-out of employees.

Article 7

TECHNOLOGICAL CHANGE

7.01 The Employer shall discuss with the Union Executive Committee technological change that is likely to be of a permanent nature and which may materially affect the employment of employees covered by this Agreement.

Article 8

EMPLOYMENT

8.01 The Employer shall give preference to members of the Union when hiring new employees if such candidates are available for work and in the opinion of the Employer are capable of doing the work efficiently.

8.02 Offers of employment are conditional upon the satisfactory completion of a medical examination undertaken at the Employer's expense by a physician licensed to practice within the province of Ontario. Medical examinations may also be required prior to or upon the return to work by an employee after sickness or an accident.

8.03 It shall be the responsibility of each employee to keep the Employer notified as to their current address and telephone number and any changes thereto so that such information remains up to date at all times.

Article 9

CONTRACTING OUT

9.01 When the Employer contracts out maintenance work the Employer will:

- (i) inform the Union Executive Committee of the decision, nature and scope of the work to be contracted out; and
- (ii) favour unionized local trades to perform such work subject to relevant business considerations.

These provisions do not apply to contractors engaged to perform work of a specialized or technical nature or warranty work.

9.02 Regardless of whether or not the Employer contracts out maintenance work in accordance with Article 9.01, the Employer agrees to remit to the Union a payment of two thousand five hundred dollars (\$2,500) per contract year payable on the first business day of January in each contract year.

Article 10

PROMOTION, DEMOTION, LAY-OFF AND RECALL

10.01 The lines of progression for the classifications within the Bargaining Unit are established and set out in Appendix B which forms part of this Agreement, and bumpable classifications are set out in Appendix C which forms part of this Agreement. The Employer must select for the lowest classification in a line of progression the employee capable of advancing in that line.

Posting

10.02 The Employer shall post a notice on the bulletin board for seven (7) calendar days to advertise a permanent vacancy upon such vacancy occurring. The Employer will provide the Union Executive Committee with a copy of the notice posted. The Employer will post a notice on the bulletin board of those employee(s) who bid for the position on the first day following the expiry of the posting (except where such day is a Saturday, Sunday or statutory holiday and in such case the next day thereafter) and provide a copy of such notice to the Union Executive Committee. The candidate with the most mill seniority will be given the first opportunity to demonstrate the necessary skill and ability to perform the duties of the classification based on a trial period. The trial period shall not be more than twelve (12) shifts if the employee is not trained for the classification. There shall be no trial period for employees who are already trained in the classification and have a training slip to perform the duties of the classification. The trial period shall commence within fourteen (14) calendar days of the expiry of the posting subject to extenuating circumstances such as vacations, illness, training and availability of employees, however the Employer will use its best efforts.

- 10.03 During the trial period the employee will continue to receive the hourly wage rate for the classification that they occupied immediately preceding the trial period.
- 10.04 Until such time as the selection of the successful candidate to fill the vacancy on a permanent basis has been made, the Employer reserves the right to fill vacancies in a classification while the vacancy is being posted, with Labour Pool employees or with another employee with a training slip, or grandfathered training status for the classification. When the successful candidate is selected and accepts the posting, the employee shall be moved to their new classification as soon as all employees affected by the change are, in the Employer's opinion, properly trained and have received a training slip to assume the duties of their new classifications, or at such time as mutually agreed between the Employer and the Union.
- 10.05 At the expiry of the trial period, the Director of Human Resources or their designee shall notify the candidate and the Union Executive Committee, in writing, of the acceptance or not, of the candidate to fill the permanent vacancy. The criteria to be used by the Employer in assessing the candidate during the trial period shall be demonstrated skill and ability. The candidate who is selected and accepts the posting shall receive the hourly wage rate for that classification starting on the first shift where the employee has completed the required training and has been issued a training slip. If the candidate is not accepted, or rejects the posting, the employee with the next highest level of mill seniority who has made application to fill the vacancy will be given the opportunity to have a trial period as set out in Article 10.02.
- 10.06 If a candidate is selected after the trial period and refuses the posting, such employee shall not be permitted to apply for any other postings for a period of twelve (12) months commencing on the date the notice of the permanent vacancy was first posted pursuant to Article 10.02. The candidate that is selected shall not be eligible to apply for another job posting for six (6) months from the date of their acceptance. If the candidate rejects the posting before the expiry of the trial period, the candidate shall not be eligible to apply for another posting for twelve (12) months from the date of the rejection. If a candidate does

not accept the trial period for which they are eligible, then they shall remain eligible to post for any future posting.

Promotion within a line of progression

10.07 Effective September 1, 2005, employees shall be entitled to move to the next highest classification within a line of progression when a permanent vacancy occurs in that classification, based on job seniority. The most senior employee in the next lowest classification in the line of progression will be required to accept the position or be moved to the Labour Pool, save and except those employees who can provide a medical certificate from their treating physician confirming that the employee is permanently unable because of medical limitations to perform the essential duties and responsibilities of the new classification. Employees who are moved to the Labour Pool may not post into the line of progression from which they were moved for twelve (12) months.

Employees who accept the promotion to a non-corresponding shift may request consideration to have their vacation changed to another vacation period, taking into consideration mill operations.

10.08 Employees progressing into the next highest classification shall receive the hourly wage rate for that classification starting on the first shift where the employee has completed the required training and has been issued a training slip.

10.09 The Employer will continue its practice of in-plant training to prepare employees for promotion within the line of progression.

Effective September 1, 2005, all employees in a line of progression of more than two (2) positions must train up two (2) positions above their regular classification within the line. Employees may volunteer to train up more than the two (2) required positions provided they possess the necessary education and physical capability to perform the essential duties and responsibilities of the classifications for which they volunteer to be trained. Employees who cannot or will not train up the two (2) required positions within their line of progression will be moved to the Labour Pool, save and except those employees who can provide a medical

certificate from their treating physician confirming that the employee is permanently unable because of medical limitations to perform the essential duties and responsibilities of the classification(s) for which they were to be trained. Employees who are moved to the Labour Pool may not post to the line of progression from which they were moved for a period of twelve (12) months. Employees who will be retiring within one year from the date they were identified as requiring training will not be required to train up two (2) positions.

Demotion

- 10.10 The Employer may demote any employee who is promoted within a line of progression pursuant to Article 10.07, or who is selected and accepts a posting pursuant to Article 10.06, where, in the opinion of the Employer, the employee is inefficient and unable to demonstrate the skill and ability to perform the duties and responsibilities of the classification. The Employer must inform the employee of the decision, and within thirty (30) calendar days from the date of the promotion or posting, as the case may be, return the employee to the classification that they occupied immediately preceding such promotion or posting, if such classification still exists. If the classification does not exist, the employee may exercise their rights to bump.
- 10.11 When the number of employees in a classification is permanently reduced, the employee with the least job seniority shall bump into the next lowest classification within that line of progression. When classifications are permanently eliminated, employees who currently occupy that classification shall bump into the next lowest classification within that line of progression, in order of job seniority. Employees displaced from lower classifications because of bumping shall, in turn, bump into the next lowest classification within that line of progression until the lowest classification within that line is reached.
- 10.12 Employees displaced from the lowest classification in a line of progression will be released from their department in order of departmental seniority. Any employee displaced from the lowest classification in a line of progression may displace any employee in the lowest classification of any line of progression as set out in Appendix "C" on the basis of mill seniority.

10.13 Employees displaced into a lower classification shall receive the hourly wage rate for the lower classification on the first shift worked in the new classification.

Lay-off and Recall

10.14 Subject to the foregoing bumping provisions, the employee with the least mill seniority shall be the first to be laid-off. All lay-offs shall be in the reverse order of mill seniority. The last person hired being the first person laid-off, except for classifications where the employee must be a licensed tradesperson.

10.15 Subject to Article 11.01, an employee who has been permanently laid-off shall maintain the right to be recalled for work. The Employer shall notify such Employees by telephone, hand delivery or registered mail in the reverse order of lay-off.

10.16 The Employer shall not hire nor train any new employees in priority to employees who have the right to be recalled for work.

10.17 The Employer will continue to try to reduce by attrition only.

Article 11

LOSS OF SENIORITY

11.01 An employee will lose all seniority, recognition of continuous service and shall be deemed to be terminated if:

- (i) the employee retires, quits or is terminated from employment with the Employer and has not been reinstated through the grievance/arbitration procedure;
- (ii) the employee has failed to notify the Employer within two (2) calendar days of their receipt of the notice of recall of their intention to return to work within seven (7) calendar days of the date of their receipt of the notice of recall unless they can substantiate by medical evidence that they were unable to return to work or contact the Employer because of illness, accident, or other legitimate unforeseen circumstances.
- (iii) the employee has been permanently laid-off and not recalled for a period of six (6) calendar months where such employee had more than three (3) calendar months but less than three (3) years of continuous service;

- (iv) the employee has been permanently laid-off and not recalled for a period of one (1) year where such employee had more than three (3) years of continuous service; or
- (v) the employee is absent from work for more than three (3) consecutively scheduled shifts without notifying the Employer and without prior written authorization unless they can substantiate by medical evidence that they were unable to report to work or contact the Employer because of illness, accident or other legitimate unforeseen circumstances of an emergency nature.

Article 12

WORK CURTAILMENT AND TEMPORARY TRANSFERS

12.01 Where market conditions or other circumstances necessitate the temporary curtailment of work within a department such that the number of employees within the department, or within a classification, are not required for work on a shift in that department, Article 10 shall not apply except as provided in Article 12.02, and the Employer will schedule the employees with the most mill seniority for work that is available, as follows:

- (i) employees shall be scheduled to work their regularly scheduled hours, in other departments in priority over regularly scheduled Labour Pool employees who would have otherwise worked that shift, provided that work is available and the employee has a training slip, or has grandfathered training status for the classification to be worked; and
- (ii) employees shall be placed on a separate and distinct call-in list to be called for work, as required by the Employer, in order to make up the number of hours missed through curtailment, provided that the employee has a training slip, or has grandfathered training status for the classification for which the employee is being called in to work. If the employee is called for work and refuses the offer of work, the number of hours of work refused will be deducted from

the outstanding number of hours of work missed through curtailment for that employee; and

- (iii) the available hours of work for employees who have had their regularly scheduled hours reduced because of curtailment shall be distributed equitably among the employees so affected. All hours of work made up under Article 12.01(i) and (ii) shall be at straight time hourly wage rates except where overtime is applicable pursuant to Article 19 where the equivalent of such hours paid will be deducted from the number of outstanding hours of work missed through curtailment.

12.02 Where an employee who would otherwise have been regularly scheduled to work and a temporary curtailment of work causes such employee to not be scheduled for work, and to not work, the number of hours equal to seven (7) regularly scheduled shifts, within a one hundred and eighty (180) calendar day period with such period to commence on the first day of the first shift missed, the employee shall then have a one (1) time option to permanently bump in accordance with Article 10 in order of mill seniority. Such option to bump must be exercised within seven (7) calendar days of the date upon which the employee becomes eligible to bump.

12.03 The employee shall be paid the hourly wage rate for the classification worked.

12.04 The Employer reserves the right to temporarily transfer an employee on their regularly scheduled shift and call-in shift to a classification other than their own, provided that the employee has a training slip to perform the duties of the classification. The employee shall be paid at the greater of the hourly wage rate for the classification worked or the employee's hourly wage rate for the classification that they are regularly scheduled to work.

The Employer will attempt to contact the employee if they are to be temporarily transferred to the stockman position during the winter months, November 1st to April 1st.

12.05 Where a vacancy has been identified that will occur on a future regularly scheduled shift, and after the employer has exhausted all means in trying to fill the vacancy, and upon giving the employee reasonable notice, the Employer reserves the right to temporarily transfer the employee to a corresponding shift or upon fourteen (14) calendar days notice, to a non-corresponding shift, as long as the employee has a training slip to perform the duties of the classification. An employee who is transferred to a non-corresponding shift will be given the option of working during the transfer period, the shifts that may have been lost in making the transfer.

The employee will be paid time and one half for the first shift worked and shall be paid at the greater of the hourly wage rate for the classification worked or the employee's hourly wage rate for the classification that they are regularly scheduled to work for the remainder of the shifts worked.

Clarity Note: Steps in filling a vacancy that will occur on a future regularly scheduled shift are as follows:

1. Schedule labour pool if applicable
2. Use call-in list
3. Transfer employee to a corresponding shift
4. Transfer employee to a non-corresponding shift

Article 13

NEW PERMANENT CLASSIFICATIONS

13.01 When new permanent classifications are created, the Employer will set out the duties and responsibilities of the classification in writing, together with the applicable hourly wage rate and status within a line of progression. The Employer will provide the Union Executive Committee with a notice of the new permanent classification. The Union shall, within seven (7) calendar days of receipt of such notice, provide the Employer with written acceptance of the applicable hourly wage rate or notice that the Union wishes to make representations to the Employer in respect of such rate. The Employer shall make the final determination of the applicable hourly wage rate no later than three (3) calendar months after the date of the notice with the rate set by the Employer applying for the remainder of the Agreement.

Article 14

ADJUSTMENTS TO CLASSIFICATIONS FOR CHANGES IN RESPONSIBILITIES

14.01 On each anniversary of this Agreement, either party may request in writing an adjustment to the hourly wage rate for any permanent classification that has experienced a significant increase or decrease in duties and responsibilities. The Employer will give consideration to wage rates for comparable classifications within the community. Any mutually agreed upon changes or amendments to the classifications hourly wage rate shall apply for the remainder of this Agreement. If a mutual agreement is not reached to adjust the hourly wage rate, within three (3) calendar months after the date of the anniversary of this Agreement then the prevailing hourly wage rate will apply for the balance of the term of this Agreement.

Article 15

HOURS OF WORK

15.01 The regular hours of operation of the mill shall be twenty-four (24) hours per day, seven (7) days per week, fifty-two (52) weeks per year continuous operation save and except for Christmas Day and Labour Day, where upon with at least thirty (30) days prior written notice, the Employer will advise the Union of its intention to run through Christmas Day or Labour Day, as the case may be, and request employees to volunteer to work on the holiday. The Employer will run through each of Christmas Day and Labour Day provided sufficient employees volunteer for work on each of those days. The Employer will post a notice at least thirty (30) days prior to either holiday requesting volunteers to work on the holiday, and employees who volunteer to work must inform the Employer in writing twenty-one (21) days prior to the proposed day of run through. If the Employer does not run through Christmas Day or Labour Day, the Employer will post a notice requesting volunteers to perform maintenance or other work, if and as required. If the Employer does not run through or does not perform maintenance or other work on such days, essential services will be

maintained. Essential services means an Operator, Second Class in the Power House. The Operator, Second Class regularly scheduled to work on such holiday, must report for work. The Employer does not guarantee to provide work for any employee for regularly scheduled hours or for any other hours. The Employer will determine the operating schedule on the basis of business conditions and other relevant considerations to the Employer. The Union Executive Committee shall be informed of changes to the regular hours of operation of the mill.

- 15.02 The regular schedule for Twelve Hour Shifts is: 7 a.m. to 7 p.m. and 7 p.m. to 7 a.m. During each Twelve Hour Shift, employees shall be paid for fifty minutes of breaks, two of twenty (20) minutes and one of ten (10) minutes. The regular hours of work for employees who work only Twelve Hour Shifts shall be one hundred and sixty-eight (168) hours averaged over four (4) calendar weeks and average forty-two (42) hours per week. Twelve Hour Shifts shall be organized into four (4) crews and each crew shall be scheduled by the Employer as set out in Appendix E which forms part of this Agreement.
- 15.03 The regular schedule for Eight Hour Shifts is: 7 a.m. to 3 p.m.; 3 p.m. to 11 p.m.; and 11 p.m. to 7 a.m. During each Eight Hour Shift, employees shall be paid for thirty minutes of breaks, one of twenty (20) minutes duration and one of ten (10) minutes duration. The regular hours of work for employees who work only Eight Hour Shifts shall be one hundred and sixty (160) hours averaged over four (4) calendar weeks and average forty (40) hours per week.
- 15.04 The regular schedule of employees in the classifications set out in Appendix F which forms part of this Agreement is: 7 a.m. to 3 p.m., Monday to Friday. During each shift, employees shall be paid for a ten (10) minute break in the morning and a twenty (20) minute lunch from 12 – 12:20 p.m.
- 15.05 Employees in the classifications set out in Appendix G which forms part of this Agreement, (which may be deleted or added to by the Employer from time to time upon prior notice being provided to the Union Executive Committee), may be scheduled to work both Twelve Hour Shifts and Eight Hour Shifts within a four

(4) calendar week period. The regular hours of work shall be up to one hundred and sixty-eight (168) hours averaged over four (4) calendar weeks and average up to forty-two (42) hours per week.

- 15.06 Employees must be in their respective places ready to begin work at the starting time for each shift for which they have been scheduled to work and shall remain at their respective places during working hours. In all cases, paid breaks are exclusive of the time necessary for the employee to wash up, should it be so required. Employees shall not leave their respective work places (work assignment) until the end of their shift, or until, where applicable, relieved by their mate.
- 15.07 Employees who are not relieved at the end of their shift by their mate shall:
- (i) notify their supervisor;
 - (ii) remain at their respective work place (work assignment);
 - (iii) continue to work until a substitute is secured and such substitute has taken over the duties; and as necessary,
 - (iv) should circumstances dictate, such employees may be required to work up to an additional six (6) or ten (10) hours depending on their work schedule.
- 15.08 Employees shall report for their regularly scheduled shift unless mutually agreed upon prior arrangements to not report for their regularly scheduled shift have been made with their supervisor or the shift supervisor on duty. An employee shall provide their supervisor or the shift supervisor on duty, with a minimum of twelve (12) hours notice in the case of a Twelve Hour Shift, or eight (8) hours notice in the case of an Eight Hour Shift, of their inability to report for work and twelve (12) hours or eight (8) hours notice respectively, as the case may be, of their intention to return to work on their next regularly scheduled shift, save and except where the employee was unable to provide such notice because of acute illness or accident, or for other legitimate unforeseen circumstances of an emergency nature.
- 15.09 With the prior approval of their respective supervisors, employees may mutually arrange to exchange a regularly scheduled shift(s) provided that each employee

has a training slip, or has grandfathered training status for the work to be performed on the exchanged shift.

- 15.10 The Employer and the Union mutually recognize the importance of completing maintenance and repairs as required, on a timely and proper basis, in order to ensure that the health and safety of employees are protected and the economy of operations and the quality and quantity of production are furthered. Employees who are licensed tradespersons or apprentices who are attending to repair or maintenance work of a critical or emergency nature on their regularly scheduled shift, will be asked to volunteer to remain at their respective work place (work assignment) and continue to work. Where such employee(s) refuse to volunteer to remain and finish the repair or maintenance work, and where employees on the Call-In list (for licensed tradespersons and apprentices) are unable, or refuse to stay, then up to a maximum of two (2) employee(s) with the least departmental seniority qualified to perform the work, on a rotational basis, must stay and finish the work. Should circumstances dictate, such employees may be required to work up to an additional six (6) or ten (10) hours depending on their work schedule, or until such time as the work assignment is fully completed or such employee is relieved. Should the employee(s) with the least department seniority required to work, have a legitimate excuse acceptable to the Employer not to remain, the employee(s) with next least department seniority qualified to perform the work must stay and finish the work.
- 15.11 In circumstances where the Employer has scheduled: a maintenance shutdown; pre-shutdown preparatory work; installation of capital equipment; work relating to a project of a special nature; or maintenance or repair work which must be scheduled to accommodate business considerations, and a sufficient number of employee(s) have not voluntarily changed shift(s), or agreed to work the necessary hours to meet the requirements to complete the work referenced herein, the following will apply. The Employer may schedule each licensed tradesperson or apprentice for no more than three (3) occasions in any calendar year, with each occasion not to exceed three (3) consecutive calendar days, for the following work:

- (a) upon twenty-four (24) hours prior notice to such employee(s), for any eight (8) or twelve (12) hour shift(s), Monday through Friday, other than the shift(s) that such employee would regularly work. The Employer will ensure that any employee(s) so affected will not lose any payment for regular hours not worked as a result of such change of shift schedule.
- (b) upon seven (7) days prior notice, substitute the employee(s) regular days off, and schedule the employee to work on a Saturday and/or Sunday providing that the employee may take an alternate day(s) off of the employee(s)' choice in the preceding week and/or the succeeding week.

Article 16

WAGES

- 16.01 Wages shall be paid in accordance with the hourly rates of pay specified in Appendix A which forms part of this Agreement and which shall remain in effect throughout the term of this Agreement unless changed in writing by mutual consent of the parties to this Agreement. Wages shall be paid regularly on the basis of the number of hours worked in the two (2) calendar week period ending not more than four (4) calendar days prior to the date of payment, or five (5) calendar days where a statutory holiday falls on such pay date, multiplied by the hourly wage rate for each hour worked, less required deductions for statutory payments and other remittances, the details of which shall be provided to each employee with each regular pay slip.
- 16.02 Wages may be paid, if an employee so chooses, by direct deposit to the bank account, branch and bank specified by the employee, and a statement of earnings and deductions relating to the pay period for which payment is being made shall be provided in writing to the employee on the date of each payment.

16.03 Effective September 1, 2005, the Employer shall, in addition to the regular classification wage rate, pay a shift premium/differential per hour for the following shifts:

- 3 p.m. to 11 p.m. - \$0.50
- 11 p.m. to 7 a.m. - \$0.70
- 7 p.m. to 7 a.m. - \$0.80

16.04 In the event that the calculation of wages paid to an employee on any pay date is found to be incorrect, a correction shall be made in the following manner:

- (i) any amount owing in excess of one hundred dollars (\$100) will be paid to the employee within twenty-four (24) hours of the payment error being confirmed; or
- (ii) any amount owing less than one hundred dollars (\$100) will be included, once the payment error is confirmed, in the employee's next regular pay.

16.05 The Cost of Living Clause as introduced effective September 1, 1974 will remain inactive from the adjustment made September 1, 2004 to August 31, 2009.

Article 17

REPORTING PAY

17.01 Unless employees are notified not to report for work, employees who report to work for their regularly scheduled shift and for whom no work is available, shall receive not less than four (4) hours of any work that is available at the applicable hourly wage rate, or if no work is available, shall receive four (4) hours pay at their straight time regular hourly wage rate. The provisions of this article shall not apply in the event of strikes, power failures, breakdowns or other emergencies or conditions beyond the control of the Employer which prevent the Employer from providing work or where the Employer is unable to advise the employee or leave a message not to report for work because the employee cannot be reached or fails to leave specific instructions as to how they may be reached or has been absent from work on the preceding shift.

Article 18

CALL-IN

- 18.01 The Employer will maintain the existing General Mechanical Maintenance Call-In List for employees who are licensed tradespersons or apprentices. As necessary, employees shall be called-in to work where circumstances arise and the Employer needs the employee to report for work, provided that the employee is qualified to perform the work required. In addition, the Employer will maintain a Supplemental Mechanical Maintenance Call-In List for employees who are not licensed tradespersons or apprentices, but who wish to volunteer to be available for call-in work to assist licensed tradespersons or apprentices, as required, after the General Mechanical Maintenance Call-In List has been exhausted. Employees who are called in to work in accordance with the foregoing, (including both licensed tradespersons and apprentices, and volunteers from the supplemental list) shall be paid for the hours worked when called-in at time plus one half, with a minimum of four (4) hours pay at their regular straight time hourly wage rate. If the employee is called-in, the employee will be paid for all hours worked to complete the work assignment at time plus one half, except where an employee is already on the Employer's premises and is needed to work within two (2) hours prior to the regular starting time for that employee's regularly scheduled shift, the employee shall receive time and one half for the hours worked prior to the start of the regularly scheduled shift and regular straight time for the shift.
- 18.02 The Employer will maintain a General Call-In List for employees (other than licensed tradespersons and apprentices). As necessary, employee(s) shall be called-in to work from the General Call-In List where circumstances arise and the Employer needs the employee(s) to report for work, provided that the employee(s) has a training slip or grandfathered training status for the classification. In circumstances where the Employer has been unable to fill the call-in, the least senior employee in the Labour Pool who has been contacted and who is qualified to perform the work must accept the call-in and report for

work as required. If no employee(s) in the Labour Pool have a training slip or have grandfathered training status for the classification, or if the employee(s) cannot report to work for the call-in because of a conflict with their existing schedule for work, then the employee with the least mill seniority in the department on the General Call-In List who has been contacted and who has a training slip or grandfathered training status for the classification required, must accept the call-in and report for work. The employee, and each subsequent employee who is the least senior person required to accept the call-in as provided hereunder, can only be called-in under such circumstances once in each three (3) calendar month period from the date of the call-in. Employees who are called-in under these circumstances may, with at least ten (10) calendar days prior notice to the Employer, take an extra day off in lieu, of their choice, within the six (6) calendar months immediately following the call-in. Employees called-in from the General Call-In List shall be paid time and one half at the greater of the hourly wage rate for the classification worked on the call-in shift or their regularly scheduled classification rate.

18.03 An employee who is on a Call-In List and is qualified to perform the call-in work, or has a training slip or grandfathered training status for the classification, as the case may be, and who is overlooked in the rotation for call-in work will be given an offer for work, or shall be paid for the hours lost, before the end of the next full pay period. If the employee refuses the offer for work, the Employer's obligation to reschedule the missed call-in is terminated. The Employer shall not be responsible for giving notice where the employee cannot be reached or fails to leave specific instructions as to how they may be reached, or has been absent from work on the preceding regularly scheduled shift.

18.04 Where employees on the General Call-In List or on the General Mechanical Call-In List will not or cannot or are unavailable to accept a call-in for work that will interrupt the continuous operations of the Mill from the perspective of safety, quality, environment, or production, and after having exhausted all other means in trying to address the call-in request, the Employer will contact employee(s)

who are scheduled on vacation and who possess the necessary training and qualifications, and request that they accept the call-in. The Employer will notify a member of the Union Executive Committee explaining the circumstances involved as soon as possible.

Where an unscheduled shutdown is being planned due to the imminent interruption of continuous operations of the Mill from the perspective of safety, quality, environment, or production, and after having exhausted all other means in trying to schedule the necessary resources to complete the work, the Employer will notify a member of the Union Executive Committee prior to contacting employees who are scheduled on vacation, explaining the circumstances involved and the rationale for the decision. The Employer will then contact employee(s) who are scheduled on vacation and who possess the necessary training and qualifications, and request that they accept the call-in.

Should the Union disagree with the Employers decision, such disagreement shall be subject to Article 28, Grievance Procedures, with the Arbitrator having the power to award damages.

Article 19

OVERTIME

19.01 Employees shall be paid at the rate of time and one-half for all hours worked in excess of their regularly scheduled hours of work as set out in Article 15.02, 15.03, 15.04 and 15.05, as the case may be. Employees who work on their regularly scheduled day off shall be paid at the rate of time and one half, and with at least ten (10) calendar days prior notice to the Employer, may take an extra day off in lieu within seventy-five (75) calendar days immediately following such regularly scheduled day off, subject to the Employer's relevant business considerations. Relevant business considerations include the availability of coverage for the hours at a straight time hourly rate, vacation scheduling and operational demands. Where an employee works their regularly scheduled day off, and has not or does not report for work as scheduled for any other regularly

scheduled shift within that two (2) week pay period, unless the employee has mutually arranged a shift(s) exchange pursuant to Article 15.09 or has a medical certificate from their treating physician diagnosing the nature of the illness or injury that prevented the employee from attending work, such shift worked on the employee's regularly scheduled day off shall be at the employee's regular straight time hourly wage rate. Hours not to be included for the purposes of calculating overtime hours are hours paid to an employee who has exceeded their regularly scheduled hours of work as set out above as a result of an approved mutually arranged shift(s) exchange pursuant to Article 15.09.

19.02 Employees shall be paid at the rate of double time for all hours worked in the twenty-four (24) hour period from 7 a.m. on Sunday through to 7 a.m. on Monday.

19.03 Overtime shall be on a voluntary basis save and except as otherwise set out in this Agreement.

Article 20

VACATION ENTITLEMENT AND VACATION PAY

20.01 An employee who, on the first day of July in each year, has:

- (i) less than one (1) year of continuous service with the Employer shall receive one (1) day of vacation per month of completed service up to a maximum of ten (10) days with pay equal to 4% of the amount of the employee's total gross earnings paid since the date of last hire;
- (ii) one (1) year and less than five (5) years of continuous service with the Employer shall receive two (2) weeks vacation with vacation pay equal to the greater of 4.8% of the employee's total gross earnings for the previous calendar year or forty (40) or forty-two (42) hours per week, as the case may be, of the straight time hourly wage rate for the classification that the employee regularly works;
- (iii) five (5) years and less than ten (10) years of continuous service with the Employer shall receive three (3) weeks vacation with vacation pay equal to the greater of 7.2% of the employee's total gross earnings for

the previous calendar year or forty (40) or forty-two (42) hours per week, as the case may be, of the straight time hourly wage rate for the classification that the employee regularly works;

- (iv) ten (10) years and less than nineteen (19) years of continuous service with the Employer shall receive four (4) weeks vacation with vacation pay equal to the greater of 9.6% of the employee's total gross earnings for the previous calendar year or forty (40) or forty-two (42) hours per week, as the case may be, of the straight time hourly wage rate for the classification that the employee regularly works;
- (v) nineteen (19) years and less than twenty-seven (27) years of continuous service with the Employer shall receive five (5) weeks vacation with vacation pay equal to the greater of 12% of the employee's total gross earnings for the previous calendar year or forty (40) or forty-two (42) hours per week, as the case may be, of the straight time hourly wage rate for the classification that the employee regularly works; and
- (vi) twenty-seven (27) years of continuous service with the Employer shall receive six (6) weeks vacation with vacation pay equal to the greater of 14.4% of the employee's total gross earnings for the previous calendar year or forty (40) or forty-two (42) hours per week, as the case may be, of the straight time hourly wage rate for the classification that the employee regularly works.

20.02 Vacations may not be carried forward beyond the end of the current calendar year and must be taken during the current calendar year with each vacation week running from Monday to Sunday inclusive, with the option for the employee to work on the Sunday. An employee may schedule an additional week of vacation entitlement in accordance with provisions for scheduling vacation as set out herein, in the year that the employee qualifies for the additional week, provided that the employee may not take the additional week until after the anniversary date has passed pursuant to Article 20.01.

- 20.03 An employee who is permanently laid-off, retires, quits or otherwise has their employment with the Employer terminated, prior to taking all of their vacation in that calendar year, shall receive payment for the balance, if any, of earned vacation pay owing as of the last day of employment, calculated as the pro rata allocation based on the number of months worked to the last day of employment since the commencement of the vacation year, divided by twelve (12).
- 20.04 An employee who has been permanently laid-off and is subsequently re-called to work pursuant to Article 10.16, shall be entitled to take vacation in the year that they return to work based on the number of weeks entitlement for which the employee is eligible based on years of continuous service. Vacation pay will be calculated and paid based on the greater of 2.4% of the employee's total gross earnings for the previous calendar year or the rate for the position multiplied by the applicable hours forty (40) or forty-two (42) hours, multiplied by the number of weeks vacation entitlement less the amount, if any, of accrued vacation pay paid to the employee at the time of permanent lay-off in accordance with Article 20.03. Employees must take vacation pay with the corresponding vacation entitlement and shall have the option of taking the remaining vacation entitlement without vacation pay.
- 20.04.1 An employee returning to work after receiving Workplace Safety and Insurance Board benefits for a period of more than twelve (12) months or Long Term Disability benefits shall be entitled to take vacation in the year that they return to work based on the number of weeks entitlement for which the employee is eligible based on the years of continuous service. Vacation pay will be calculated and paid based on the greater of 2.4% of the employee's total gross earnings for the previous calendar year or the rate for the position, multiplied by the applicable hours forty (40) or forty-two (42) hours, multiplied by the number of weeks vacation entitlement, less the amount, if any, of accrued vacation pay paid to the employee prior to receiving Long Term Disability or Workplace Safety and Insurance Board benefits.

Employees must take vacation pay with the corresponding vacation entitlement and shall have the option of taking the remaining vacation entitlement without vacation pay.

- 20.05 An employee who has accrued vacation entitlement of more than two (2) weeks in any year may elect not to take all of such vacation and instead, may advise the Employer in writing (who will provide a copy of such request to the Secretary of the Union) prior to the booking for vacation in accordance with Article 20.06, of their request to be paid out accrued vacation pay in lieu, to a maximum of two (2) weeks .
- 20.06 An employee who has accrued vacation entitlement may take such vacation once it has been booked and approved by the Employer in accordance with the Employer's vacation schedule. The Employer will administer a vacation schedule on an annual basis, in order to provide employees with the opportunity to take their vacation(s) in an orderly, scheduled and fair manner provided that:
- (i) vacation(s) do not interfere with the safe and efficient operation of the mill;
 - (ii) employees shall be permitted, on the basis of seniority, to book all of their vacation weeks with a maximum of three (3) weeks in Prime Time with two (2) weeks in any one Prime Time and one (1) week in any other Prime Time, subject to department and mill restrictions on the number of employees permitted to be on vacation at any time.
 - (iii) All vacation(s) must be booked and finalized before September 30 in each year and the Employer will advise employees of the dates allotted to them, and unless otherwise mutually agreed, employees must take their vacation(s) at the time allotted. The Employer will post the vacation allotment and selection schedule by January 1st and provide the Union with a copy.
 - (iv) Unless otherwise mutually agreed, employees who do not book and finalize their vacation(s) by September 30 in each year shall be required to take their vacation(s) at a time to be prescribed by the Employer on the basis of seniority.

- (v) Vacation schedules, once approved by the Employer, shall not be changed, other than in cases of emergency, except by mutual agreement between the employee and the Employer. The Employer will notify the Union when such changes occur.
- (vi) Employees of the Maintenance Department (Mechanical, Electrical and Instrumentation) may be allowed to change their vacation schedule subject to the approval of a Maintenance Supervisor.
- (vii) Where individual hardship and circumstances dictate, on a case by case basis, employees may, subject to the approval of the Union Executive Committee, be allowed to work any vacation period to which they are entitled (subject to restrictions imposed pursuant to the Employment Standards Act) and be paid vacation pay in lieu for such vacation period worked.

Prime Time means each of the following periods: from the Monday of the week in which June 1 falls through to the Sunday of the week in which August 31 falls, from the Monday of the week in which October 1 falls through to the Sunday of the week in which November 20 falls, and from the Monday of the week in which December 15 falls through to the Sunday of the week in which January 5 falls.

Clarity Note: *The Employer will publish and post vacation guidelines outlining dates and timeframes that employees shall be required to book their vacation selections. Employees who fail to book their vacation as prescribed in the guidelines will be bypassed as outlined in the vacation guidelines.*

20.07 An employee may not trade or transfer their vacation period or entitlement to another employee.

Article 21

PAID HOLIDAYS

21.01 The following days shall be recognized as paid holidays by the Employer:

Holiday	Recognized Hours	Duration of Holiday
New Year's Day	11 pm December 31 to 7 am January 2	Thirty-two (32) hours
Good Friday	7 am day of to 7am following day	Twenty-four (24) hours
Victoria Day	7 am day of to 7 am following day	Twenty-four (24) hours
Canada Day	7 am July 1 to 7am July 2	Twenty-four (24) hours
Simcoe Day	7 am day of to 7 am following day	Twenty-four (24) hours
Labour Day	7 am day of to 7 am following day	Twenty-four (24) hours
Thanksgiving Day	7 am day of to 7 am following day	Twenty-four (24) hours
Christmas Day	3 pm December 24 to 7 am December 26	Forty (40) hours
Boxing Day	7 am December 26 to 3 pm December 26	Eight (8) hours

21.02 Employees shall be paid holiday pay for each of the paid holidays set out above in the amount of eight (8) hours at the regular hourly wage rate for the classification that the employee regularly works, save and except for employees who are regularly scheduled to work a Twelve Hour Shift on Christmas Day, Labour Day, New Year's Day and Canada Day who shall be paid holiday pay on the basis of twelve (12) hours at the regular hourly wage rate for the classification that the employee regularly works. Employees receiving Long Term Disability benefit payments or who are in receipt of Workplace Safety Insurance Board benefit payments for a period of more than one (1) year from the date of disability shall not be entitled to receive holiday pay. Payment of holiday pay shall be made provided that the employee has reported for work for the employer at any time within the 30 calendar days prior to the holiday worked and has worked their regularly scheduled shift immediately preceding and succeeding the paid holiday. However payment will also be made if the employee:

- (i) is absent on the preceding and succeeding shifts because of the death of an employee's immediate relative (as defined in Article 25), jury duty, an authorized vacation, with written permission from the Employer to be absent on such shift(s); with a medical certificate from their treating physician indicating the employee was unable to attend work on such shift(s) due to illness or injury, or a bona fide reason acceptable to the Employer acting reasonably.

21.03 An employee scheduled to work on a paid holiday and who works such holiday shall be paid at the rate of double time for all hours worked on the holiday in addition to holiday pay pursuant to Article 21.02 and may take a day off at a time to be mutually agreed between the employee and the Employer within seventy-five (75) calendar days immediately following the paid holiday.

21.04 If a paid holiday falls on a Sunday, the Monday immediately following shall be considered to be the holiday instead, and the holiday hours and holiday pay set out in Article 21.01 and 21.02 shall apply.

21.05 Employees who volunteer and the operator, second class in the Power House, regularly scheduled to work during the forty (40) hour Christmas Day holiday run through shall be paid at the rate of triple time for all hours worked on the holiday in addition to the holiday pay pursuant to Article 21.02 and may take a subsequent day off at a time to be mutually agreed between the employee and the Employer. If the Employer does not run through on the holiday, volunteers performing other work and the operator, second class in the Power House, regularly scheduled to work will be paid at the rate of triple time for all hours worked on the holiday in addition to the holiday pay pursuant to Article 21.02 and may take a subsequent day off at a time to be mutually agreed between the employee and the Employer.

Article 22

BENEFITS PROGRAM

22.01 The Employer will continue to pay Employer Health Tax for employees to provide coverage for the Ontario government Medicare program. The Employer will continue to sponsor and be responsible for ensuring that group benefit plans as provided for in Policy #025271 and #56771-021 (underwritten by Sun Life Insurance Company of Canada), and Policy #27685625 (underwritten by Expert Travel Financial Services Ltd.), are in effect and remain in full force and effect for eligible employees who have successfully completed sixty (60) days of

employment and where applicable, employees who have retired early, save and except for the following amendments:

(i) Weekly Indemnity Insurance

- (a) Amend the maximum weekly benefit payable from the greater of the Employment Insurance maximum or five hundred and ninety dollars (\$590), to a maximum of six hundred and ten dollars (\$610) effective the 1st day of the month following ratification;
A maximum of six hundred and thirty dollars (\$630) effective September 1, 2005;
A maximum of six hundred and fifty dollars (\$650) effective September 1, 2006;
A maximum of six hundred and seventy dollars (\$670) effective September 1, 2007; and
A maximum of six hundred and ninety-five dollars (\$695) effective September 1, 2008.
- (b) If requested by an employee who has applied for weekly indemnity benefits, the Employer will advance payments to such employee against future monies payable, in the event such employee has not received a weekly indemnity benefit payment by the Friday of the second calendar week after the calendar week in which a properly completed form was submitted.

Clarity Note: *Weekly Indemnity is based on 75% of weekly earnings based on the 1-1-4-52 formula with maximums as set out above. Any employee currently receiving a weekly indemnity benefit will be entitled to receive the increased benefit as applicable and as set out above, on the date that the increase comes into effect. The amount of weekly indemnity benefits payable will not be reduced by any payments made under any government disability plan under CPP.*

Present practice is, where necessary the Employer will advance funds to an employee pending WSIB Investigation and approval of claim. In such cases where WSIB refuses the claim, the employee is obligated to repay the advance to the Employer. The Employer will provide the Union with copies of the applicable benefit carrier policies.

(ii) ODA Fee Schedule

Amend present benefit formula for reimbursement of dental fees to:

The 2003 ODA fee schedule effective the first day of the month following ratification;

The 2004 ODA fee schedule effective September 1, 2005;

The 2005 ODA fee schedule effective September 1, 2006

The 2006 ODA fee schedule effective September 1, 2007

The 2007 ODA fee schedule effective September 1, 2008

Effective September 1, 2007, amend the dental maximum of \$1,200 (twelve hundred dollars) per insured person per calendar year for basic and major services, to \$1,400 (fourteen hundred dollars) per insured person per calendar year for basic and major services.

(iii) Long Term Disability Benefits

Payment in respect of the Employer sponsored long term disability (LTD) benefits will be amended as follows:

- (a) The qualifying or waiting period will be fifty-two (52) weeks which, in the case of disabilities occurring during a lay-off or strike, will commence at the end of the lay-off or strike.
- (b) The amount of benefits paid in respect of LTD will be 60% of the employee's classified straight time hourly rate in effect January 1 of each year, multiplied by 2,184 (two thousand one hundred and eighty-four) and divided by 12 (twelve), up to a maximum monthly benefit payment of \$2,500 (two thousand five hundred dollars) and effective September 1, 2008, a maximum monthly benefit payment of \$2,600 (two thousand six hundred dollars). The amount of LTD benefits payable will be reduced by any payments made under any government disability plan under CPP/QPP, excluding benefits payable on behalf of the disabled employee's dependents, Worker's Compensation, or any other non-private disability income plan. If an employee is already receiving benefits under LTD on the first of the month following the date of ratification or on September 1, 2008, such employee will be paid their benefit as calculated

above, to the maximum monthly amount in effect on the first of the month following the date of ratification, or September 1, 2008, as the case may be.

- (c) Benefits with respect to LTD will be paid on the basis of one year of benefit payment for each year of completed service, while the employee is disabled. Payment in respect of LTD benefits shall cease upon the occurrence of any one of the following:
 - (i) on the date the employee ceases to be disabled; or
 - (ii) on the date of such employee's retirement in accordance with the pension plan; or
 - (iii) on the date of the death of the employee
- (d) If requested by an employee on LTD, the Employer will advance payments to such employee against future monies payable, in the event such employee has not received a LTD payment by the Friday of the second calendar week after the calendar week in which a properly completed form was submitted.
- (e) Employees receiving LTD benefits will continue to receive such other Employer sponsored or Employer paid benefits as the employee is entitled to as of the date of ratification.
- (f) The Employer will provide early and safe return to work/modified work programs using reasonable efforts to provide appropriate accommodation in order to enable employees on LTD to return to work within the mill.
- (iv) Ontario Health Premium Payments
The Employer shall contribute to each employee in a lump sum payment \$300 (three hundred dollars) on the first day of the month following ratification, and on September 1 of each year an amount of \$400 (four hundred dollars) effective September 1, 2005, and \$500 (five hundred dollars) effective September 1, 2006 and each year thereafter, towards the cost of the Ontario Health Premium, so long as the Ontario Health Premium remains in effect and is

deducted from employee wages in accordance with regulatory requirements.

(v) Extended Health Care

The Employer sponsored extended health care benefit plan set out in section 22.01 shall be amended as follows:

- (a) Effective September 1, 2005, the vision care benefit shall be \$150 (one hundred and fifty dollars) per family member every two years, for prescription glasses or contact lenses.
- (b) Effective the first day of the month following ratification, payment for eye exams of up to \$50 (fifty dollars) every two years. Where an eye exam is required for work related safety prescription glasses and where the employee has used his \$50 (fifty dollars) eye exam allotment within the last two years the employer will contribute up to \$50 (fifty dollars) towards the eye exam.
- (c) Effective the first day of the month following ratification the maximum expense for each type of practitioner is \$15 per visit up to a maximum of \$400 (four hundred dollars) per practitioner in each calendar year for the services of the following Health Care Professionals services: Charges for treatment, except when such treatment is performed in a hospital, by a licensed speech therapist, masseur, clinical psychologist, optometrist, chiropractor, osteopath, chiropodist/podiatrist, audiologist or physiotherapist who does not have an agreement for coverage under OHIP.

Clarity Note: *The following benefits coverage will be provided under the Employer sponsored extended health care benefits plan under section 22.01 (i) Drug Benefits with deductibles of \$25.00 (twenty-five dollars) for single coverage and \$50.00 (fifty dollars) for family coverage; vision care benefits, semi-private hospitalization; and health care professional services.*

22.02 The Employer maintains the right to select and/or substitute the administrator, carrier or insurer, as the case may be, for the benefits program. The Employer shall maintain sponsorship of the benefits program such that coverage for

employees is not interrupted or changed by a change in an administrator, carrier or insurer.

22.03 All of the benefits mentioned in this Article shall be more particularly governed and described as set forth in the respective plan documents and policies of insurance. The Employer will ensure that summaries of the plans and benefits are printed in booklet form in sufficient copies to provide for distribution to all employees.

22.04 The Employer will reimburse an employee for the expense incurred by the employee in obtaining a medical certificate(s) from their physician as required for submission of a valid claim under either the weekly indemnity insurance plan or the long-term disability insurance plan, up to a maximum of twenty dollars (\$20) per certificate.

22.05 The Employer shall continue to provide an option for eligible employees who have taken early retirement to enroll in the group insurance plans for health care and dental care sponsored by the Employer, with the entire cost to be borne by the retiree.

22.06 The Employer shall sponsor an insurance or such other plan, to provide payment upon death, in the amount of six thousand dollars (\$6,000), to each retired employee with a minimum of ten (10) years of continuous service.

Clarity Note:

The benefits available to employees and in effect as at the date of ratification are not diminished, reduced, suspended, altered or amended except as set out specifically in Article 22.01(i), (ii), (iii), (iv) and (v).

Article 23

PENSION BENEFITS

23.01 The Employer will continue to sponsor the retirement plan for employees as registered with The Pension Commission of Ontario as #0353722 and cause such plan to continue to be registered and remain in compliance with the Pension Benefits Act (Ontario) and the Income Tax Act (Canada) with the plan as it currently exists being amended as follows:

Benefit Level –

CPP/QPP offset amended to:

7/35 effective January 1, 2005

Employee Contributions amended to:

5% to YMPE and 6% above the YMPE of pensionable earnings effective July 1, 2005

5.5% to YMPE and 6% above the YMPE of pensionable earnings effective April 1, 2006

6% of pensionable earnings effective April 1, 2008.

Bridging Benefit amended to:

Effective January 1, 2005 for those employees who have accumulated at least 20 (twenty) years of continuous service and retire after their 59th birthday but not later than their 60th birthday, \$32.00 (thirty-two dollars) per month bridging benefit, reducing to \$17.00 (seventeen dollars) per month bridging benefit upon the first of the month following attainment of age 60 (sixty).

Early Retirement amended to:

Employees retiring effective April 1, 2005 at age 59 with at least 20 years service will be entitled to receive an actuarially unreduced pension benefit in addition to bridging benefits, subject to the minimum reductions imposed under regulation 8503 (c) (ii) of the Income Tax Act (Rule of 80).

Pension Benefit Formula amended to:

Effective September 1, 2007 pension benefit formula amended from 1.65% to 1.7%.

Effective August 31, 2009 pension benefit formula amended from 1.7% to 1.75%.

23.02 Optional Early Retirement

Age	Actuarial Equivalent
59	100%
58	97%
57	94%
56	89%
55	85%

23.03 The Employer will ensure that a summary of the retirement plan is printed in booklet form in sufficient copies to provide for distribution to all employees.

23.04 The Employer will arrange one half day per year at the Union Executive Committee's request for the Union Executive Committee and management to meet and answer questions regarding the pension plan, including having the actuarial consultant available. The master plan document will be made available to the Union Executive Committee at such meeting.

Clarity Note:

The pension benefits available to employees and in effect as at the date of ratification are not diminished, reduced, suspended, altered or amended except as set out specifically in Article 23.01.

Article 24

SHUTDOWNS

24.01 Where the Employer schedules a shutdown to perform scheduled maintenance or other work, employees who would be regularly scheduled to report to work on that shift shall report for work. Employees shall be assigned duties and be paid at the greater of the hourly wage rate for the classification worked on the shift or their regularly scheduled classification rate.

Article 25

LEAVES OF ABSENCE

Bereavement Leave

25.01 The Employer shall reimburse an employee at the employee's regular hourly classification wage rate for any regularly scheduled time lost necessitated by the arrangement for, attendance at the funeral, or the settling of the affairs of the deceased, in the event of the death of an employee's immediate relative as follows:

- (i) up to four (4) regularly scheduled shifts in the case of the death of a parent (including step-parent), spouse, child (including step-children), sibling (including step brothers or sisters) or parent-in-law; and
- (ii) up to one (1) regularly scheduled shift in the case of the death of a grandparent, brother-in-law or sister-in-law.

Beginning with the day of death, any regularly scheduled time lost shall be paid per above. The last day recognized for this leave will be thirty (30) days after the funeral. In the event that a death of an employee's immediate relative occurs during the employee's vacation, the employee may elect to take the applicable days in conjunction with the vacation, or at a later mutually agreed upon date. For purposes of this article immediate relative shall include a common law spouse where the employee has advised the Human Resources Department in writing of such relationship at least six (6) months before seeking a leave.

Jury Duty and Witness Service

25.02 The Employer shall reimburse an employee for the difference between the employee's regular hourly classification wage rate and the fee received for jury duty or as a subpoenaed witness in criminal matters where such employee is required to miss a regularly scheduled shift in order to perform jury duty or report as such witness. The employee must advise their supervisor as soon as they receive the jury duty notification or court summons.

Personal Leave

25.03 An employee may be granted a personal leave of absence at the discretion of the Employer without pay, without loss of seniority, and without loss of benefit continuation, provided that the employee requests such leave in writing at least thirty (30) days prior to the date upon which such leave is requested to start.

Pregnancy and Parental Leave

25.04 Employees will be granted pregnancy and parental leave in accordance with the Employment Standards Act, 1990 (R.S.O.).

25.05 The Employer shall pay a supplement to any employee on statutory pregnancy or parental leave who have completed one (1) year of continuous service with the Employer prior to the commencement date of the leave. The supplement will be equal to the difference between the Employment Insurance benefit and ninety (90) percent of the employee's average weekly wages. Average weekly wages means the straight time regular hourly wage rate for the classification regularly worked by the employee multiplied by the average number of hours worked per week by the employee excluding all overtime hours. The supplement will be paid for a period of fifteen (15) weeks in the case of pregnancy leave and ten (10) weeks in the case of parental leave. Any employee who receives such payment supplement must return to work for a period of six (6) months after the completion of the leave, or reimburse the Employer for the amount of supplemental payments received.

Article 26

BULLETIN BOARD

26.01 Notices shall not be posted in the mill except upon the official bulletin board. Approval of mill management must be obtained in each case before a notice is posted. Union notices may be posted at any time on the bulletin board provided for same.

Article 27

SUNDRY PAYMENTS

- 27.01 The Employer will pay each employee the sum of one hundred and twenty-five dollars (\$125) per year on the first regular pay date in the month of November to provide for reimbursement of expenses that an employee may have incurred during the year to purchase safety footwear. As a condition of continuing employment each employee must wear appropriate safety footwear that conforms to the safety standards set by the Employer.
- 27.02 An employee who works two (2) or more hours beyond his regular hours will be entitled to a meal allowance of eight dollars (\$8). If an employee is required to stay at work, the employee shall be given the opportunity to telephone home. If the employee does not have transportation at the conclusion of such work, the Employer shall provide transportation for the employee to go home.
- Clarity Note: Employees who are provided with one (1) shift notice will have their meal allowance added to their regular pay. Employees who are not provided one (1) shift notice will receive their meal allowance in cash.*
- 27.03 All employees will be paid an additional thirty-two (32) hours at their regular straight time classification rate on the regular pay date immediately prior to Christmas Day save and except for newly hired employees with less than sixty (60) calendar days of employment prior to December 24.

Article 28

GRIEVANCE PROCEDURE

- 28.01 It is the mutual desire of the Employer and the Union to ensure that complaints and grievances of employees are adjusted as quickly as possible.
- 28.02 It is generally understood that an employee having a complaint shall first give the supervisor an opportunity of adjusting the condition causing the complaint before lodging a formal grievance. The employee may be accompanied with their steward when taking up a complaint with the supervisor.
- 28.03 Any written dispute regarding the application, administration, interpretation or alleged violation of this Agreement shall be considered a grievance. The grievance shall specify the article(s) of the Agreement of which a violation is

alleged, contain a brief statement of the facts relied upon and indicate the relief sought, and the grievance shall be dealt with in the following manner.

STEP ONE

The grievance must be submitted in writing within fourteen (14) calendar days of the incident giving rise to the complaint or from the employee's knowledge of the occurrence giving rise to the grievance. The supervisor shall give an answer, in writing, to the steward no later than five (5) calendar days after the grievance is first submitted.

STEP TWO

If the supervisor fails to give an answer to the grievance within the time limit set forth in Step One, or if the answer is unsatisfactory, the Union Executive Committee may within fourteen (14) calendar days, take the grievance to the next step, Step Two. A meeting shall take place, between the appropriate superintendent or manager responsible for the department, the Director of Human Resources or their delegate and the Union Executive Committee, within seven (7) calendar days of the receipt of the grievance at Step Two. The Employer shall deliver its decision in writing within five (5) calendar days following the Step Two meeting.

STEP THREE

If management fails to give an answer to the grievance within the time limit set forth in Step Two, or if the answer is unsatisfactory, the Union Executive Committee may refer the grievance to the Director of Operations and the National Union Representative within fourteen (14) calendar days who shall schedule a meeting to take place between the Director of Operations and/or other designated management representative(s) and the National Union Representative and the Union Executive Committee within twenty-one (21) calendar days. The Director of Operations shall deliver their decision, in writing, within seven (7) calendar days following the Step Three meeting.

- 28.04 The Union or the Employer may initiate a policy grievance at Step Two of the grievance procedure. Such grievance shall be filed within fourteen (14) calendar days of the incident giving rise to the complaint or from the knowledge of the occurrence giving rise to the grievance.
- 28.05 The Union Executive Committee on behalf of an employee who is discharged or suspended for more than three (3) working days may file a grievance at Step Two of the grievance procedure within seven (7) calendar days of the discharge or suspension.
- 28.06 If a grievance is not settled at Step Three, either party may process the grievance to arbitration in accordance with Article 29.
- 28.07 In the case of discipline or termination of employment of a student and where the student grieves, the Employer shall be required to show that it acted reasonably in disciplining or terminating the employment of the student.

Article 29

ARBITRATION

- 29.01 Any grievance not satisfactorily settled under the grievance procedure as set forth in Article 28 may be submitted to Arbitration within forty-five (45) calendar days of the decision delivered following the Step Three meeting by notifying the other, in writing, of its desire to submit the grievance to arbitration, as well as the name of their appointee to the board of arbitration.
- 29.02 The recipient of the notice shall, within seven (7) calendar days, inform the other party of the name of its appointee to the board of arbitration. The two appointees so selected shall, within a further fourteen (14) calendar days select a chair of the board of arbitration. In the event they fail to reach agreement, the nominees shall request the Minister of Labour for the province of Ontario, to appoint an impartial chair of the board of arbitration. No person shall be selected as a member of the board of arbitration who has been directly or indirectly involved in attempts to settle the grievance or negotiate a settlement of the grievance.

- 29.03 Notwithstanding the foregoing, on agreement between the parties, a single arbitrator may be substituted for a board of arbitration as set out herein, in which case each of the parties shall select an impartial arbitrator within fourteen (14) calendar days.
- 29.04 The authority of any board of arbitration, or single arbitrator, as the case may be, shall be limited to the rendering of decisions with respect to the interpretation and application of the provisions of this Agreement with respect only to the specific grievance(s) and/or the issue and/or allegation referred to such board, or single arbitrator, as the case may be. No board of arbitration, or single arbitrator, as the case may be, shall have the authority to change or modify, in any respect, the terms of this Agreement.
- 29.05 The decision of a board of arbitration, or single arbitrator, as the case may be, shall be final and binding upon the Employer, the Union, and the employee(s) concerned. In the case of a board of arbitration, the decision of the majority is the decision of the board, but if there is no majority, the decision of the chair of the board will govern.
- 29.06 Where a board of arbitration, or single arbitrator, as the case may be, determines that a disciplinary penalty or discharge is excessive, it may substitute such other penalty for the discipline or discharge as it considers just and reasonable in the circumstances, save and except where this Agreement establishes and provides for a specific penalty.
- 29.07 The time limits specified in both Article 28 - Grievance Procedure and Article 29 – Arbitration may be extended by mutual consent of the parties.
- 29.08 The remuneration and expenses of the chair of each arbitration proceeding shall be divided equally between the Employer and the Union. The remuneration and expenses for each of the Employer's and the Union's appointee to the board of arbitration shall be paid by the appointing party respectively.

Article 30

DISCIPLINE

- 30.01 No employee shall be disciplined or discharged except for just cause. Disciplinary action, ranging from warning to termination of employment, depending on the seriousness of the infraction, shall apply for violation of rules. The value of progressive discipline where considered appropriate, with the aim of being corrective in application, is recognized by the Employer, the Union and employees. Therefore, except in extreme cases, or where the Employer is relying upon a culminating incident for discharge for cause, a documented record of counseling, warning (written or oral), and/or suspension shall precede. A steward or a member of the Union Executive Committee is entitled to be present at all disciplinary meetings unless, in the Employer's judgement, immediate discipline is required for the good operation of the mill or the safety and welfare of the mill or employees. The Union and the employee shall be copied on all disciplinary letters or notations.
- 30.02 An employee shall be given the opportunity to examine an Employer record which may be relied upon by the Employer for the purposes of imposing discipline, upon written request, in the presence of a designated representative of the Employer, and may be accompanied by a steward or a member of the Union Executive Committee.
- 30.03 The disciplinary record of an employee shall not be used against such employee for further discipline purposes at any time after the end of a twelve (12) month period where the employee has a clear record of no discipline (including letters of reprimand or adverse reports) having been imposed. The twelve (12) month period commences on the date of the incident giving rise to the first incident of discipline.
- 30.04 The parties recognize that discipline is a management right of the Employer. The Employer agrees that prior to suspending or terminating an employee, it

will discuss such action with the Union Executive Committee, unless, in the Employer's judgment an immediate suspension or termination is required for the good operation of the mill or for the welfare and safety of the mill or other employees.

Article 31

ABSENTEEISM

- 31.01 The Employer and the Union mutually recognize the importance of orderly and systematic scheduling of employees for work and that the regular attendance by employees for their scheduled shifts is the responsibility of each employee. In addition to the provisions of Article 11.01(v), the following progressive discipline provisions shall apply where employee(s) are absent, without the prior written consent of their supervisor, without a bona fide reason acceptable to the Employer acting reasonably, or without a medical certificate from their treating physician indicating that the employee was unable to attend work due to illness or injury. Any employee who misses more than five (5) shifts within an initial six (6) consecutive calendar month period, will be subject to progressive discipline commencing with a written warning. In the immediately subsequent six (6) consecutive calendar month period, the employee will be subject to progressive discipline up to a three (3) day suspension if the employee misses more than three (3) shifts. Any further absence in the immediately subsequent six (6) consecutive calendar month period will result in progressive discipline up to and including termination of the employee's employment. The initial six (6) month period commences on the date of the first absence in the calendar year. If an employee does not exceed the absence levels set out herein, such employee's record for the purposes of applying progressive discipline for any subsequent absence, will begin again at an initial six (6) consecutive calendar month period, commencing on the first day absent in the calendar year.
- 31.02 In order to return to work, where an employee has been absent for three (3) or more consecutive shifts, in the case of an employee who has not had any discipline for reasons of absence as set out above, or two (2) or more

consecutive shifts, in the case of an employee who has been subject to discipline for absence as set out above, the employee must provide the Employer with a medical certificate from the employee's treating physician diagnosing the nature of the illness or injury that prevented the employee from attending work, any restrictions of the employee's work for medical reasons and the duration of such restrictions, and any further treatment required.

The Employer shall provide a copy of all discipline with respect to an employee's unauthorized absence to the employee, and the Secretary of the Union.

Article 32

MILL RULES

32.01 Mill rules as set out in Appendix H form part of this Agreement.

Article 33

WORKPLACE HEALTH AND SAFETY

33.01 The Employer and the Union agree that they mutually desire to maintain proper standards of safety and health in the mill. The Employer and the Union mutually recognize their responsibilities in working together to promote occupational health and safety in the workplace in order to reduce the occurrence of workplace injuries.

33.02 The Employer and the Union mutually recognize the benefit of maintaining a functional internal responsibility system and the role of the Joint Health and Safety Committee in assisting with communication, training and education with respect to workplace safety hazards, on-the-job safety training, and objective and thorough accident investigation.

- 33.03 The Joint Health and Safety Committee shall continue to be comprised of four (4) representatives of the Employer and four (4) representatives of the Union and will meet once per month (second Wednesday of each month) in addition to conducting a mill inspection once per month, on a separate occasion (fourth Wednesday of each month). The date of either the meeting or the inspection may be moved as mutually agreed upon.
- 33.04 The Employer and the Union agree that if a workplace accident occurs resulting in the death of an employee, following consultation with appropriate authorities and upon the recommendation of the Joint Health and Safety Committee, the Employer and Union will jointly request the provincial Coroner's Office to hold an inquest.
- 33.05 The Employer will provide the Joint Health and Safety Committee with regular updates with respect to environmental matters affecting the Employer and the mill.
- 33.06 The Employer shall ensure that all employees are informed about their right to refuse to perform work where their, or another employee's health and safety is in danger and that signs are posted in the workplace advising employees of this right. If an employee exercises their right to refuse they shall immediately notify a supervisor and a union representative of the Joint Health and Safety Committee. They shall stand in a safe place and participate in the investigation. At every stage the Employer shall ensure that no other employee is asked or permitted to perform the work of the employee who refused unless the other employee, in the presence of a Joint Health and Safety Committee worker member, has been advised of the other employee's refusal. The Union co-chairperson or alternate of the Joint Health and Safety Committee shall participate in the investigation at every stage.

Article 34

WORKPLACE NON-DISCRIMINATION AND NON-HARASSMENT

34.01 The Employer and the Union endorse the right of all employees to work in an environment free from harassment or discrimination based on race, sex, colour, religion, ethnic origin, age, ancestry, place of origin, citizenship, creed, record of offenses, marital status, family status, handicap status, sexual orientation or any other prohibited grounds under the Ontario Human Rights Code. All employees will fully co-operate with all investigations addressing any allegations based on the above. The Employer policy regarding non-discrimination and non-harassment will be posted throughout the mill.

Article 35

TERM OF AGREEMENT

35.01 This Agreement shall commence on the 1st day of September 2004 and shall end on the 31st day of August, 2009, and shall continue from year to year thereafter unless either party gives notice in writing to the other not less than thirty days, nor more than ninety days prior to the expiry date hereof of that party's intention to terminate this Agreement or to negotiate revisions thereto.

Dated at Strathcona, Ontario this 22nd day of July 2005.

For the Company:

For the Union:

P. Gael Maurant
Chief Executive Officer

John Hartwick
President

Bryan Best
President and Chief Operating Officer

Garth Parker
Vice President

Don Duncan
Director of Operations

Jim Woods
Treasurer

Troy Gibson
Operations Manager

Bryan Scurr
Financial Secretary

Barry Faubert
Director of Human Resources

Mike Card
Recording Secretary

Nancy Saxby
Senior Human Resources Officer

Denis Guenette
National Representative

APPENDIX A

HOURLY RATES OF PAY PER CLASSIFICATION (as at September 1)

	2004	2005	2006	2007	2008
Machine Crew					
Machine Tender	22.77	23.34	23.94	24.42	25.02
Backtender	21.51	22.05	22.65	23.10	23.70
Finisher	21.33	21.86	22.46	22.91	23.51
Winder Operator	21.29	21.82	22.42	22.87	23.47
Bander	20.68	21.20	21.80	22.24	22.84
Broke Operator	20.55	21.06	21.66	22.09	22.69
Beater Room					
Beater Room Lead Hand	22.52	23.08	23.68	24.16	24.76
Liner Beater Operator	21.27	21.80	22.40	22.85	23.45
Stockman	21.02	21.55	22.15	22.59	23.19
Quality Control					
Tester, Dry End	21.51	22.05	22.65	23.10	23.70
Clay Kitchen					
Clay Mixer	20.74	21.26	21.86	22.30	22.90
Sheeting					
Sheeter Lead Hand	21.60	22.14	22.74	23.19	23.79
Junior Operator	20.86	21.38	21.98	22.42	23.02
Sheeter Bander	20.55	21.06	21.66	22.09	22.69
Finishing					
Skid Lead Hand	20.55	21.06	21.66	22.09	22.69
Skid Helper	20.32	20.83	21.43	21.86	22.46
Loading Lead Hand	20.81	21.33	21.93	22.37	22.97
Loading Helper	20.42	20.93	21.53	21.96	22.56
Material Handling					
Receiving Lead Hand	21.09	21.62	22.22	22.66	23.26
Forklift Unloader	20.58	21.09	21.69	22.12	22.72
Stock Prep Labourer A	20.32	20.83	21.43	21.86	22.46
Power House					
Operator, Second Class	23.64	24.23	24.83	25.33	25.93
Operator Third Class	22.71	23.28	23.88	24.36	24.96
General Mechanical Maintenance					
Mechanical Lead Hand	24.95	25.57	26.17	26.69	27.29
Machinist, Millwright, Welder A	23.34	23.92	24.52	25.01	25.61
Lift Truck Mechanic	21.49	22.03	22.63	23.08	23.68
Acting Store Man	21.44	21.98	22.58	23.03	23.63
Oiler	20.81	21.33	21.93	22.37	22.97
Labourer A Janitor	20.32	20.83	21.43	21.86	22.46
Electrical and Instrumentation					
Electrical Lead Hand	24.95	25.57	26.17	26.69	27.29
Electrician, First Class	23.34	23.92	24.52	25.01	25.61
Instrument Mechanic, First Class	23.34	23.92	24.52	25.01	25.61
Labour Pool					
Labourer A Labour Pool	20.32	20.83	21.43	21.86	22.46
Other					
Students – Trainee Rate	17.27	17.71	18.22	18.58	19.09
Probationary Employees (other than licensed trades)	17.27	17.71	18.22	18.58	19.09
Trainee Rate					

Note 1: Student Trainee Rate and Probationary Employee Trainee Rate – 85% of the Labourer A Labour Pool classification rate prior to obtaining a training slip, and 100% of the classification rate after obtaining the training slip or if required to work any classification, while training.

Note 2: \$0.65 per hour relief rate when on a voluntary basis, or where required by law, an employee is Acting Chief Power Engineer.

APPENDIX B

LINES OF PROGRESSION

Machine Crew

Machine Tender
Backtender
Finisher
Winder Operator
Bander
Broke Operator

Beater Room

Beater Room Lead Hand
Liner Beater Operator
Stockman

Quality Control

Tester, Dry End
Spare Tester

Sheeter Department

Sheeter Lead Hand
Junior Operator
Sheeter Bander

Skid Room

Skid Lead Hand
Skid Helper

Loading Gang

Loading Lead Hand
Loading Helper

Maintenance Department

Licensed Tradesperson
Oiler

Power House

Operator, Second Class
Operator, Third Class

Material Handling Department

Receiving Lead Hand
Forklift Unloader

STAND ALONE LINES

Clay Mixer
Stock Prep Labourer A
Labourer A Janitor

APPENDIX C

BUMPABLE POSITIONS

Broke Operator
Clay Mixer
Stockman
Skid Helper
Loading Helper
Labourer A Labour Pool
Stock Prep Labourer A
Sheeter Bander
Forklift Unloader
Labourer A Janitor
Oiler
Operator, Third Class

APPENDIX E

Twelve Hour Shift Schedule

Shift	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		N	N			D	D	D			N	N			D	D				N	N	N				D	D	
2	D			N	N				D	D			N	N	N			D	D				N	N			D	D
3		D	D			N	N	N			D	D				N	N			D	D	D			N	N		
4	N			D	D				N	N			D	D	D			N	N				D	D			N	N

APPENDIX F

CLASSIFICATIONS SCHEDULED FOR REGULAR DAYS

Mechanical Lead Hand
Machinist, Millwright, Welder A
Lift Truck Mechanic
Oiler
Electrical Lead Hand
Electrician, First Class
Instrument Mechanic, First Class
Operator, Second Class (Power House maintenance)
Operator, Third Class (Power House Maintenance)
Receiving Lead Hand

APPENDIX G

CLASSIFICATIONS FOR BOTH 12 AND 8 HOUR SHIFTS

Labour Pool

Skid Lead Hand

Skid Helper

Fork Lift Unloader

Operator, Second Class (Power House Maintenance)

Operator, Third Class (Power House maintenance)

Appendix H

MILL RULES

The following Mill Rules form part of the collective agreement and their application, interpretation, administration or alleged violation are, where applicable, subject to the grievance and /or arbitration provisions of this Agreement.

It is expected that all employees and all others coming onto the Employer's premises shall comply with mill rules.

These rules have been established in order to provide for the operation of the mill under conditions that serve to protect the health and safety of employees, maintain and improve the economy of operations and the quality and quantity of production, protect the environment and the Employer's property and plant, to the fullest extent possible. Any additions, amendments, or changes to these posted rules from time to time are incorporated as at the date of posting of the rule.

Without limiting the generality of the foregoing, the following rules must be adhered to:

Workplace Health and Safety Rules

1. Safety eyewear protection with permanent side shields are required in all mill operations and are required when working outside on Strathcona's premises.
2. Hearing protection is required in all areas of the mill operations.
3. C.S.A. Grade 1 safety footwear with steel toe protection is required in all areas of the mill operations. Western-style boots are not permitted in the mill.
4. Wearing headphones of any type, or the use or carrying of unauthorized personal communications devices or using any other electronic device for personal use is prohibited.
5. Eye and hand protection must be worn when handling propane tanks.

6. Hand protection must be worn when handling or cutting wire or banding iron except paper machine bander when banding rolls.
7. Safety harnesses must be used and attached securely when working in posted areas or when ten (10) feet or higher above the floor.
8. Face shields and safety glasses must be worn when grinding.
9. Welding shields or curtains must be used when welding.
10. Where necessary, safety hard hats must be worn during maintenance shutdown and kept on until stock is put on the paper machine, and in areas where overhead work is being carried out.
11. When working with hazardous materials personal protection equipment must be worn as defined under the WHMIS program and regulations and all hazardous materials, flammable liquids and acids must be kept in designated containers or storage areas and properly identified.
12. Smoking is allowed in designated areas outside the mill only.
13. The work area must be cleaned up after the job is complete by the employee performing such work. All areas must be kept neat and clean. Housekeeping is the responsibility of each employee. Material parts, tools, oil, grease or other articles must not be left where they may cause a tripping or slipping hazard to any person.
14. Compressed air lines must not be used for blowing off dust or dirt from clothing. Compressed air lines should not be directed at any other person or self.
15. Horseplay will not be tolerated.
16. The buddy system must be used when working on or near the lagoons. A personal floatation device, rescue device and signal device are required under the OHSA.
17. Confined space or restricted space entry is only permitted in accordance with the established mill procedures.
18. All machines must be locked-out and tagged in accordance with the established mill procedures, before performing any work on machines.
19. All trailers must have the wheels blocked when loading and unloading and gladhand locks installed.
20. Erratic and careless operation of lift trucks will not be tolerated.

21. No employee will tamper with a safety device, remove, alter or change a DANGER tag, CONFINED SPACE or RESTRICTED SPACE notice placed on, or posted near, any equipment, machinery, or mill area.
22. Safeguards must not be removed except with the permission of the supervisor. Any safeguard removed for the purpose of oiling, cleaning or maintenance must immediately be replaced.
23. All accidents, injuries or near-misses must be immediately reported to the supervisor or foreman.
24. All material defects in machinery, equipment or tools must be immediately reported to the supervisor.
25. Pedestrians in the mill must use the walkways denoted by the yellow floor lines and beware of lift trucks.
26. Employees must not stand in front of electrical switches being started. Use left hand only and keep face well away.
27. Employees working on moving machines must not wear loose clothing or jewelry which can be tangled therein. Loose or long hair must be worn in a safe manner.

Environment, Fire and Emergency Response

All employees must comply at all times with the Employer's environmental policy and procedures. Without limiting the generality of the foregoing, employees shall not act in contravention of, or fail to act as required under, the Employer's emergency response plans with respect to environmental spills or leaks, fire, or flood.

ISO 9002 Registration

The Employer has an ISO 9002 registered quality management system in place. All employees must comply with the ISO policies and procedures as it relates to their classification and work assignments.

General Mill Rules

The following general rules have been established for the good order and operation of the mill and to ensure that conditions under which employees work, and the Employer's

expectations of conduct and responsibility, are understood and respected by all employees.

1. There shall be no abuse, destruction, or theft of the Employer's property, tools, equipment, or the property of other employees.
2. No employee shall falsify any report or records, or give false information with respect to personnel, absence, sickness, production, or make false claims of injury.
3. There shall be no smoking in prohibited areas.
4. Alcohol, illegal drugs, firearms and weapons of any kind are not permitted on Employer property.
5. No employee shall report for work or be present on the Employer's property under the influence of alcohol, or drugs that have not been prescribed by a licensed physician, or possess, dispense or use unprescribed illegal drugs on the Employer's property.
6. No employee shall threaten, intimidate, coerce any other employee(s) of the Employer.
7. An employee may not interfere with others in the performance of their jobs or cause a restriction or slow-down of production or other work.
8. No employee shall leave the Employer's premises at a break without punching out and in, upon return where timecards are available.
9. An employee shall not enter the plant or remain on the premises unless they are on duty, scheduled for work, or otherwise authorized by the Employer.
10. No employee shall divulge information of the Employer of a confidential nature to unauthorized persons.
11. No employee shall fight, attempt to injure another, or use profane, abusive or threatening language.
12. No employee shall engage in horseplay.
13. No employee shall leave the plant during working hours without permission or leave their workstation during working hours while not on an authorized break, or without permission of their supervisor.
14. No employee shall use the Employer's premises to weigh the bodies of dead or live animals, vegetable matter or members of the gourd family.

- 15.No employee shall operate tools, machines, or equipment for which the employee has not been trained or specifically assigned by a supervisor.
- 16.No employee shall punch any other employee's time card or fail to punch their own time card as required where timecards are available.
- 17.No employee shall read any written material for personal use (newspapers, books, crosswords etc.) while on the job performing their duties.
- 18.No employee shall neglect their duty or duties, refuse to comply with the Employer's rules, or demonstrate insubordination, disorderly conduct, disobedience or dishonesty.
- 19.Employees shall not engage in union meetings or unauthorized gatherings of employees during the hours of work.
- 20.Any action considered to be to the detriment of the good operation of the mill or which might affect the welfare or safety of other employees shall not be permitted.

LETTERS OF INTENT AND LETTERS OF UNDERSTANDING

- Hours of Work – October 28, 2004
- 18 Hour Guideline – November 15, 2004
- Change of Title Lead Hand – November 22, 2004
- Strathcona Paper Tradesperson Apprenticeship Program – November 22, 2004
- Spare Tester Classification – November 22, 2004
- Non Run Through New Years – November 22, 2004
- Union Payroll – November 22, 2004
- Summary of Benefits for Disabled Employees – January 13, 2005

October 28, 2004

Letter of Understanding

With respect to Hours of Work, Articles 15.02 and 15.03, the Employer and the Union agree that the regular schedule for twelve hour shifts in the Sheeting and Finishing (Skid Lead Hand, Skid Helper) Departments is: 6 a.m. to 6 p.m. and 6 p.m. to 6 a.m.

The regular schedule for eight hour shifts in the Material Handling (Receiving Lead Hand) Department is: 6 a.m. to 2 p.m. The regular schedule for eight hour shifts in the Finishing Department (Skid Lead Hand, Skid Helper) is: 6 a.m. to 2 p.m.; 2 p.m. to 10 p.m.; and 10 p.m. to 6 a.m.

The Employer and the Union agree that either party may cancel this arrangement by giving fourteen (14) calendar days notice, whereby the regular schedule hours of work for the Sheeting, Finishing, and Material Handling Departments will revert to the applicable regular hours of work outlined in articles 15.02 and 15.03.

For the Employer:

For the Union:

Bryan Best
President and Chief Operating Officer

John Hartwick
President

November 15, 2004

Letter of Intent
(18 Hour Guideline)

The Employer will continue its practice of not requiring an employee or contractor to work more than eighteen (18) continuous or total hours in any twenty-four (24) hour period. Following this period of work, a minimum of six (6) continuous hours away from work is required before an employee or contractor can report back to work. If this practice cannot be complied with by the Employer, the Employer will so advise both co-chairpersons of the Joint Health & Safety Committee as soon as practicable.

For the Company:

Bryan Best
President and Chief Operating Officer

Replaces Letter of Intent dated June 13, 1999

November 22, 2004

Letter of Understanding

The Employer and the Union mutually agree that the job classification title of Lead Hand as set out in Appendix A merely constitutes a job classification title change, from the former job classification title of Foreman to Lead Hand. The duties and responsibilities of the Lead Hand job classification shall remain unchanged in all respects from those previously assigned to the job classification of Foreman and that the hourly wage rate set out in Appendix A reflects such duties and responsibilities.

The intention of this letter is to ensure that those employees formerly in the Foreman classification, and any employees subsequently in the job classification of Lead Hand shall not have the scope of their duties and responsibilities changed or diminished as a result of the title change.

Dated at Kingston, Ontario this 22nd day of November, 2004

For the Employer:

For the Union:

Bryan Best
President and Chief Operating Officer

John Hartwick
President

Replaces Letter of Understanding dated June 13, 1999

November 22, 2004

Letter of Intent

The Employer will continue to administer and maintain the Strathcona Paper Tradesperson Apprenticeship Program (the "Program") as presently constituted and attached hereto. The Employer reserves the right to terminate or make amendments to the Program at any time. However, any employee enrolled in the Program at the time of the Program's termination shall be given the opportunity to complete their Program.

For the Company:

Bryan Best
President and Chief Operating Officer

Replaces Letter of Intent dated June 13, 1999

STRATHCONA PAPER TRADESPERSON APPRENTICESHIP PROGRAM

Strathcona Paper, as part of its employee development program, has established an apprenticeship system that provides an opportunity for individuals to develop the necessary knowledge and skills to become a tradesperson and successfully complete the examination recognized by the Ministry of Skills Development, Apprenticeship Branch, thus attaining a provincial certificate of qualification.

Selection Criteria

- a) An applicant for apprenticeship must be at least 18 years of age.
- b) An applicant for apprenticeship must have a secondary school graduation diploma and pass a Company mechanical/electrical comprehension test. Minimum passing grade is 70%.
- c) Apprentices hired with a related diploma and/or previous training may be granted up to two years off his/her term of apprenticeship.
- d) Consideration will be given to present employees who desire to become apprentices and meet the above-listed requirements.
- e) Entrance into the program will in all cases be subject to the applicant meeting the standards required above.

Upon completion of each period of training in an approved College of Applied Arts and Technology, an Apprentice will be required to pass examinations set by the Apprenticeship Branch. In the event of failure to pass examinations, the Apprentice shall be required to undergo a period of retraining on subject material specified by the Apprenticeship Branch authorities and will be required to be re-examined within twelve (12) months.

Failure to pass the second examination will result in his/her removal from the program. The employee will return to the Labour Pool.

There will not be more than one period of retraining during the complete Apprenticeship Term of an individual apprentice.

Terms of Apprenticeship

- a) The period of Apprenticeship shall be for 4-1/2 to 5 years depending on the particular trade one enters. An employee entering the program will have a trial period for up to 30 days. During the 30 days, the employee may return to his/her former position if it is determined that the program is not suitable to the individual. After 30 days, the employee would return to the Labour Pool.
- b) The Company will pay tuition and books (receipts required) upon successful completion of the course module. Insurance coverage will also be paid by the Company.
- c) An apprentice's entitlement to vacation with pay, statutory holiday pay, weekly indemnity or bereavement leave will not be affected by his attendance at trade school nor will his/her participation in any of the employee benefit plans by which he/she is covered.
- d) In the event the local College closes due to inclement weather, the apprentice will report to work.
- e) An employee, who attends class while on vacation, will be entitled to a mutually agreed day off with no pay at a later date (with proof of attendance).
- f) Hours to be worked during apprenticeship will be determined based on program (block vs day release). See the following:

Block Release Apprenticeship:

The block release program is 8 weeks in length. The Company will pay the apprentice 40 hours pay per week. Call-ins during the week shall not be permitted. The Company will pay the employee mileage from home to the college and return, once per week, and the difference between the government training allowance (room & meals) to a maximum of \$200.00 per week.

Any allowance for dependents available to the apprentice shall be arranged by him/her directly with H.R.D.C.

An apprentice's entitlement to vacation with pay, statutory holiday pay, weekly indemnity or bereavement leave will not be affected by his attendance at trade school nor will his participation in any of the employee benefit plans by which he is covered.

Day Release Apprenticeship:

The Company will pay the apprentice for each day he/she attends school. The Company will pay the employee mileage one round trip per week and parking (receipt required).

The Company will also pay tuition and books (receipts required) if the apprentice passes the course. Insurance coverage (due to change in WSIB policy) will also be paid by the Company.

An apprentice's entitlement to vacation with pay, statutory holiday pay, weekly indemnity or bereavement leave will not be affected by his attendance at trade school nor will his participation in any of the employee benefit plans by which he is covered.

In the event the College closes due to inclement weather, the apprentice will report to work.

An employee, who attends class while on vacation, will be entitled to a mutually agreed day off with no pay at a later day (with proof of attendance).

<u>Apprentice Rates</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Start	20.32	20.83	21.43	21.86	22.46
6 Months	20.62	21.14	21.74	22.17	22.77
12 Months	20.92	21.44	22.04	22.48	23.08
18 Months	21.23	21.76	22.36	22.81	23.41
24 Months	21.53	22.07	22.67	23.12	23.72
30 Months	21.83	22.38	22.98	23.44	24.04
36 Months	22.13	22.68	23.28	23.75	24.35
42 Months	22.43	22.99	23.59	24.06	24.66
48 Months	22.74	23.31	23.91	24.39	24.99
54 Months	23.04	23.62	24.22	24.70	25.30
60 Months	23.34	23.92	24.52	25.01	25.61

Apprentice Rates are calculated on the difference between the base rate and the journeyman rate divided by ten steps.

An employee entering an apprenticeship program will start at the base rate or the rate he was receiving in a permanent posted position. An apprentice will progress through the apprentice wage scale upon successful completion of the prescribed theoretical apprenticeship (school) and practical training (mill experience).

An employee entering an apprenticeship program with a higher rate than the base rate will retain that rate until he/she has progressed to the apprentice wage rate that meets or exceeds his/her rate at which point the employee will then progress on the apprentice wage scale.

Procedure for Posting:

Posting for tradespersons positions will be posted throughout the mill.

November 22, 2004

Letter of Understanding

The Employer and the Union agree that the Spare Tester classification is not a bumpable classification. For the purposes of filling the Spare Tester classification, the following procedure will apply:

1. Only employees in the classifications of Broke Operator, Bander, Winder Operator and Finisher will be allowed to post for the Spare Tester classification upon a permanent vacancy occurring.
2. The successful candidate will be selected in accordance with Article 10 (Promotion, Demotion, Lay-off and Recall).
3. The candidate selected must fill the Spare Tester classification on the shift on which the vacancy occurred.

The Employer and the Union further agree that if the Dry End Tester classification is eliminated, employees within the classification will be allowed to exercise their bumping rights pursuant to Article 10 (Promotion, Demotion, Lay-off and Recall).

Dated at Kingston, Ontario this 22nd day of November 2004

For the Employer:

For the Union:

Bryan Best
President and Chief Operating Officer

John Hartwick
President

Replaces Letter of Understanding dated June 13, 1999

November 22, 2004

Letter of Understanding

Subject to relevant business considerations, the Employer and the Union agree that if the Employer does not exercise its right to run through the New Year's Day holiday, the Employer will shut down at 3 pm December 31 with the additional eight (8) hours from 3pm December 31 to 11pm December 31 unpaid. At the Employer's option, start-up will commence 5 am on January 2.

Dated at Kingston, Ontario this 22nd day of November 2004

For the Employer:

For the Union:

Bryan Best
President and Chief Operating Officer

John Hartwick
President

Replaces Letter of Understanding dated July 15, 1999

November 22, 2004

Letter of Understanding

The Company agrees to process the Union payroll for employees on Union Business on the understanding that:

Payroll is submitted in the form agreed upon by the Union and Management. This will include ensuring that all time submitted by the Union has been approved by at least two members of the Union Executive. The Union assumes total responsibility for the accuracy of the time reported to the Company for payment and for ensuring that all payments made by the Company for wages and additional costs, adhere to approved Union policies and procedures.

The gross amount of payroll, plus a percentage representing additional costs to the Company will be deducted from the monthly remittance to the Union of dues which were withheld from members during the month. In the event that gross payroll, plus costs, exceed the amount collected from the members, the Union will remit the difference to the Company no later than two weeks from receiving advice from the Company.

The percentage cost factor will be based on the estimate of additional costs which would be borne by the Company.

As of September 1, 2004

Vacation	-14.40%
Company Pension	- 13.90%
W.S.I.B.	- 2.02%
E.H.T.	- 1.95%
TOTAL	-32.27%

These costs would be subject to change based on any changes in negotiated benefits or rates assessed by the government.

The calculated pay for an employee on Union Business will be included in the employee's next regular pay.

Both parties reserve the right to withdraw from this agreement at any time.

The Union agrees to indemnify the Company for all payroll and costs incurred by the Company, prior to date of withdrawal from agreement.

Dated at Kingston, Ontario this 22nd day of November 2004.

For the Employer:

For the Union:

Bryan Best
President and Chief Operating Officer

John Hartwick
President

Replaces Letter of Understanding dated July 15, 1999

January 13, 2005

Letter of Understanding

Summary of Benefits for Disabled Employees

The purpose of this letter is to clarify the administration of benefits, vacation pay and entitlement, statutory holiday pay and other auxiliary benefits for employees receiving Weekly Indemnity, Long Term Disability and Workplace Safety Insurance Board benefits.

Weekly Indemnity

An employee, in receipt of Weekly Indemnity Benefits (W.I.) is eligible for these benefits for up to 52 weeks.

An employee shall continue to receive the following coverage while in receipt of W.I.:

- Life Insurance (capped at level in effect at date of disability).
- Dental
- Extended Health Care
- Pension (pensionable years of service continues to accrue at final average earnings from date of disability).
- Statutory holiday pay
- Boot allowance
- Vacation payment and entitlement and vacation pay and entitlement accrual

An employee on W.I. must take his vacation pay and entitlement before the end of the calendar year. The employee will resume collecting W.I. benefits after completing the vacation entitlement if the disability continues beyond the vacation period.

Should an employee exhaust W.I. benefits, they may apply for Long Term Disability (L.T.D.) benefits. Upon acceptance, by the insurer, for L.T.D., the employee must take any vacation accrual entitlement and pay before receiving L.T.D. benefits.

Long Term Disability Benefits

An employee, in receipt of Long Term Disability (L.T.D.) benefits, shall continue to receive the following coverage:

- Life Insurance (capped at level in effect at date of disability)
- Dental
- Extended Health Care
- Vacation accrual entitlement
- Pension (pensionable service continues to accrue at final average earnings from the date of disability).

An employee, who returns to work from L.T.D. and becomes disabled within 6 months and if such disability results from the same cause as the previous disability, or from related causes, this shall be considered to be a continuation of the previous disability for Strathcona benefit coverage purposes. The employee will revert to the coverage of employees receiving L.T. D. benefits. This does not change the insurer's L.T.D. provision with respect to successive periods of disability.

Workplace Safety Insurance Board Benefits

An employee, in receipt of Workplace Safety Insurance Board benefits (W.S.I.B.), shall continue to receive the following coverage for 52 weeks commencing with the date of disability:

- Life Insurance (capped at the level in effect at date of disability).
- Dental
- Extended Health Care
- Pension (pensionable years of service continues to accrue at final average earnings from date of disability).
- Statutory holiday pay
- Boot allowance
- Vacation payment and entitlement and vacation pay and entitlement accrual

An employee, in receipt of Workplace Safety Insurance Board benefits (W.S.I.B.) for more than 52 weeks shall receive the following coverage:

- Life Insurance (capped at the level in effect at date of disability).
- Dental
- Extended Health Care
- Vacation pay accrual payment
- Vacation accrual entitlement
- Pension (pensionable years of service continues to accrue at final average earnings from date of disability).

An employee, who returns to work from W.S.I.B.(after being off for more than 52 weeks) and becomes disabled within 6 months and if such disability results from the same cause as the previous disability, or from related causes, this shall be considered to be a continuation of the previous disability for Strathcona benefit coverage purposes. The employee will revert to the coverage of employees receiving W.S.I.B. benefits for more than 52 weeks. This does not change any W.S.I.B. provision or policy regarding same claim provision.

Dated at Kingston Ontario this 13th day of January 2005

For the Employer:

For the Union:

Bryan Best
President and Chief Operating Officer

John Hartwick
President

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