

**LABOUR  
AGREEMENT**

**BETWEEN**

MARATHON PULP INC.  
Marathon, Ontario, Canada

hereinafter referred to as "the Company"

and

UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL  
AND SERVICE WORKERS INTERNATIONAL UNION  
On behalf of its Local No. 548

affiliated with A.F.L., C.I.O. and C.L.C.

hereinafter referred to as "the Union"

**EFFECTIVE MAY 1, 2004 TO MAY 1, 2009**

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LABOUR AGREEMENT  
between  
MARATHON PULP INC.  
Marathon, Ontario, Canada  
hereinafter referred to as “the Company”  
and  
UNITED STEEL, PAPER AND FORESTRY,  
RUBBER, MANUFACTURING, ENERGY,  
ALLIED INDUSTRIAL AND SERVICE WORKERS  
INTERNATIONAL UNION  
and on behalf of its Local No. **548**  
affiliated with **A.F.L., C.I.O. and C.L.C.**  
hereinafter referred to as “the Union”

Effective May 1, **2004** to **7:30** to May 1, **2009**.

SECTION I

GENERAL PURPOSE OF AGREEMENT

1.01(a) The general purpose of this Agreement is to promote the mutual interests of the Company and its employees, to provide for the full and successful operation of the Company's plant at Marathon, Ontario,

Canada under methods which will provide for the following to the fullest extent possible:

- (A) Health and Safety
- (B) Protection of the Environment
- (C) Cost Effectiveness and Efficiency of Operations
- (D) Optimum Quality and Quantity of Output
- (E) Elimination of Waste
- (F) Cleanliness and Orderliness of Plant
- (G) Protection of Property

1.01 (b) It is further the purpose of this agreement to establish a relationship between the Company and employees that will contribute towards the maintenance of industrial peace and promotion of a friendly community spirit at all times. It is recognized by this Agreement that it is the duty of the Company and employees to cooperate fully, individually, and collectively, for the advancement of these conditions.

1.01 (c) Wherever the masculine gender is used in this agreement, it shall also include the feminine.

## **SECTION II**

### **TERMS OF AGREEMENT**

2.01 This agreement shall remain in full force and effect from 7:30 a.m. May 1st, 2004 to 7:30 a.m. May 1st, 2009.

**2.02** The Company or the Union, desiring to change, modify or amend this agreement at its expiration date, must serve notice in writing, mailed by registered mail to the other party, at least thirty (30) days prior to the expiration date; otherwise, this agreement, without change, remains in full force and effect for one (1) more year. In the event that an agreement regarding proposed changes is not reached prior to the end of the agreement year, the existing agreement shall continue in effect during the next agreement year until a decision is reached with respect to the proposed changes.

**2.03** Such changes, modifications, amendments and request for hourly rate adjustments, together with the reasons therefore, shall be clearly stated in the notice served to either party at least fifteen (15) days prior to the expiration date of the agreement.

**2.04** Any changes, modifications or amendments that are agreed to during the life of this agreement shall be prepared in written form and when duly signed by the parties to this agreement, will be incorporated in their proper places when a new agreement is negotiated.

**2.05** If notice of a desire to change, modify or amend this agreement has been given in accordance with paragraph 2.02, any agreement arrived at in such negotiations shall be binding upon both parties to this agreement.

2.06 This agreement may be terminated on May 1st, 2009, by either party on sixty (60) days' written notice prior to May 1st, 2009.

### **SECTION III**

#### **RECOGNITION**

3.01 United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial Service Workers International Union, affiliated with the A.F.L., C.I.O. and C.L.C., as the sole collective bargaining agent representing all of its production and maintenance employees performing the jobs listed in the attached wage schedule, for the purpose of collective bargaining.

### **SECTION IV**

#### **EXEMPTIONS**

4.01 Employees exempt from this agreement include Managers, supervisory foremen, office and clerical employees, watchmen, security guards, salaried technical, laboratory, engineering employees, or any other community buildings outside of the Mill property. Any employee transferred or promoted to any of the aforementioned positions or departments shall withdraw from the Union.

## **SECTION V**

### **MEMBERSHIP**

**5.01** All employees subject to this agreement, including construction workers employed by the Company, shall become members of the Union within thirty (30) days of continuous service. The Human Resources Department shall instruct each new employee to this effect at the time of his employment, but he shall not be considered a permanent employee until after sixty (60) days of continuous service and shall maintain Union membership in good standing as a condition of continued employment.

**5.02 (a)** Workmen employed on a contract basis to perform construction jobs need not become members of the local Union but shall, as far as possible be members of their craft union. Such construction is to include all new buildings and/or installation of new equipment erected on a contract basis.

**5.02 (b)** The Company will advise and discuss with the Union any proposed contracting out of work, as far in advance as possible and prior to any contractor being engaged. In no case shall this advisement be less than two (2) weeks prior to work commencing, except in cases of emergency work.

**5.03** In the event of the Union intending to suspend a member, the Company shall be notified by the



Union in writing at least seven (7) days before such suspension.

## **SECTION VI**

### **MILL SCHEDULE**

6.01 It is agreed that the operation of the mill will be continuous for seven days a week, except for holidays as designated, and during emergency or such other times as may, in the opinion of the Company, be necessary. Designated shifts shall be as set out in Section VII, but the Company reserves the right to alter such shift schedules in case of emergency.

6.02 The Company reserves the right, by mutual consent with the Union, to alter the operation schedule to conform with conditions.

## **SECTION VII**

### **HOURS OF WORK**

#### **DAY WORKERS**

7.01 (a) The hours of work for day workers shall be from 7:30 a.m. to 3:30 p.m., except when otherwise mutually agreed upon.

7.01 (b) The work week shall start at 7:30 a.m. Monday and end 3:30 p.m. Friday, except when otherwise mutually agreed upon.

7.01 (c) When it is necessary, because of operating requirements, to change the work week schedule in part, the Company and the Union shall agree to a new work week schedule.

7.01 (d) Should a day worker be unable to report for work at the beginning of his day it is his responsibility that notifications should be forthcoming to his supervisor at 7:30 a.m., or as soon after that time as possible. It is understood that the employee who fails to give the required notice will be treated as an unexcused absentee unless the proper notification is prevented by circumstances beyond his control.

**SHIFT WORKERS (8-HOUR SHIFTS ONLY)** See Section XXX IV (34) for the 3-2-2 (12-Hour Tour Schedule) work week.

7.02 (a) The hours of work for shift workers and the hours at which shifts change shall be from 8 a.m. to 4 p.m.; 4 p.m. to 12 midnight; 12 midnight to 8 a.m., or as mutually agreed.

7.02 (b) The work week for a shift worker shall be as follows: 8:00-4:00 shift...8:00 a.m. Monday to 4:00 p.m. Friday of the following week; 4:00-12:00 shift...4:00 p.m. Monday to 12:00 midnight Friday of the following week; 12:00-8:00 shift...12:00 midnight Monday to 8:00 a.m. Saturday of the following week: or as mutually agreed.

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7.02 (c) Shifts shall be arranged to suit the running schedule of the mill and to avoid any interruptions in normal operations, it being agreed that in some cases it is necessary to effect an “average” work week. The word “average” shall mean the work week schedule already agreed upon.

If, because of a change of shift or a change of schedule, an employee loses time, the Company agrees that where possible, time will be made up. However, it is agreed that this will be at straight time.

7.02 (d) Each worker is required to be in his place when his shift begins and shall not leave his post to wash and dress until his mate relieves him and takes over the duties and responsibilities of the job.

7.02 (e) Should a shift worker be unable to report for work at the beginning of his shift he shall notify his supervisor at least four (4) hours before his shift begins.

It is understood that the employee who fails to give the required notice will be treated as an unexcused absentee unless the proper notification is prevented by circumstances beyond his control.

7.02 (f) If a shift worker does not report for his regular shift, his mate shall notify the department Manager or Department Supervisor. He shall then remain at his post

until a substitute is secured or unless his supervisor decides it is not necessary because the department will be down for eight hours.

## General

7.03 (a) If an employee has been absent from work a day or more, he shall give adequate notice to his Manager or Department Supervisor of his intention to return. This notice shall be given twenty-four **(24)** hours in advance, if possible, but at least in sufficient time to make the necessary arrangements prior to the beginning of the regular work period in which he intends to resume duty. If the employee fails to give the supervisor sufficient notice to enable him to adjust the shifts back to the original schedule, unless prevented from doing **so** for reasons beyond his control, the supervisor may send the returning employee home when he reports for work.

7.03 (b) Limitations on hours of work specified in this agreement shall not apply to employees of any class when engaged in emergency work involving breakdown and protection of life or property.

7.03 (c) **A** day shall be defined as a consecutive twenty-four **(24)** hour period, starting at 7:30 a.m. of the day and ending at **7:30** a.m. the following day.

7.03 (d) **All** newly hired temporary employees will be paid \$1.00/hour less than the established rate for the

job classification they are assigned to for the first sixty (60) days, defined as four hundred and eighty **(480)** hours of pay. No employee shall serve more than one such sixty (60) day period. This will not apply to Journeyman Tradesmen, Stationary Engineers or Hoisting Engineers. .

## **SECTION VIII**

### **ALLOWANCE FOR FAILURE TO PROVIDE WORK**

8.01 (a) In case any employee reports for work on one of his regular days having been ordered to report for such work and then no work is provided, **he** shall nevertheless receive three hours' pay for **so** reporting, provided however, that if there has been insufficient time for notification of the employee by the employer or if the employer has been unable to notify the employee after making a reasonable effort, no allowance for so reporting shall be paid. If an employee reports for work on his day off, having been ordered to report for such work, unless notified to the contrary by quitting time, and no work **is** provided, he shall receive four **(4)** hours pay for so reporting.

8.01 (b) In the event that a day worker has been notified to report for overtime work after his regular work day and no work is provided, after punching in, he shall nevertheless receive three hours pay.

## SECTION IX

### OVERTIME

#### Day Workers

9.01 (a) Overtime at the rate of time and one-half will be paid to day workers on the following basis:

9.01 (b) Any worker who works on Sunday.

9.01 (c) Any day worker who works 5-1/2 hours or more on Sunday shall have the option of taking a day off or working his regular schedule (Monday through Friday) the week following. If he works through the full week he will be paid at the rate of time and one-half for Friday. If a day off is requested it shall be by mutual agreement of employee and supervisor.

It is understood that a day off for any reason, except for statutory holidays, floating holidays, rest periods and banked overtime as specified in this agreement, breaks the continuity of a full work week.

Should such holidays fall on a Friday, time and one-half will apply to the day preceding. Should a rest period as specified in Section 32.01 and 32.02 fall on a Friday, time and one-half equivalent to hours of the rest period involved, will apply to the next scheduled working day.

9.01 (d) To any worker who is required to work on his

scheduled days off.

9.01 (e) For all work performed in excess of eight **(8)** hours in any one day of twenty-four (24) hours.

9.01 (f) Any worker who regularly works the day shift and has completed his shift and punched out and who is called in for repair work between the hours of 3:30 p.m. and 6:30 a.m. shall receive time and one-half for the period worked but in no case less than four (4) hours pay. A minimum of six (6) hours will be paid on Saturday and Sunday call-ins.

Employees called in during the designated statutory holiday shutdown shall be paid a minimum of six (6) hours or double time, whichever is greater.

9.01 (g) If called in between 6:30 a.m. and 7:30 a.m. he shall receive time and one-half for the time worked.

9.01 (h) When notified before punching out that he is required to return at 4:30 p.m., time and one half will be paid for the time worked, but in no case less than three (3) hours will be paid. However, when an employee is required to return to work at any time other than 4:30 p.m. he shall receive no less than four **(4)** hours pay except as in (g) above.

9.02 An employee called in for emergency work will be paid call-in time. He shall be excused as soon as the purpose for which he was called in has been

accomplished. If, upon completion of the emergency work that necessitated the call-in, the employee is required by the Company to perform any subsequent additional work which is not directly connected with the work already performed, it shall be treated as an added call-in. The employee shall punch out and punch back in between such call-ins.

9.03 (a) All work done by day workers before or after their regular starting or quitting times shall be paid for at time and one-half except in cases of emergency, or mutual agreement wherein time and one-half shall be paid for the first shift worked.

9.03 (b) Overtime at the rate of doubletime will be paid for all work performed during the designated statutory holiday shutdown hours, for work done in excess of eight (8) hours on Sunday and for work done in excess of twelve (12) consecutive hours Monday to Saturday, inclusive.

9.03 (c) If an employee is required to work overtime on a specific job and such employee is assigned to another unrelated job, the call-in provision of this agreement will apply, provided the unrelated job extends the overtime hours.

9.03 (d) Day workers have the option of banking overtime hours and call-in hours as follows:

- i) Where overtime at the rate of time and one-half applies, time equal to one-half (1/2) the hours



worked can be banked.

ii) Where overtime at the rate of doubletime applies, time equal to the hours worked can be banked.

iii) Fractions of overtime hours or call-in hours cannot be banked.

iv) Maximum hours that can be banked in a calendar year 120 and time off must be taken no later than the end of the following calendar year.

v) Pay when actually taking banked time off will be at the rate paid on the last day worked immediately preceding the banked time off.

vi) Banked time off will be subject to the supervisor's approval so that time off shall not interfere with the efficiency of the operation.

vii) Vacations, floating holidays and stat holidays will take precedence over banked overtime on same day requests for future time off.

viii) Banked overtime may be banked to a period immediately preceding retirement, but if this election is made it cannot be rescinded.

#### 9:03 (e) Job Continuity:

(i) The individuals involved in a specific job that will require overtime will be allowed the first right of refusal.

(ii) Call outs from the call out list shall be based on Departmental seniority, which shall include Shift Tradesmen on their days off. Tradesmen will have the option of signing a call out list specific to their Unit or Mill wide coverage. The call out list will be circulated annually for signature. Changes to

the list during the year shall be made through the Tradesmen's immediate supervisor.

(iii) For Shift Double Coverage: To effect nights and weekends only. If the shift trades people on days off refuse, then go to the Department Seniority list.

Shift Workers (See Section XXXIV (34) for the 3-2-2 (12 hour tour schedule))

9.04 (a) Shift workers shall be paid at the rate of time and one-half for all work performed outside of their regularly scheduled hours of work with the following exceptions:

9.04 (b) When for operating reasons, or because of the absence of an employee, a regular 3-shift job is covered on two twelve (12) hour shift basis, such 12-hour shifts will normally be scheduled from 8 a.m. to 8 p.m. and from 8 p.m. to 8 a.m.

Employees required to work 12-hour shifts under this arrangement will be paid in accordance with the following table:

Covered for:	Covered by:
8 to 4	(1) 12 to 8 man working 8 p.m. to 8 a.m. (2) 4 to 12 man working 8 a.m. to 8 p.m.
	(1) He is paid overtime on his first 4 hours. (2) He is paid overtime on his last 4 hours.

- 12 to 8
- (1) 8 to 4 man working 8 am. to 8 p.m.
  - (2) 4 to 12 man working 8 p.m. to 8 a.m.
- (1) He is paid overtime on his last 4 hours.
- (2) He is paid overtime on his first 4 hours.
- 4 to 12
- (1) 8 to 4 man working 8 am. to 8 p.m.
  - (2) 12 to 8 man working 8 p.m. to 8 a.m.
- (1) He is paid overtime on his last 4 hours.
- (2) He is paid overtime on his first 4 hours.

9.04 (c) When overtime is worked by special arrangement between a shift worker and his mate to exchange shifts or days off with the approval of his supervisor, and when this can be accomplished without additional cost or penalty to the Company.

9.04 (d) When required to replace an employee for tardiness up to two (2) hours.

9.04 (e) Except as noted above, shift workers called on duty outside of regular working hours and required to go on duty more than one (1) hour prior to the scheduled starting time of their regular shift, shall receive time and one-half for all overtime worked. In no case shall they receive less than four (4) hours' pay at regular rates for the work performed on each such call.

9.04 (f) A minimum of six (6) hours will be paid on

Sunday call-ins and call-ins on scheduled days off. Employees called in during the designated statutory holiday shutdown shall be paid a minimum of six (6) hours or double time, whichever is greater.

9.04 (g) Overtime shall not be pyramided nor shall more than one basis of calculating overtime be used to cover the same hours.

9.04 (h) If a shift worker is actually off work and on his scheduled day or days of rest, he must be paid time and one-half when called to work during his rest period. If however he is called in early from his days of rest due to a change of shift, this will be at straight time.

9.04 (i) It is understood and agreed that "change of shift" as referred to in 9.04(h) means permanent change of shift, and changes of shift brought about through the scheduling of vacations and floating holidays.

The reference to change of shift brought about by the scheduling of floating holidays has application only when an employee's shift is changed within a 24-hour day, beginning at 8 a.m. and ending at 8 a.m. when he is regularly scheduled to work, and does not apply if an employee is called in to work on his regularly scheduled day off.

Example:

1. Employee is regularly scheduled on the 4 p.m. to

12 midnight shift. He is required to cover for a floating holiday and his shift is changed to 12 midnight to 8 a.m. He will be paid at straight time since the hours of his new shift fall within the 24-hour period, beginning at 8 a.m. and ending at 8 a.m., when he was regularly scheduled to work.

This applies only to changes of shift brought about by the scheduling of floating holidays, and does not affect the existing practice whereby, because of a permanent change of **shift** or change of shift brought about through the scheduling of vacations, an employee may be called in early from his days of rest and payment made at straight time.

9.04 (j) Overtime shall be paid for all work performed on Sundays and holidays as specified in this agreement.

9.04 (k) It is understood and agreed that, when a shift worker, due to a change of shift, brought about by someone's absence because of illness or special leave, works on his original day or days off, and such days off occur prior to the days off of his new shift, he will be paid time and one-half for the first occasion he works on his original days off. Subsequently he will assume the days off of his new shift.

9.04 (1) Overtime at the rate of double time will be paid for all work performed during the designated statutory holiday shutdown hours, for work done in excess of

eight (8) hours on Sunday and for work done in excess of twelve (12) consecutive hours Monday to Saturday, inclusive. The above does not apply in case of shift exchange between employees.

In application of this overtime rule, it is understood that a day off for any reason except statutory and floating holidays breaks the continuity.

## **SECTION X**

### **HOLIDAYS**

#### Day Workers & 8 Hour Shift Workers

10.01 (a) Canada Day, Labour Day, Christmas Day, Boxing Day and New Year's Day shall be recognized as holidays and the statutory periods shall be as follows:

10.01 (b) Canada Day - 24 hours (Saturday and Sunday excluded) 7:30 a.m. on day of holiday to 7:30 a.m. on day following holiday.

10.01 (c) Labour Day - 24 hours, 7:30 a.m. Monday to 7:30 a.m. Tuesday.

10.01 (d) Christmas and Boxing Day - 48 hours, (Saturday and Sunday excluded) 3:30 p.m. December 24th to 3:30 p.m. December 26th.

10.01 (e) New Year's Day - 24 hours, (Saturday and Sunday excluded) 3:30 p.m. December 31st to 3:30

p.m. January 1st.

10.01 (f) It is understood that (Saturday and Sunday excluded) refers to day workers only, and there will be no loss of production time other than specified in the holidays mentioned above.

10.01 (g) Day workers who follow a special schedule where a statutory holiday falls on their regular day or days off, shall be granted an alternate day or days off.

It is further understood that (Saturday and Sunday excluded) as referred to above means that if a statutory holiday falls on a Saturday or Sunday, or both, all day workers shall be granted an alternate day or days off, which would be the following Monday or Monday and Tuesday or previous Friday or Thursday and Friday, whichever the case may be and that assignment of days off will be on a seniority basis or as otherwise mutually agreed upon between the Union and the Company. Holiday pay will be granted on the day of the statutory holiday subject to the provisions of Paragraph 10.02(e) If an employee is required to work on the alternate day, or days off, he will be paid at time and one-half for the hours worked, and if desired by the employee will be granted a compensating day off without pay. The employee must indicate to his supervisor within twenty-four (24) hours if he desires a compensating day off and what day that will be.

10.02 (a) Employees subject to this agreement, who

have been in the service of the Company for not less than thirty (30) days immediately preceding a recognized holiday, shall be entitled to holiday pay for shutdown periods as follows:

10.02 (b) Eligible employees will receive their current rate for the eight (**8**) hours. They must, however, to qualify have been at work on their work day preceding the holiday, and must have returned to work on their next scheduled work day following the holiday, unless excused for justifiable reasons. (See Section 34.07 (a) for holiday pay Re: 3-2-2 (12 hour tour workers)).

10.02 (c) Shift workers on regular vacation shall receive additional time off with pay, if a statutory holiday or holidays should fall within their vacation period. It is understood that additional time off with pay shall be taken outside of the vacation period.

10.02 (d) Day workers on regular vacation shall receive additional time off plus their statutory holiday pay if a statutory holiday or holidays should fall within their vacation period. Time off shall be taken by mutual consent with their supervisor but not later than the anniversary date of the statutory holiday

10.02 (e) Employees who perform work during designated statutory holiday shutdown hours shall receive double time for the hours worked and holiday pay in accordance with Section 10.02 (a) and (b). Employees who are obliged to work for eight (**8**) hours



or more shall receive an additional day off with pay to be taken at a time mutually convenient to such employees and their immediate supervisor. (See Section 34.04 (e) for holiday work Re: 3-2-2 (12 hour tour workers)). Coverage for a day off earned by working a statutory holiday will be paid at premium time if necessary.

10.02 (f) Employees who are on authorized leave of absence or off work due to sickness or accident at the time of such designated statutory holidays, shall receive holiday pay, provided they have been at work some time within the ninety (90) day period previous to the holiday.

10.02 (g) The statutory shutdown periods may be changed by mutual agreement between the Company and the Union.

10.02 (h) It is understood that work necessary for the protection of life and property may be done on holidays. Reasonable major maintenance and repair work may be done on holidays after due notification to the Union.

## **FLOATING HOLIDAYS**

10.03 (a) Permanent employees with one (1) or more years of continuous service as of January 1st shall be eligible for seven (7) floating holidays per calendar year at eight (8) hours straight time rate of pay for each holiday. (See Section 34.08 (a) for floating holidays

Re: 3-2-2 schedule (12 hour tour workers)).

New permanent employees shall qualify for floating holidays at the rate of one (1) day each for one (1), three (3), five (5), seven (7) and nine (9) months of continuous service and two (2) days for eleven (11) months of continuous service in the calendar year. (See Section 34.08 (a) for floating holidays Re: 3-2-2 schedule (12 hour tour workers)).

Newly hired temporary employees shall qualify for floating holidays at the rate of three (3) after five (5) months of continuous service, and in addition one (1) after seven (7), one (1) after nine (9) and two (2) after eleven (11) months of continuous service in the calendar year.

Rehired employees of the Company are treated as new employees. In case they are rehired the year of their employment termination, they shall not qualify for nor receive more than the maximum established number of floating holidays for the calendar year.

10.03 (b) Floating holidays may be taken separately or consecutively, and shall be granted subject to the immediate supervisor's approval. The Company will establish personal floating holiday quotas and will allow scheduling of floating holidays within these quotas to the extent practical. The Company will work with a joint Union Management Committee in order to establish rules governing scheduling of these personal floating

holidays and the fair administration and application of these rules.

10.03 (c) Each floating holiday must be taken on a day the employee would otherwise be scheduled to work and will not be paid for unless he actually takes time off.

10.03 (d) A list of floating holidays not scheduled will be posted by Departments on October 1st. Floating holidays requested after this date will be scheduled, where possible, in the order they are submitted. If an employee has not attempted to schedule his floating holidays by October 15th, the Supervisor will assign the days to be taken.

10.03 (e) EXCEPTION: Employees hired for temporary summer relief work in the mill, who have earned floating holidays, will be paid for them at the termination of their employment.

10.03 (f) Floating holidays are not cumulative from year to year and must be taken during the calendar year, however, an employee off work at the end of a calendar year due to sickness or accident shall be paid for unused floating holidays.

10.03 (g) At least seven (7) days' notice shall be given to the employee's supervisor in writing, on the form provided, and shall be subject to the employees immediate supervisor's approval so that holidays shall

not interfere with the efficiency of operations. The employee shall be notified within a period of twenty-four (24) hours after such notice, Saturdays, Sundays and Statutory holidays excluded, whether his request was approved or rejected.

Leaves of absence will not be granted until all of the employee's floating holidays, vacation, banked overtime, and Statutory holiday and additional time off has have been exhausted or scheduled. This excludes employees requesting leave of absence on Union business and for medical reasons supported by a physician's certification, or for candidacy for public office at the federal, provincial, or municipal level.

## **SECTION XI**

### **VACATIONS**

11.01 The vacation earning period shall be from May 1st in any year to April 30th of the following year. Effective May 1,2005 vacation to be capped at 6 weeks, after completing 23 years of service. (Effective May 1,2005 employees with greater than 6 weeks will retain their rights to 7 weeks vacations eligibility).

11.02 Employees who, by May 1st in any year, have served continuously for one (1) year or more, shall be entitled to paid vacation in accordance with the following schedule:

(a) After one (1) year of continuous service - two (2) weeks

(b) After four (**4**) years of continuous service - three (3) weeks;

(c) After nine (9) years of continuous service - four (**4**) weeks;

(d) After eighteen (18) years **of** continuous service - five (5) weeks;

(e) After twenty-three year (23) years **of** continuous service - six (6) weeks.

11.03 Employees who, by May 1st in any year have served continuously for over three (3) but less than four (**4**) years, over eight (8) but **less** than nine (9) years, over seventeen (17) but less than eighteen (**18**) years), over twenty-four (**24**) but less than twenty-five (25) years and effective May 1, 2003 over twenty two (22) but less than twenty three (23) years) shall receive in addition to their respective basic entitlement of two (2), three (3), four (4), five (5), six (6), and seven (7) weeks of paid vacation 5/12th of a day's vacation with pay for each month served during the periods specified above calculated to the nearest half day.

11.04 Employees with twenty-five (25) years of continuous service will be granted the following

supplementary vacation with pay in the year in which they reach the age of sixty (60) or more:

- 60 years of age - one (1) additional week;
- 61** years of age - two (2) additional weeks;
- 62 years of age - three (3) additional weeks;
- 63 years of age - four (**4**) additional weeks;
- 64** years of age - five (**5**) additional weeks.

An employee's supplementary vacation entitlement will be determined on the date of his 60th or subsequent birthday. Supplementary vacation will be taken in the twelve (12) months' period immediately following such birth date.

**11.05** Employees hired after May 1st in any year shall be entitled to 10/12ths of a day's vacation with pay for each full month served before April 30th the following year, after a minimum continuous service of three (3) months, but the vacation cannot be taken until May 1st the following year.

Employees with less than one (1) year of continuous service leaving the employ of the Company prior to the end of the vacation earning period, shall receive vacation pay in accordance with the Employment Standards Act, 2001.

**11.06** Vacation pay will be based on 2% of previous year's earnings or **40** hours pay (**42** hours pay for tour and shift workers), at employee's regular rate,

whichever is the greater.

2% is defined to mean 2% for each week of vacation entitlement; i.e. 3 weeks of vacation - 6% vacation pay of previous year's earnings.

11.07 (a) Vacations will be scheduled within the period of May 1st and April 30th in the year following the earning period.

11.07 (b) First choice vacation will take precedence over floating holidays scheduled for the same time.

11.08 Vacation time off is not cumulative. An employee may, however, take pay in lieu of any vacation entitlement in excess of three weeks, excluding supplementary vacation. In addition an employee may bank vacation in excess of three (3) weeks to retirement excluding supplementary vacation. Once this election is made it cannot be rescinded.

11.09 Vacations will be scheduled by the company to conform to the operating requirements of the mill, and these requirements shall govern in respect to the number of employees permitted off for a given period in any department or section of a department. Preference for vacation time shall be on the basis of job seniority for tour and shift workers and on department seniority for day workers. Vacation requested after his/her first choice has been exercised shall be on a first come,

first serve basis and notice of approval or denial must be served within seven (7) days of request.

Once scheduled no change will be made until the employee and the Union have been notified as to the reason for changing. An employee taking vacation at a time when his regular days off fall immediately before or after his vacation shall not be required to work on such days off.

11.10 Tour workers may request to start vacations at the beginning of any scheduled shifts between November 1st and June 15th. Management will approve or reject such requests with the understanding that consecutive weeks means 14, 21 consecutive days and so on.

11.11 Any employee who returns to active duty from being on L.T.D. shall have his vacation entitlement for the upcoming vacation year pro-rated according to the amount of active service in the applicable earning period.

## **SECTION XII**

### **BEREAVEMENT LEAVE**

12.01 When death occurs to a member of an employee's immediate family, the employee will be granted leave and shall be paid for eight (8) hours at his regular straight time rate for a maximum of five (5) days



provided that such days paid for would be his regularly scheduled work days. Immediate family is interpreted to mean employee's spouse, son(s), daughter(s), mother, father, step-son(s), step-daughter(s), brother(s), and sister(s). The regular straight time rate means the straight time rate of the job at which the employee would have worked had he not been on funeral leave. (See Section 34.10 (c) for five **(5)** day bereavement leave Re: 3-2-2 schedule (12 hour tour workers)).

12.02 When death occurs to a member of an employee's non-immediate family, the employee will be granted leave and shall be paid for eight **(8)** hours at his regular straight time rate for a maximum of three (3) days provided that such days paid for would be his regularly scheduled work days. Non-immediate family is interpreted to mean employee's step-mother, step-father, grandmother, grandfather, mother-in-law, father-in-law, sons-in-law, daughters-in-law and grandchildren. The regular straight time rate means the straight time rate of the job at which the employee would have worked had he not been on funeral leave. (See Section 34.10 (b) for three (3) day bereavement leave Re: 3-2-2 schedule (12 hour tour workers)).

12.03 The provisions of this section apply only to employees who have been on the payroll for at least thirty (30) days.

12.04 Common-Law relationships will be recognized for benefits under this section.

## **SECTION XIII**

### **NO INTERRUPTION OF WORK**

13.01 It is understood and agreed by the parties to this agreement that there shall be no strikes, lockouts, walkouts, or other similar interruptions of work during the period of this agreement, or upon its expiration.

13.02 Should any difference arise over grievances, there shall be no suspension or stoppage of work until every effort has been exhausted to adjust them through the regular procedure set up in this agreement.

## **SECTION XIV**

### **JURISDICTION**

14.01 The work currently being performed by the employees in the job classifications covered by the Schedule of Wages in this agreement comes under the exclusive jurisdiction of United Steelworkers (USW) local 548.

14.02 It is understood and agreed between the Company and the Union that any and all questions of jurisdiction between the Union, and any other union or labour organization, shall be decided by the A.F.L., C.I.O., and C.L.C. without any interference with production.

## **SECTION XV**

### **EMPLOYMENT, PROMOTION AND SENIORITY**

15.01 The Company, when hiring a new employee, shall when possible, give preference to former employees who were members of the Union, provided that they are qualified, in the judgement of the Company, to perform the work available.

Employees who have completed six or more months of continuous service with the Company and are laid off for a period of less than six months shall be offered employment in the reverse order of layoff provided they are physically able and have the necessary work qualifications to perform the available work.

Eligible employees shall be notified of recall by telephone or by registered mail to the most recent address shown on the Company's personnel records. An employee who fails to return to work within seven (7) days of having been notified or rejects his recall for reasons other than disability as substantiated by a physician shall lose his recall rights.

In case of casual work or employment of short duration, up to thirty (30) days, recalls will only be extended to eligible employees residing in Marathon, Ontario.

15.01 (a) Any employee with four **(4)** or more years of continuous service who is laid off, shall, retain his seniority for the purposes for all benefits as outlined in

the collective agreement if he is recalled within a period of six (6) months. In no case will such an individual receive more service-related benefits than he would have received had he remained an active employee.

15.02 Job vacancies, including the three (3) janitors shall be posted for four (4) consecutive days excepting all other base rate jobs and those temporary jobs not exceeding two (2) weeks in duration. No job vacancies will be posted between 3:30 p.m. Thursday and 7:30 a.m. Monday.

15.03 An employee who performs work of a higher rate of pay than his own shall be paid the higher rate for the actual time worked provided the work performed is continuous for at least one (1) hour. However, an employee, when training, will be paid at his regular rate until he is promoted or takes over the higher job.

15.04 When a temporary vacancy occurs for any reason and qualified help is available, promotions will be made from among the men on the same shift in which the vacancy occurs. In cases of permanent promotions and determined absences of sixty (60) days or more in duration, the senior tour worker next in line for the job will be promoted, with consequent promotions all down the line, securing the necessary help to fill the vacancy thus created in the lowest category job if necessary. If qualified help is not available on the shift, the job on which the vacancy exists will be divided into two twelve

(12)-hour shifts until replacement by the senior man in the department is possible.

15.05 (a) When vacancies occur for Hoisting Engineers or licensed operators in the Utilities area, and in the opinion of the Company, after consulting with the Union, no suitable replacement is in the Company employ in any mill department, a replacement may be hired from outside, provided that not more than one such vacancy in every four (4) shall be filled in this manner.

15.05 (b) Vacancies for journeymen in all skilled trades may be filled from the outside, if in the opinion of the Company, no suitable replacement is in the Company employ. No limit is set on the number that can be hired in this manner, but preference shall be given to present employees in all instances, providing they possess the skill required.

15.05 (c) Any experience gained in temporary jobs will not be considered for permanent postings.

15.06 (a) Each permanent employee shall have seniority standing in the mill, in his department, and in his job classification.

15.06 (b) Mill seniority shall be computed from the last date of entry into the service of the Company on a permanent basis.

For job posting purposes only, mill seniority shall be

computed from the last date of entry into service of the Company on a full-time basis.

15.06 (c) Departmental seniority shall be computed from the last date of entry into the department on a permanent basis.

15.06 (d) Job classification seniority shall be computed from the last date of entry into the job classification on a permanent basis.

15.06 (e) A new employee shall be required to have sixty (60) days continuous service before any seniority rights are recognized. Subject to satisfactory service throughout the sixty (60) day period, seniority shall date from the commencement date of the sixty (60)-day period.

15.06 (f) An employee promoted in a department, or transferred to another department on a permanent job shall be required to serve sixty (60) days on the new job before any seniority rights are recognized in his new job or department. An employee exceeding sixty (60) days in his new job or department shall lose all seniority rights in his former department. Subject to satisfactory service throughout the sixty (60) day period, seniority will date from the commencement date of the sixty (60)-day period.

If the promotion or transfer resulted from a job posting, seniority will date from the day that the employee was

accepted for the posted opening. If, in the opinion of the Company, he is not capable of performing his new work satisfactorily, or he requests to revert to his former job, he shall within sixty (60) days be returned to his former job without loss of seniority. An employee permanently transferred to another department as a result of a permanent job posting will not be permitted to bid for another posted job before nine (9) months have elapsed except with consent of Management and the Union, or a Class "A" tradesman posting where the bidding individual has been previously cut back as a Class "A" tradesman.

If an approved promotion or transfer is delayed for more than thirty (30) days the reasons for such delay will be discussed with the Union.

A successful applicant on a temporary job shall not be eligible to bid on any further temporary job postings until he has served out the life of his current job or has been on it for a period of three (3) months.

**15.07** When it is necessary to demote or lay off employees due to curtailment of operations, lack of work, or changes in machinery or methods, length of service shall govern, provided that knowledge, training, ability, skill and efficiency are relatively equal.

**15.08** In any case of promotion or lay off, the Union Standing Committee will be privileged to present recommendations for the consideration of Management

before final action is taken by the Company. In cases where time does not permit consultation, Management shall, wherever practical, take temporary action only until the recommendations of the Union Standing Committee can be obtained.

15.09 (a) Selections for demotions or lay offs of permanent employees shall be made on the basis of seniority in a department or trade. The step-back system shall be used. However, a skilled tradesman, who was hired as a permanent employee from the outside (i.e. one who did not come up through the Trades Training Plan or Apprenticeship Program), and who, on the basis of seniority is subject to demotion, will instead be transferred to the General Services Department where mill seniority shall govern the actual layoff (or layoffs), provided that knowledge, training, ability, skill and efficiency are relatively equal.

When the lowest classification has been reached in the application of the step-back system, the man (or men) with the least seniority shall be transferred to the General Services Department where mill seniority shall govern the actual lay off (or lay offs), provided that knowledge, training, ability, skill and efficiency are relatively equal. A man demoted to the General Services Department and retained there shall be given the first chance of returning to his former job should the opportunity arise. It is understood that within any normal progression, where a job is eliminated, the man or men displaced will exercise progressional group



seniority in filling the jobs remaining.

15.09 (b) Any employee who has one year or more of Company service and is demoted to General Services through the procedure outlined in 15.09(a), shall have the opportunity of replacing the employee with the least Company service on jobs under Union jurisdiction in any department or progressional group provided that (i) he possesses the normal qualifications for the job; (ii) he can be expected to carry out the duties of the job after a reasonable amount of training which the Company agrees to provide. It is understood this option shall be exercised within the period of one (1) week from date of transfer to General Services.

15.10 Selection of permanent employees for promotion in a department will be on the basis of job seniority, provided that knowledge, training, ability, physical fitness, skill and efficiency are relatively equal. For Lead Hand Positions, applicants must pass Leadership testing as required by the Company. (The Union will be involved in the development of the testing.)

15.11 When an employee waives his promotional rights to a higher position in the line of progression, the waiver remains in full force and effect from year to year thereafter, unless withdrawn by the employee prior to May 1st in any following year. In other words, his withdrawal would become effective on May 1st following the actual date of withdrawal. (APPLIES

ONLY TO EMPLOYEES WHO WERE FROZEN ON THEIR JOBS AS OF JANUARY 17, 1979.)

15.12 When a permanent employee has undertaken to do relief work and has been temporarily promoted and returns to his former occupation, he will assume seniority rights for promotion to the higher job over the employee who refused to do relief or be promoted temporarily.

15.13 Selection of applicants for posted jobs shall be on the basis of mill seniority, provided that knowledge, training, ability, physical fitness, skill and efficiency are relatively equal.

15.14 Any employee promoted to a permanent position within the Company over which the Union has no jurisdiction may be returned by the Company or at his own request to his former position within six (6) months and shall have all his former standing re-established providing he remains in good standing with the Union.

15.15 If an employee in an established progressional line is unwilling, except for medical reasons, to move to the next job in the line of progression, he shall be demoted to General Services and be subject to the applicable provisions of Section 15.09(a) and 15.09(b). This shall not affect the employees who are frozen on their jobs as of January 17, 1979.

15.16 After accumulating 104 weeks at the Tractor Operator "B" rate, an employee will be eligible for the Tractor Operator "A" rate provided he is otherwise qualified.

## **SECTION XVI**

### **SAFETY AND COMPANY RULES**

16.01 (a) The Company shall instruct employees on safety in their line of work. The employees are to comply with all safety and mill rules as established by the Company.

16.01 (b) The Company's rules and regulations for employees at the Marathon, Ontario plant are hereby mutually adopted and it shall be the duty of both parties to sincerely enforce them.

16.01 (c) Rules and regulations may be modified, including introduction of new rules and/or elimination of existing rules during the life of the present agreement after the Company has notified the Union of the new or changed rule.

16.01 (d) All questions or disputes regarding the application, interpretation and enforcement of Rules and Regulations shall be subject to the provisions of the grievance procedure of the agreement.

## **SECTION XVII**

### **BULLETIN BOARDS**

17.01 Officially signed bulletins of the signatory Union may be posted on the Company's bulletin boards by authorized officials after approval by the Company.

## **SECTION XVIII**

### **MANAGEMENT**

18.01 Except as specifically abridged by this agreement, the Union agrees that complete management of its business at its Marathon, Ontario, Canada, plant is vested exclusively with the Company, including the right to hire, the right to plan, direct and control all plant operations, to change or to introduce new or improved production methods, standards or facilities.

18.02 The Company shall have the sole right to adjust all or any of its crews arising out of a change in process or a change in equipment, and to make such technical and other changes in their manufacturing operations **as** they deem necessary for efficient operation.

18.03 When and as job classifications are created, not listed on the attached wage schedules, or existing job classifications are modified, whether by reason **of** the installation of labour saving devices or by the introduction of new processes, the rates for such job

classifications shall be established by negotiation.

For the new job classifications, the Company shall set temporary rates for a trial period of up to sixty (60) days. Upon completion of the trial period, negotiation for rates shall commence and after agreement is reached such rates shall become part of the regular schedule of wages and be paid retroactive to the date these new classifications were established. The sixty (60) day trial period may be extended by mutual consent of the parties.

## **SECTION XIX**

### **SCHEDULE OF WAGES**

19.01 The schedule of wages attached to this agreement shall govern all employees during the life of the current contract and as may be mutually agreed upon from year to year thereafter.

### **SHIFT DIFFERENTIAL**

19.02 (a) A shift differential of fifty (50) cents per hour will be paid for all hours worked on tour or shift work occupations during the scheduled evening shift 4 p.m. to 12 midnight. A shift differential of sixty -five (65) cents per hour will be paid for all hours worked on tour or shift work occupations during the scheduled night shift 12 midnight to 8 a.m. See Section 34.04 (I) for Shift Differential re "3-2-2" Schedule (12-Hour Tour Workers).

19.02 (b) A day worker who is required to work overtime for which he is paid time and one-half, will not be paid a shift differential.

19.02 (c) A day worker temporarily assigned to shift or tour work shall be paid the shift differential as set out in (a) above.

19.02 (d) If an employee works overtime while being entitled to the shift differential, as described in (a) above, he will be paid time and one-half on the differential as well as his regular rate.

19.02 (e) Employees absent on paid vacations, holidays with pay, or paid sick leave shall not be entitled to the shift differential.

## **SPECIAL ADJUSTMENTS**

19.03 (a) Boat Loading - add fifteen (15) cents per hour to the regular rate of all employees while engaged in boat loading. Twenty-five (25) cents per hour over the Warehouse Equipment Operator rate will be paid to the individual performing signalling duties.

19.03 (b) Shipping - add five (5) cents per hour to the rates of Warehouse Equipment Operator, Tour Warehouse Equipment Operator and Shipper with five (5) years experience on the job.

19.03 (c) Laboratory - add five (5) cents per hour to the rates of those employees holding a valid Analytical Tester's Certificate.

19.03 (d) Electrical - add thirty (30) cents per hour to the rates of Journeyman Electricians " A ,who possess a valid Electronics endorsement.

## **SECTION XX**

### **RESOLUTION OF COMPLAINTS**

20.01 The Union shall elect or appoint from its membership a standing committee which shall represent the local Union for the purpose stated in this Agreement. The names of the members of this committee shall be filed with the Company as soon as possible after the appointments are made.

20.02 Realizing that the settlement of complaints is of vital importance to the Company and to the employee concerned, it is the intention that all complaints shall be settled according to the following procedure:

Step I Between the aggrieved employee, the grievance person, or in his absence, a member of the Union Executive Committee, and the employee's immediate supervisor.

Step II If no satisfactory settlement is made, the aggrieved employee and the grievance person will refer the question to the Unit Leader within forty-eight

**(48)** hours (Saturday and Sunday excluded).

Step III If no settlement is reached, the aggrieved employee will refer the question to the Union Standing Committee who will in turn present it to the Manager, Human Resources in writing within ninety-six **(96)** hours (Saturday and Sunday excluded). A meeting between the Management Committee and the Union Standing Committee will then be arranged by the Manager, Human Resources to further discuss the matter and attempt to reach a settlement.

Step IV If no settlement is reached, the case will be referred by the Union to the President and Resident Manager, and the President of United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial Service Workers International Union, or his representative, within five (5) days (Saturday and Sunday excluded).

Step V Failing a satisfactory settlement, the matter may be subjected, by either party, within fifteen **(15)** days (Saturday and Sunday excluded), to the procedure outlined as follows:

20.03 Where a difference arises between the parties relating to the interpretation, application or administration of this agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this agreement has been violated, either of the parties may, after exhausting any



grievance procedure established by this agreement, notify the other party in writing of its desire to submit the difference or allegation to arbitration. In arbitration, the arbitrator shall be selected or appointed jointly by the Union and the Company within ten (10) days. If the parties fail to agree upon an arbitrator within the time limit, the appointment shall be made by the Minister of Labour for Ontario upon the request of either party. The arbitrator shall hear and determine the difference or allegation and shall issue a decision and the decision shall be final and binding upon the parties and upon any employee affected by it. The arbitrator shall within fifteen (15) days render a decision.

**20.04** If an employee covered by this agreement claims to have been unjustly discharged or suspended during the life of this agreement, or any continuance thereof, his case may be referred in writing within forty-eight **(48)** hours (Saturday and Sunday excluded) to the Management Committee by the Union Standing Committee. If, upon investigation, no settlement is made, the case may be referred to the President and Resident Manager or his representative, and to the President of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial Service Workers International Union or his accredited representative. If no settlement is made, it shall be referred to arbitration in the same manner and with the same effect as set forth for arbitration of other matters in Section XX, Paragraph 20.03 of this agreement.

20.05 An employee proven to have been unjustly discharged or suspended shall be reinstated to his former position and receive pay as ruled by the arbitrator on a fair and equitable basis.

20.06 It is understood and agreed by both parties to this agreement that the function of the arbitrator shall be to interpret and apply this agreement and that the arbitrator shall have no power to extend the duration thereof, nor to add terms or provisions thereto, nor to arbitrate a dispute concerning a general wage adjustment, nor to enlarge his own jurisdiction.

## **SECTION XXI**

### **ARBITRATOR'S DECISION CONCLUSIVE**

21.01 Subject to Section XX, the decision of the arbitrator concerning any matters properly arising out of this agreement and referred to the arbitrator pursuant to the provisions hereof shall (if not contrary to law) be final and conclusive upon the employees, the Union and the Company.

## **SECTION XXII**

### **ARBITRATION EXPENSES**

22.01 Each party shall bear the expense of preparing and presenting its own case and the expense of the arbitrator shall be borne equally by the parties to this agreement.

## **SECTION XXIII**

### **TRADES TRAINING PROGRAM**

23.01 Both parties recognize that it is desirable to properly train employees for job efficiency and potential advancement.

The following program will be in effect, for those trades not covered by the apprenticeship program.

23.02 Applicants for the Trades Training Program shall be required to have qualifications as follows:

Educational minimum - Grade X or equivalent time in vocational or trades training school, except that the educational minimum for employees hired after January 17th, 1979, will be Grade XII, or equivalent time in vocational or trades training school.

All applicants selected shall signify their willingness to sign up for a Company sponsored correspondence course in relation to their trades.

23.03 (a) An employee selected for a particular trade shall serve as a probationary helper for two (2) months or the equivalent actual time worked.

23.03 (b) Upon transfer from Probationary Helper to Second Helper classification, enrolment will be required in a course in relation to his trade which will include fundamental arithmetic. Transfer to First Helper

classification will be contingent upon a passing grade in the related subjects as agreed to for Second Helper in addition to his work performance during the ten (10) months he has served as a Second Helper. If the Second Helper does not complete his correspondence course by the end of the ten (10) months' period, he will be allowed thirty (30) days of grace to do so. If, at the end of this thirty (30) days of grace, he still has failed to complete the assigned course, he will be transferred from the department to the classification of Labourer in the General Services Department where mill seniority shall govern any resultant lay off, provided that knowledge, training, ability, skill, and efficiency are relatively equal.

23.03 (c) Upon transfer from Second Helper to First Helper, continued study will be required in a correspondence course in subjects relating to the employee's trade. Transfer to the classification of Improver would be contingent upon a passing grade in the related subjects as agreed to for First Helper in addition to his work performance and ability shown during the year he has served as a First Helper. If the First Helper does not complete his correspondence course by the end of the one year period, he will be allowed sixty (60) days of grace to do so. If, at the end of this sixty (60) days of grace, he still has failed to complete the assigned course, he will be transferred from the department to the classification of Labourer in the General Services Department where mill seniority shall govern any resultant lay off, provided

that knowledge, training, ability, skill and efficiency are relatively equal.

23.03 (d) Transfer from First Helper to Improver classification will require continued study in a correspondence course in subjects related to the employee's trade. Transfer to the classification of Journeyman - where such a vacancy exists - would be contingent upon a passing grade in the related subjects agreed to for Improver in addition to his work performance and ability shown during the two (2) years served as an Improver. If the Improver does not complete his correspondence course by the end of the two year period, he will be allowed ninety (90) days of grace to do so. If at the end of this ninety (90) days of grace, he still has failed to complete the assigned course, he will be transferred from the department to the classification of Labourer in the General Services Department where mill seniority shall govern any resultant lay off, provided that knowledge, training, ability, skill and efficiency are relatively equal.

23.04 After five (5) years in his trade, a Journeyman will be considered for the Class "A" rate.

The Company will periodically, every six (6) months, advise the employee as to his progress in attainment of the Class "A" rate and when a Class "A" rate is not granted, the Union and the employee shall be notified, in writing, the reason for not granting the rate.

23.05 The Company and the Union recognize the right of all Trades Trainees to two years' seniority as Journeymen at the time the Trades Trainees are promoted from Improvers to Journeymen.

## **SECTION XXIV UTILITIES PERSONNEL TRAINING**

24.01 All permanent employees entering the Recovery and Energy must hold a Grade XII Diploma and within 2 months of entering the Department must obtain the study material required to complete the Fourth Class Operating Engineer's certificate examinations.

Employees will have a total of 14 months upon entering the department to pass both Fourth Class examinations. Employees failing to meet this condition will be transferred to the General Services Department where mill seniority shall govern any resultant layoff.

24.02 Upon completion of qualifying time for Fourth Class certification, the employee must obtain all paperwork required to apply for their license and submit it to TSSA.

24.03 Upon receipt of their Fourth Class certificate, employees must pass all of the required Third Class examinations within 20 months, 2 of which

must be passed within the first 12 months of receiving their Fourth Class. Employees failing to meet this condition will be transferred to the General Services Department where mill seniority shall govern any resultant layoff.

24.04a An employee transferred out of the Department for failing to meet the conditions of 24.01 will not be permitted to bid for another posted job in the Department until such time that all Fourth Class examinations are passed, and then 24.02 will start.

24.04b An employee transferred out of the Department for failing to meet the conditions of 24.03 will not be permitted to bid for another posted job in the Department until such time that all Third Class examinations are passed.

Reimbursement in the amount of \$415.00 shall be paid to each employee who obtains a Fourth Class ticket and presents it to the Company.

Reimbursement in the amount of \$447.10 shall be paid to each employee who obtains a Third Class ticket and presents it to the Company.

## **SECTION XXV**

### **GROUP INSURANCE**

25.01 Group insurance benefits will be provided in accordance with the Group Insurance Plan outlined in Appendix "B".

## **SECTION XXVI**

### **EMPLOYEES' PENSION PLAN**

26.01 Retirement benefits will be provided in accordance with the Employees' Pension Plan in effect. Highlights of the Plan are outlined in Appendix "C".

## **SECTION XXVII**

### **JURY DUTY**

27.01 Upon presentation of a voucher from the Clerk of Court showing fees received from serving on jury duty, answering jury roll call or as a subpoenaed witness, an employee will be paid the difference between such fees received and normal wages for regular straight time eight hour working days falling within the normal work week which the employee would have worked had it not been for the jury duty. (See Section 34.12 for jury duty Re: 3-2-2 schedule (12 hour Tour workers)).

## **SECTION XXVIII**

### **SEVERANCE PAY**



**28.01** Employees with four **(4)** or more years of continuous service who are separated from the payroll due to changes in equipment, process or methods, and who are not given an opportunity to return to work within sixty (60) days from the date of separation will qualify for severance pay. Severance pay, payable at the expiration of the aforementioned sixty (60) days will be calculated on the basis of one (1) week's regular pay at current rate per year of continuous service immediately preceding the date of separation. (Day workers - 40 hours/week; Tour workers - 42 hours/week.)

## **SECTION XXIX**

### **UNION OFFICERS AND STEWARDS**

**29.01** No Union Officer or Steward will hold consultations or make investigations during working hours without the permission of his immediate supervisor. The granting of such permission will not unreasonably be withheld.

## **SECTION XXX**

### **JOB SECURITY**

**30.01** Objective: The Company and Union recognize that technological change, while necessary to the industry, may have an impact on the employees.

The Company reserves the right to adjust all or any of its crews arising out of a change in process or a

change in equipment.

It is the purpose of the following provisions to assist employees in adjusting to the effects of such change.

**30.02** Definition: Technological change, which term shall include automation, mechanization, and process change, means the introduction of equipment of a different nature or kind than that previously utilized, or a change in operation process that is directly related to the introduction of that equipment or new technology.

**30.03** Required Notice: The Company will advise the Union before the introduction thereof, of mechanization, technological changes and/or automation which the Company has decided to introduce and which will result in terminations or other significant changes in the employment status of employees.

**30.04** Joint Committee: When such technological changes are introduced that displaces the employees, a joint committee will be established at the mill which shall consist of three (3) persons representing the Company and three (3) persons representing the Union. It shall be the function of the committee to ensure that the interests of the Company and of the employees are fairly and effectively protected in accordance with the established lay off policy.

The Company will advise the committee as

soon as possible and in any case not less than ninety (90) days before the expected date of the change of the anticipated time sequence of final installation and production start-up and the anticipated effect on the job status of individual employees.

**30.05 Seniority Status:** In the event that it is necessary, crews will be reduced in accordance with the established lay off policy.

An employee with one or more years of continuous service who is set back to a lower paid job because of the technological change will receive the rate of his regular job at the time of the set-back for a period of six **(6)** months, and for a further period of six **(6)** months he will be paid an adjusted rate which will be midway between the rate of his regular job at the time of the set-back and the rate of his new regular job. At the end of this twelve (12)-month period, the rate of his new regular job will apply.

## **SECTION XXXI**

### **LUNCHCLAUSE**

**31.01** The Company agrees that, unless personally notified the previous day, a Day Worker who is required to work at least one (1) hour beyond his regular hours, will be provided with a lunch at the Company's expense. This section shall also apply in the case of an employee who is called out and required to work through a normal lunch period. (See Section 34.11 (a)

and 34.11 (b) for lunches at company expense Re: 3-2-2 schedule (12 hour tour workers)).

Normal Lunch periods will be	
Breakfast	06:00 to 08:30
Lunch	12:00 to 13:30
Supper	17:00 to 18:30

31.02 Employees agreeing to work a complete shift on overtime or on a regular day off, will be required to provide their own lunch, providing they are notified more than two hours prior to starting time of the shift.

31.03 After the provision of the first lunch, under any section of this clause, a lunch will be provided every four (4) hours thereafter at the Company's expense.

31.04 Effective May 1, 2000 lunch vouchers shall have an equivalent value of \$10.00.

## **SECTION XXXII**

### **REST PERIOD**

32.01 Any employee required by the Company to work more than sixteen (16) hours within a twenty-four (24) hour period, shall be given one (1) hour off with pay for each hour worked beyond sixteen (16) hours, at

his regular straight time rate. This compensating time off will, where practical, be taken at the starting time of his next scheduled day of work. Any other arrangement will be by mutual agreement between Company and Union.

**32.02** Day workers who follow regular shift hours, 7:30 a.m. to 3:30 p.m. who are called in will be allowed one (1) hour off with pay (rest period) for each hour worked between 11:30 p.m. and 7:30 a.m., provided in every case the work commenced at or prior to 3:30 a.m. and they are scheduled to work at 7:30 a.m. the following day. Shift workers who are on their 8:00 a.m. to 4:00 p.m. schedule, who are called in, will be allowed one (1) hour off with pay (rest period) for each hour worked between midnight and 8:00 a.m., provided in every case the work commenced at or prior to 4:00 a.m. and they are scheduled to work at 8:00 a.m. the following day. 3-2-2 tour workers who are on their 6:00 a.m. to 6:00 p.m. schedule, who are called in, will be allowed one (1) hour off with pay (rest period) for each hour worked between 11:00 p.m. and 6:00 a.m., provided in every case the work commenced at or prior to 3:00 a.m. and they are scheduled to work at 6:00 a.m. the following day. Hours accrued under this clause shall not be used toward the rest period eligibility under Section 32.01 and vice versa.

**32.03** Day workers who are scheduled for start-up coverage will not be scheduled on their normal day

hours. They may work on a voluntary basis during their regular hours, but in this case the Rest Period provisions will not apply.

Day workers who are required to work any portion of their regular day and are scheduled back in on the night shift, will have Section 32.02 of the Rest Period Provision apply.

## **SECTION XXXIII**

### **APPRENTICESHIP PROGRAM**

#### **33.01 Purpose**

- (a) To encourage a more careful selection of applicants coming into the trades with due regard to health, physical fitness and aptitude.
- (b) To provide a plan of approved training that will equip them for profitable employment as fully skilled tradesmen.
- (c) To relate the future supply of skilled workers to probable employment demands.

#### **33.02 Apprenticeship Advisory Committee**

##### **(a) Composition**

The Committee shall consist of six members - one from the Central Maintenance Supervision; one from the Electrical and Instrumentation Supervision; one from Employee Relations and three from Local 548, USW

(b) Procedure

The Committee, of which the representative from Central Maintenance Supervision shall be the Chairman, shall select a Secretary and determine the time and place of regular meetings. In the absence of the Chairman the 1st Vice-president of Local 548, USW (who will be one of the union representatives on the committee) shall take the chair.

(c) Duties

The duties of the Committee shall be to review policies and problems relating to the apprenticeship program and to recommend changes and solutions.

33.03 Definition of Apprentice

An apprentice shall be a person who will be at least 18 years of age in the year of his introduction into the trade, who has entered into a written apprenticeship contract for a certain trade, of a reasonably continuous employment for such apprentice, for his participation in an approved schedule of work experience during such employment, and the taking of a suitable related training course.

33.04 Qualifications of Apprentice Applicants

All applicants for apprenticeships hired after January 17th, 1979 must have successfully completed four years of high school. Applicants hired prior to January 17th,

1979 must meet the minimum educational standard for the trade involved as set down by the Apprenticeship Branch of the Ministry of Skills Development. In no case should this be less than a complete Grade X.

All applicants must pass such physical and mechanical aptitude examination as required by the company. Posted vacancies shall go to the senior qualified applicant meeting the minimum standards for such examinations. The mechanical aptitude examination results shall be made available to those writing the examinations. The established mechanical aptitude test shall not be changed without the agreement of the apprenticeship committee. A member or members of the Local 548 Apprenticeship Committee shall be present when applicants are taking the required aptitude exam.

Applicants for Instrumentation apprenticeships hired after August 1, 1983 have to possess Grade XII plus a two-year technology diploma in Instrumentation or Electronics. Employees hired prior to August 1, 1983 have to possess Grade XII in order to qualify for the posting.

### 33.05 Terms of Apprenticeship

(a) The period of Apprenticeship will be four (4) years. After graduation the apprentice will automatically proceed, after a one year period, to Journeyman " A status.



(b) The first 90 days of the first year shall be considered entirely a probationary period and his continuance as an apprentice depends upon ability and progress as demonstrated during this trial period.

(c) To be eligible for advancement at the end of any period, an apprentice must have completed his shop work to the satisfaction of the shop supervision, his technical training to the satisfaction of the trade school and he must have submitted the required number of correspondence lesson assignments with satisfactory grades on those returned.

(d) An apprentice who does not qualify for advancement at the end of any period (with the exception of the first one) shall be considered as re-entering upon a trial period, and shall be notified in writing as to the nature of his unsatisfactory work by his immediate supervisor. Such notification shall be subject to a review by the Apprenticeship Committee. If he does not qualify after three (3) additional months, he shall be dropped from the apprenticeship course and revert back to General Services where mill seniority would govern any resultant lay-off.

NOTE: The apprentice will only be allowed one three-month extension during his apprenticeship.

(e) It is understood that during the period of

indentureship an apprentice will accumulate the tools of his trade, in a predetermined manner related to the increase of responsibility as his apprenticeship progresses. Before being promoted to Journeyman “ A status an apprentice must satisfactorily prove to his supervisor that he has all the necessary tools to perform within that category.

### 33.06 Continuity of Employment

The Company will encourage continuous employment for all apprentices under agreement in accordance with these standards. If an apprentice is cut back because of business conditions, he will be re-instated before any additional apprentices are employed in his trade.

### 33.07 Contract of Apprenticeship

The apprentice, and his parent or guardian if he *is* under 18 years of age, shall enter into an apprenticeship contract with the Company, which contract shall be approved by the Ontario Ministry of Skills Development. **All** standards contained herein shall be a part of the apprenticeship contract **as** though specifically written therein.

The following shall receive copies of the Contract of Apprenticeship properly filled out:

- (1) The Apprentice
- (2) The Employer
- (3) The Ontario Ministry of Skills Development
- (4) Local 548, USW

### 33.08 Schedule of Work Experience

The apprentice, during his term of apprenticeship, shall receive such broad experience and training on the job as is necessary to develop a practical and skilled tradesman. This will include work both in and out of the shop. It is recognized that no definite sequence of work experience can be established. It is suggested however, that an agreed to schedule be adhered to in the fullest extent possible, consistent with trade conditions.

Qualified supervision shall be defined to mean that degree and closeness of supervision necessary to teach good workmanship. Consistent with work schedules it shall not mean that the apprentice at all stages of his training must be accompanied by his supervisor or journeyman, for as apprenticeship advances, so will the degree of performance and the amount of responsibility. It is understood, however, that an apprentice will not be assigned to work on his own in the first two years of his apprenticeship. This would exclude basic tasks and tasks which are mutually

agreed (between the apprentice and immediate supervisor) to be within his capabilities.

### **33.09 Supplemental and Related Training**

(a) Supplemental and related training shall consist of an I.C.S. course relative to the particular trade in which the apprentice is being trained, and periods of training at recognized schools as required by the Ontario Ministry of Skills Development. The I.C.S. course will be taken by the apprentice after successful completion of his probationary period in his first year and will be the same course taken by the 2nd Helpers under the old trades training program.

The cost of correspondence training shall be borne by the apprentice, but on successful completion, the full cost of the course will be refunded to him by the Company.

(b) Effective May 1, 1990, ~~for~~ new apprentices entering the Instrumentation trade, there will be a 1,500 hours (9 months) credit awarded after successful completion of the probationary period for those employees possessing the two-year technology diploma in Instrumentation or Electronics.

### **33.10 Log Book**

Each apprentice, upon indenture, shall be furnished a log book by the Company. The apprentice must

faithfully keep this log book up-to-date, and it shall be verified at the end of each month by the supervisor in charge (after consulting with the journeyman (men) with whom the apprentice worked), and checked by a representative from Human Resources.

### 33.11 Hours of Work

The work day and work week and conditions associated therewith shall be the same for apprentices as for the journeyman. (As per the Collective Agreement.)

### 33.12 Rates of Pay

(a) The schedule of rates for apprentices will appear in the main wage schedule.

1. Probationary Apprentice (1st 2 months) . . .	Labourer's Rate
2. 1st Year Apprentice (next 9 months) . . . . .	80% Class " A
3. 2nd Year Apprentice (12 months) . . . . .	83% Class " A
4. 3rd Year Apprentice (12 months) . . . . .	86% Class " A
5. 4th Year Apprentice (12 months) . . . . .	89% Class " A
6. Journeyman . . . . .	94% Class " A

(b) No current trades trainees transferring to the apprenticeship program will receive a reduction in their hourly rate for so transferring.

(c) All increases are conditional upon satisfactory completion of each step of the apprenticeship program.

(d) Employees in the apprenticeship program must qualify for provincial certification where applicable and serve one year as a Journeyman in the trade to become eligible for full Class " A Journeyman rate.

(e) The Company and the Union recognize the right of an apprentice to two **(2)** years of seniority as a Journeyman upon his promotion to Journeyman status.

(f) When an apprentice is attending a trades training course the following pay arrangements will **apply**:

The apprentice may receive a weekly training allowance from the Provincial Government while he is attending school. If **so**, he is expected to make arrangements to pay the total training allowance received back to the Company upon his return to work.

However, the apprentice, while attending school, will receive his regular straight time rate of pay times forty **(40)** hours per week.

Payment will be made on regular pay days. To receive this pay the apprentice must maintain satisfactory attendance and performance records while attending school.

The Company will provide this pay for the number of

weeks normally required to complete the particular trades training course being attended. Should the apprentice be required to spend more than the normal number of weeks to complete the course, he will not receive company pay during the additional time in school.

(g) A 1st year apprentice will not receive less than a trades training 2nd helper.

(h) Upon successful completion of the schooling, Company agrees to reimburse for all costs of mandatory texts as per itemized list with prices certified by a College official.

### 33.13 Certificate of Apprenticeship

Upon satisfactory completion of the requirements of apprenticeship as established herein, the apprentice will be awarded the Ontario Ministry of Skills Development Certificate of Apprenticeship.

### 33.14 Obligations of an Apprentice

Every apprentice shall:

(a) render faithful service during the period of apprenticeship;

(b) show due regard for the tools and goods of the employer and avoid damage and waste of such

tools and goods;

(c) furnish to his employer satisfactory reasons for any absences from his employment;

(d) attend regularly such classes in trades training and related subjects as may be required by the Company;

(e) suffer loss of wages for non-attendance at prescribed day classes and incur the cancellation of the apprenticeship contract for wilful failure to attend day or evening classes, where such failure could reasonably have been avoided.

(f) notify the district apprenticeship office immediately when, for any reason, he ceases to be employed with the employer to whom he is indentured;

(g) as a tradesman, it will be to his personal advantage to keep up-to-date with any advances in his field. In some cases the Company is prepared to aid the employee, either with classes, courses or literature.

### **33.15 Obligations of the Company**

The Company shall:

(a) Immediately notify the district apprenticeship office when employing an apprentice in any designated



trade;

(b) Provide adequate training for the apprentice in all branches of the trade in so far as the plant facilities, operations and the character of the plant work will permit;

(c) Keep the apprentice employed so long as work is available;

(d) Refrain from employing any person in a designated trade except as journeyman when one or more of his indentured apprentices in such trade is idle;

(e) Pay the wages set forth in the collective agreement;

(f) Cooperate with the district apprenticeship office in the transfer of an apprentice to another company;

(g) Notify the district apprenticeship office before making any change affecting the contract of apprenticeship providing that every change shall be approved by the Committee.

### 33.16 Loss of Working Time

An apprentice may lose up to a maximum of thirty (30)

scheduled working days due to sickness or accident during his four year term of apprenticeship without having to serve additional time. Extension of the term of apprenticeship will be considered by the Apprenticeship Committee in the event that an apprentice loses more than thirty (30) working days.

### 33.17 Tool Accumulation

The Company has analysed the tool accumulation and feels that the stated schedule of tool acquisition must be adhered to if the apprentices are to engage in meaningful hands-on training. However, in order to ease and spread out the financial commitment of the apprentice the Company offers the following plan:

In areas where it is deemed necessary for a new apprentice to have a basic set of tools from day one, the Company will have available such a set for use by the apprentice during his probationary period.

In such areas, within 30 days after the probationary period is over, the apprentice must either purchase the Company set or a set of his own. The Company is prepared to spread the payment of these tools over the remainder of the year through payroll deduction.

In areas where it is not deemed necessary for an apprentice to possess tools from day one, the apprentice, within 30 **days** after his probationary period is over, shall purchase the prescribed list of tools.

Again, payment of these tools can be spread over the remainder of the year by payroll deduction.

In each subsequent year of the apprentice's training, he will be required to purchase, within 30 days of the commencement of that period, the prescribed list of tools. Spreading of the payment of these tools over the remainder of the year will also be available in these instances.

### **33.18 Cross Trades Exposure - Training**

It is the position of the Company that the short periods of cross trades exposure training outlined in the training programs drafted in the respective trade areas is absolutely essential in order to turn out the type of a tradesman who is aware of the overall scheme of things and the part he, as well as his fellow tradesmen, play in it. This cross exposure training is solely for that purpose, i.e. to make him aware of what other people with whom he has to work , and/or for, are doing, so that he is more cognizant of how his actions affect others and their work. In addition, he learns what work is involved in the different areas responsible for performing the maintenance function.

The Company will definitely not use the aforementioned cross-exposure training for any other reason. More specifically, the Company will not use knowledge gained by such training in another trade as means to short circuit established trade lines.

## **SECTIONXXXIV**

### **3-2-2 (12HOUR TOUR SCHEDULE)WORK WEEK**

34.01 (a) It is understood that where not expressly referred to in this section, the rules and provisions in the labour agreement shall apply.

34.01 (b) The 3-2-2 Work Schedule requires that all shifts and progression lines be self-supporting for shift move-ups with standby availability of manpower as required.

Note: During the period that employees are off work, they must accept assignment to the availability list as scheduled and agreed to by the Union. (one/line of progression always on call)

#### **34.02 Hours of Work - Tour Workers**

34.02 (a) The schedule of hours for tour workers (24 hour, 7-day operation only) and the hours that tours shall change, shall be 5:30 a.m. to 5:30 p.m. and from 5:30 p.m. to 5:30 a.m.

34.02 (b) Each worker is required to be in his place when the tour begins and shall not leave his post to wash or dress until his mate relieves him and takes over the duties and responsibilities of the job.

#### **34.03 Availability for Calls on Scheduled Days Off**

**34.03 (a)** Each department will establish the number and qualifications of employees required to be available on the call list for each progression line.

**34.03 (b)** It shall be the Company's responsibility (with the assistance of the Area Grievance Person as required) to ensure that the availability list is completed and posted in each progression line area.

The Company will prepare the availability list in advance, assigning employees, on the shift progression line, on a rotating basis, as required, to cover each period of time off work.

Employees wishing to change their assignment schedule may do so with their supervisor's approval and providing the employee makes his own arrangements with a qualified employee and submits a written shift change form, duly signed.

**34.03 (c)** It is understood and agreed that all days and nights must be covered to ensure that a replacement will be available for an employee who cannot report or fails to report for his regularly scheduled tour. It is understood that this is critical to the success of the twelve-hour tour operating successfully.

**34.03 (d)** Employees on the availability list will be required to be available for calls between the time of one (1) hour before and two (2) hours after the scheduled tour change time to allow for late relief.

**34.03 (e)** Employees on the call list who are not available during the time period (three (3) hours) will be subject to disciplinary action in accordance with the Collective Agreement's provision with regard to "Penalties for Unexcused Absenteeism" unless the unavailability was due to an emergency situation.

**34.03 (f)** Persons on the availability list should be in town, not necessarily by the phone, however, someone should be at the phone and aware where they might be contacted in case they are required. Employees may phone the supervisor on duty for their area not earlier than **30** minutes after the start of the shift to ascertain if they will be required.

**34.03 (g)** It may be necessary at times due to unforeseen circumstances such as illness, accident, etc., to call in other employees not on the availability list so that employees will not be required to work more than sixteen (**16**) hours.

**34.03 (h)** When a vacancy occurs for any reason and qualified help is available on the shift, promotions (shift move-ups) will be made among the employees on shift. The foreman/supervisor may adjust the crews if possible to avoid call-ins on the availability list.

**34.03 (i)** If promotions (shift move-ups) cannot be made, the qualified employee on the availability list will be called in.

34.03 (j) The shift will be adjusted at the discretion of the supervisor to place the employee called in on the job he is qualified to perform.

34.03 (k) The employee called in will not receive less than his established base job rate and the employees on shift shall not receive less than the position for which they are scheduled prior to the vacancy.

34.03 (1) The practice of "giving away" shifts is strongly discouraged and will only be permitted under exceptional circumstances with prior written departmental head approval. Shift exchanges will only be permitted where the persons involved are qualified to do each other's job. All shift exchanges are subject to prior management approval.

#### 34.04 Rates of Pay

34.04 (a) Regular straight time rates shall be paid for all hours worked in each twelve-hour shift.

34.04 (b) Doubletime shall be paid for all consecutive hours worked in excess of twelve (12) hours, except for late relief as per Labour Agreement.

#### Sunday Overtime

34.04 (c) Time and one-half shall be paid for all scheduled work performed between the hours of 5:30 a.m. Sunday and 5:30 a.m. Monday.

**34.04 (d)** Double time shall be paid for all hours worked after twelve hours on a Sunday.

**34.04 (e)** Doubletime shall be paid for work performed during holiday shutdown periods specified in the Agreement. In addition, workers working a complete twelve (12) hour shift will receive a compensating day off with pay. (Rest period clause will not apply for work during a statutory holiday period).

### Daily Overtime

**34.04 (f)** Tour workers shall be paid double time for all consecutive hours worked in excess of twelve (12) hours.

**34.04 (g)** Tour workers called on duty on their scheduled day or days off shall be paid time and one-half for all hours worked and double time for all consecutive hours worked in excess of twelve (12) hours.

**34.04 (h)** Tour workers called on duty on a Sunday shall be paid time and one-half for the first eight (8) hours worked and double time for all consecutive hours worked in excess of eight (8) hours.

**34.04 (i)** When it is established in advance of the shift that a vacancy exists, and the supervisor determines that qualified help is not available, the tour workers on shift will be scheduled to work their days of rest to cover the vacancy.



34.04 (j) A tour worker on a 3-2-2 tour cycle may have his original days off delayed forty-eight (48) hours only due to a change of shift. If required to work five (5) consecutive shifts, the fourth shift shall be paid at time and one-half.

34.04(k) If a tour worker is actually **off** work and on his scheduled day or days of rest, time and one-half shall be paid when called in to work during his rest period. If, however, he is called in early from his days of rest due to a change of shift, he shall be paid at straight time rate.

#### 34.04 (l) Shift Differential

5:30 a.m. to 5:30 p.m. 19.17 cents per hour

5:30 p.m. to 5:30 a.m. 57.50 cents per hour

#### 34.05 Statutory Holidays

34.05 (a) As per Labour Agreement. However, change all hours to 5:30 a.m. to 5:30 a.m.; except New Years day, start time 5:30 p.m. December 31 to 5:30 p.m. January 1.

#### 34.06 Holiday Eligibility

34.06 (a) Canada Day is an operating stat for tour workers who follow the 3-2-2- work week schedule.

34.06 (b) The Christmas shutdown period for all tour workers will be from 5:30 p.m., December 24th to 5:30 p.m. December 25th.

34.06 (c) The Labour Day shutdown period for all tour workers will be from 5:30 a.m. on Labour Day to 5:30 a.m. on the day following Labour Day.

34.06 (d) Boxing Day (defined as 5:30 p.m. December 25th to 5:30 p.m. December 26th) and the day following Boxing Day (defined as 5:30 p.m. December 26th to 5:30 p.m., December 27th) are run through days.

34.06 (e) Tour Workers required to work during the New Years day period will be paid double time.

34.06 (f) 3-2-2- Tour Workers will receive 36 hours statutory holiday pay for the period 5:30 a.m. December 24 to 5:30 a.m. December 27th. 3-2-2- Tour Workers scheduled to work during the period 5:30 a.m. December 24th to 5:30 p.m. December 24th and 5:30 p.m., December 25th to 5:30 a. m. December 27th will receive pay in accordance with the provisions of Section 10.02 (a) of the Labour Agreement.

Assignment Conditions: For the purpose of assigning the personnel required on the regular shift involved shall be offered the possibility of working on a voluntary basis. If the number of qualified personnel is insufficient other qualified employees of the department involved shall be offered the possibility of filling the vacant

position, based on their seniority. If the number of qualified personnel is still insufficient, qualified employees of the department involved shall be entered on the schedule in the reverse order of seniority to fill the vacant position.

34.06 (g) Employees may be scheduled to report for work on a voluntary basis, for twelve (12) hours before the expiration of a statutory holiday, according to the following list of classifications, when required to provide for an efficient start-up:

- 1 Recovery Operator
- 1 Recovery Assistant
- 1 Recovery 2nd Assistant
- 1 Utilities Shift Relief
- 1 Recast Operator
- 1 Turbine Operator
- 1 Digester Cook
- 1 Digester Helper
- 1 Brown Stock Washer Operator
- Woodyard Reclaim Crew of 2
- 2 Mill Mechanics
- 2 Electricians
- 1 Pipefitter
- 1 Welder
- 2 Instrument Mechanics
- 1 Woodyard Millwright

In the event that insufficient number of employees volunteer to fill the above classifications, the junior

qualified personnel in the department(s) concerned will be assigned.

### **34.07** Pay When Qualified

**34.07** (a) Eligible employees will receive their current rate for the twelve (12) hours.

**34.07** (b) If called in during a statutory holiday period, a minimum of six (6) hours pay or double time, whichever is greater, shall be paid.

### **34.08** Floating Holidays

**34.08** (a) Tour workers shall be eligible for four (4) floating holidays. Tour workers entitled to four (4) floating holidays will receive 20 hours pay when taking the fourth floating holiday or the employee has the option to take a 5th 12 hour floating holiday with eight hours pay. New permanent employees shall qualify for floating holidays at the rate of one (1) day each for two (2), five (5), seven (7) and nine (9) months of continuous service in the calendar year. Newly hired temporary employees shall qualify for floating holidays at the rate of two (2) after five (5) months of continuous service and in addition one (1) after seven (7), and one (1) after nine (9) months of continuous service in the calendar year.

**34.08** (b) Twelve (12) hours pay at regular straight time rates shall be paid for each floating holiday.

34.08 (c) Employees transferring in or out of the twelve-hour shift schedule will not receive more floating holiday time off or pay than their hourly entitlement as established at each January 1st.

34.09 Vacations (No Change)

34.10 Bereavement Leave

34.10 (a) Bereavement leave is to allow an employee time off work with no loss of wages and conversely no gain in wages.

34.10 (b) Three (3) days Bereavement Leave - Time loss up to a maximum of 36 hours pay.

First Shift Loss - 12 hours pay

Second Shift Loss - 12 hours pay

Third Shift Loss - 12 hours pay

34.10 (c) Five (5) days Bereavement Leave - Time loss up to a maximum of 40 hours pay.

First Shift Loss - 12 hours pay

Second Shift **Loss** - 12 hours pay

Third Shift Loss - 12 hours pay

Fourth Shift Loss - 4 hours pay

All other terms of the Labour Agreement apply as established.

### 34.11 Lunches at Company Expense

34.11 (a) Tour workers held over more than two (2) hours after completion of their regular twelve (12)-hour shift will be provided with a lunch and at each four-hour interval thereafter.

34.11 (b) Tour workers called in to work a twelve (12)-hour shift shall be provided with two (2) lunches at Company expense.

### 34.12 Jury Duty

Upon presentation of a voucher from the Clerk of Court showing fees received from serving on jury duty, answering roll call, or as a subpoenaed witness, an employee will be paid the difference between such fees received and normal wages for regular straight time twelve-hour working days falling within the normal work week which the employee would have worked had it not been for the jury duty.

### 34.13 Election Day Coverage

Tour workers shall be paid double time for all consecutive hours worked in excess of 12 hours.

**SECTION XXXV**  
**WORKERS COMPENSATION**

The Company will supply a copy of completed form 7 to the local Union.

IN WITNESS WHEREOF the Company and the Union as parties hereto have caused this agreement to be executed at Marathon, Ontario this 15th day of February, 2005.

UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL  
AND SERVICE WORKERS INTERNATIONAL UNION

MARATHON PULP INC.

\_\_\_\_\_  
A. J. Hitzroth

G. Talarico

\_\_\_\_\_  
B. J. Schwantz

B. Ramsay

MEMORANDUM OF AGREEMENT  
BETWEEN  
AMERICAN CAN OF CANADA LTD.  
Marathon Mill  
and  
I.B.P.S. & P.M.W., LOCAL 548

SUBJECT: TOUR RELIEF COVERAGE

It is understood that a day worker assigned to tour relief for vacation/floating holiday or compensating day for working a Statutory holiday coverage, will be paid at time and one-half for the first shift worked following only the first occasion of his move to a tour occupation in any one year specified for this purpose.

A year for this purpose shall be defined as a twelve-month period starting May 1st of the year and ending April 30th the year following.

This agreement covers day workers scheduled for tour relief in Woodyard, Shipping, Electrical and Mechanical departments.

To ensure reasonable uniformity in the practice of scheduling relief, the following points are noted:

1. Floating holiday coverage for 8 to 16 and 16 to 24 shift Monday to Friday and 24 to 08 shift Friday, will



be by a relief man at straight time, once he had been given overtime for the first occasion to take over a shift in the year, defined above. Coverage for reasons other than floating holidays, vacation and compensating day for working a statutory holiday will involve overtime for the first shift for each occasion.

2. On coverage for shifts other than noted in (1), two twelve hour shifts will normally be scheduled, although a relief man may be used on occasion for short periods, and for any extended coverage.

3. Should it be necessary to schedule a relief man for shift on Saturday, after he has worked Monday to Friday as a day worker, he will be paid overtime on Saturday. If, however, he is scheduled to cover a complete 24 to 08 shift starting Monday, Saturday will be at straight time.

4. No "make-up" time will be arranged for relief men. Under the above arrangements, they will not work less than 40 hours due to relief assignment.

5. When a day worker is required to work Friday, Saturday and Sunday day shift, he/she will be given the option of taking either Monday and/or Tuesday off or work their full scheduled work week.

6. When a day worker is required to work Friday, Saturday and Sunday night shift he/she will be given the option to take Tuesday as well as Monday off, or

work the remainder of the scheduled work week.

7. If only Friday is worked either day or night shift, days off will remain Saturday and Sunday.

8. When a day worker works Friday and Saturday day shift, Sunday will be a day off with the option of taking Monday off as well.

9. Any time off under Section 6, 7 & 9 will be through mutual consent. Any such request will not be unreasonably denied.

10. If a day worker is covering Tour Relief for one week or more, he/she will follow the days off of that tour. This agreement will supersede a similar one attached to the notes of Management-Union meeting of July 22, 1968.

FOR THE COMPANY:

FOR THE UNION:

'R. GREGOR"

B. RAMSAY"

B. FOURNIER"

Marathon, Ontario  
March 1999

**Letter of Understanding  
between**

**American Can of Canada Limited  
Mill Department, Marathon, Ontario**

**and**

**United Paperworkers international Union  
Local #548**

This is to confirm the understanding reached during the 1975 labour negotiations that the Company will, upon satisfactory completion of the compulsory correspondence courses, reimburse employees for the full cost of course fees.

Signed at Marathon, Ontario this 29th day of April,  
1975.

"D. M. REID"  
for the Company

, N. J. LEBLANC  
for the **Union**

LETTER OF UNDERSTANDING  
BETWEEN  
American Canada of Canada Limited  
Marathon, Ontario  
and  
United Paperworkers International Union  
Local #548

**REPLACEMENT OF HOISTING ENGINEERS**

The Company will continue to provide replacements for Hoisting Engineers through training in the normal line of progression in accordance with Section 16.05(a) of the collective agreement.

However, it is recognized that, in the event of successive vacancies occurring within a short interval, hiring of qualified applicants from outside will not be precluded to meet the operational needs of the plant.

Signed at Marathon, Ontario, this 12th day of May, 1977.

"W. MATSON"  
For the Company

"ALLAN J. LEBLANC"  
For the Union

**LETTER OF UNDERSTANDING**  
between  
**AMERICAN CAN OF CANADA LIMITED**  
Marathon, Ontario  
and  
**UNITED PAPERWORKERS INTERNATIONAL**  
**UNION**  
Local #548

**EMERGENCY LEAVE - SEASONAL AND**  
**TEMPORARY EMPLOYEES**

It is agreed and understood that the Company will consider every reasonable request for emergency leave submitted by the employees hired for seasonal work or for temporary summer relief work.

Signed at Marathon, Ontario, this 15th day of January, 1979.

G. A. Byrne  
For the Company

“            ”  
For the Union

**Letter of Understanding  
between  
American Can Canada Inc.  
and  
U.P.I.U., Marathon Local 548**

**PERMANENT SHIFT RELIEF - PULP MILL  
OPERATIONS**

In light of the Management decision to increase the number of permanent Shift Relief Men from the present four (4) to twelve (12), it has been agreed between the parties to apply the following conditions:

**QUALIFICATION REQUIREMENTS:** Must have a minimum of Grade X education, must be physically fit and be suitable for promotion.

**PROGRESSION:** Permanent Shift Relief Men will be trained to provide relief coverage for the three progressional lines, namely the Digesters, Machine Room and Recovery.

When a permanent vacancy occurs in any of the aforementioned areas, the permanent Shift Relief Men will have the option to fill it in order of their job seniority. Should none of them choose to fill the job, it will be posted in the usual manner.

**JOBPOSTING:** The posted job vacancy for the Machine Room progressional line will carry an educational

requirement of Grade VIII for the applicants hired prior to January 1, 1981, and Grade X for those hired January 1, 1981 and after. As in the past, Grade X **will** be required to enter the Digesters and Recovery **job** vacancies.

For the Company

For the Union

“ BYRNE ”

“ OSLING ”

A. F. KURVITS”

N. JAROUCHE”

Marathon, Ontario.  
February 18, 1981

**LETTER OF UNDERSTANDING**  
**between**  
**AMERICAN CAN CANADA INC.**  
**and**  
**UNITED PAPERWORKERS INTERNATIONAL**  
**UNION, LOCAL 548**

It is understood and agreed between the above parties that the Woodyard Millwright, Mill Mechanic and Power Plant Mechanic Trades will be integrated as set out below:

**(1)** A new trade classification to be added to the Schedule of Wages entitled Industrial Mechanic (Millwright) to come into line with the recognized classification covered by the Regulations of the Apprenticeship and Tradesmen's Qualification Act. This classification would not be tied to any specific maintenance area.

**(2)** Any apprentices currently in the apprenticeship program under postings for either Mill Mechanic trainees or Woodyard Millwright trainees be reclassified as Industrial Mechanics (Millwrights) retroactive to the date of their entry into the trade of Mill Mechanic or Woodyard Millwright.

**(3)** Any new Industrial Mechanic (Millwright) apprentices be posted for as such.

**(4)** Any new tradesmen hired for the mechanic/millwright area (including Woodyard, Mill or Steam



Plant Maintenance) be classified as Industrial Mechanic (Millwright).

(5) All persons in the Industrial Mechanic (Millwright) trade be treated as part of the crew where they are working at the time for purposes of vacation preference, etc. with their seniority for such preference being equal to their total service in the Industrial Mechanic (Millwright) trade.

(6) Industrial Mechanics (Millwrights) will follow the traditional job duties of the area in which they are assigned, i.e. when assigned to the Woodyard will follow traditional job duties of old Woodyard Millwright classification, when assigned to the Mill will follow traditional job duties of old Mill Mechanic classification and when assigned to the Power Plant will follow traditional job duties of old Power Plant Mechanic classification.

(7) Present employees in the Mill Mechanic, Steam Plant Mechanic, or Woodyard Millwright area, other than current apprentices, will retain their present classification and departmental standing.

For the Company:

G. A. BYRNE"

For the Union:

H. G. GOSLING"

Marathon, Ontario  
November 20, 1981

**LETTER OF UNDERSTANDING  
between  
AMERICAN CAN CANADA INC.  
MILL DEPARTMENT, MARATHON, ONTARIO  
and  
UNITED PAPERWORKERS INTERNATIONAL  
UNION  
LOCAL#548**

The parties concerned agree to review no later than December 1st of each year all permanent positions that have been filled for sixty (60) days or more on a temporary basis.

The parties will then decide as to whether or not such positions should be filled on a permanent basis.

Should a permanent employee, replaced in the above manner, return to work, the step-back provisions of the Labour Agreement will apply.

Signed at Marathon, Ontario, this 22nd day of June, 1982.

“ BYRNE”  
For the Company

H. GOSLING”  
For the Union

LETTER OF UNDERSTANDING  
BETWEEN  
JAMES RIVER-MARATHON, LTD.  
AND  
UNITED PAPERWORKERS INTERNATIONAL  
UNION, LOCAL 548

**TRAINING AND DEVELOPMENT TEAM**

It has been agreed between the parties that an employee may serve on the Training and Development Team for a period of up to 3 years without losing any rights in his/her previous position. Furthermore, on returning to his/her regular department, (s)he will assume the position (s)he would have had had (s)he not served on the Training and Development Team. Extensions may be granted with the mutual consent of the union and the company.

Signed at Marathon, Ontario this \_\_\_19th\_\_\_ day of \_\_\_March\_\_\_, 1996

R. J. Greer

"B. Ramsay"

"\_\_\_Porter"

A.Ovaska"

LETTER OF UNDERSTANDING  
BETWEEN  
JAMES RIVER-MARATHON, LTD.  
AND  
UNITED PAPERWORKERS INTERNATIONAL  
UNION, LOCAL 548

**START-UP COVERAGE**

It has been agreed between the parties that the following procedure will be followed when providing for 24 hour start-up coverage:

A) COVERAGE IS PROVIDED FOR ONE (1) DAY ONLY

1. A decision will be made by noon of the day the coverage is to be provided.
2. Those day workers assigned to the start-up coverage will be advised that they will be going on 12 hour shifts until further notice.
3. The 7:30 p.m. to 7:30 a.m night person will go home at 11:30 a.m. and report back in at 7:30 p.m.. {The 2nd lunch will be provided- Section 31.02}.
4. The person assigned to days will work over until relieved at 7:30 p.m. by the night person {time and one-half from 3:30 p.m. to 7:30 p.m. - Section 9.01 (e)}. {A lunch will be provided - Section 31.01.}

5. Shift differential will not be applicable. (as did not go beyond 1st shift then not considered a shift and Section 20.02 (b) applies.

6. Rest period is applicable. (Section 33.03)

7. Should any of the preceding people work on a Sunday Section 9.01 (c) is applicable.

## **B) COVERAGE IS PROVIDED FOR TWO (2) OR MORE DAYS.**

1. A decision will be made by 11:30 a.m. of the day the coverage is to be provided.

2. Those day workers assigned to the start-up coverage will be advised that they will be going on 12 hour shifts until further notice.

3. The 7:30 p.m. to 7:30 a.m. night person will go home at 11:30 a.m. and report back in at 7:30 p.m. for his/her first shift {time and one half for 1st shift - Section 9.03 (a)}. {The 2nd lunch will be provided - Section 31.02}.

4. The person assigned to days will work over until relieved at 7:30 p.m. by the night shift person {time and one half from 3:30 p.m. to 7:30 p.m. - Section 9.01 (e)}. {A lunch will be provided - Section 31.01}.

5. The 2nd day will be the day shift person's 1st shift {time and one half for 1st shift - Section 9.03 (a)}. {The 2nd lunch will be provided - Section 31.02}.

6. Shift differential will be applicable with the 1st shift. {Section 19.01 (c)}.

7. Rest period is not applicable. {Section 32.03 only applicable to an individual who is scheduled for only a single start-up shift}.

8. Should any of the preceding people work on a Sunday while on shift, revert to day worker status prior to the Friday of that week and work on the Friday as a day worker - time and one half is not applicable to the Friday.

Signed at Marathon, Ontario this 12th day of September, 1994.

"Gregor"

B. Ramsay"

"J. J. Porter"

"B. Matte"

REISSUED OCTOBER 16, 1995

**MARATHON PULP INC.**  
**RULES AND REGULATIONS GOVERNING**  
**EMPLOYEES**

The object of the following rules is to remove any cause for misunderstanding between the Company and its employees in connection with all matters pertaining to their departments and the manner in which they discharge the duties to which they have been assigned. It is impossible to provide rules, which cover all conditions. Therefore, verbal instructions given by Unit and Team Leaders will cover specific cases not otherwise provided for.

Safety Management System includes the policies and procedures that will govern all work activities at Marathon Pulp Inc.

1. *SAFETY*

**Safety O** \_\_\_\_\_

Management maintains a safety organization for the prevention of industrial accidents and the improvement of mill safety and sanitation. Employees are expected to co-operate fully with Management in reporting and eliminating dangerous or unsanitary conditions and practices, and must familiarize themselves with their duties and the hazards pertaining thereto. The Safety Management System includes the policies

and procedures that will govern all work activities at Marathon Pulp Inc.

### Reporting Accidents

All employees, when injured, must promptly avail themselves of the First Aid facilities provided at the mill.

An injured employee, whenever possible, and all witnesses must report at once all accidents, major or minor, to the First Aid Room or Unit/Team Leader.

### Clothing

Employees must not wear clothing, which can readily become entangled in machinery. Clothing not in use shall be kept in lockers provided for that purpose.

### Safety Footwear

The Company will contribute one hundred and fifty dollars (\$150.00) toward the cost of safety footwear to all active employees on the payroll. Maximum one payment per employee per calendar year.

The Company will contribute toward the cost of safety footwear for those employees who have been employed for 1,040 hours in the previous year.



## Compulsory Safety Equipment

All compulsory safety equipment is supplied by the Company, with the exception of safety footwear.

## Defects in Machinery

Employees must report dangerous defects in machinery to their supervisors immediately.

### Safeguards

Safeguards must not be removed except for the purpose of performing repair work. If removed, they must be replaced immediately after the work is completed.

## Fire Services

In case of fire, all employees must assist in preventing the destruction of Company property. Fire apparatus must not be removed from its place or used except in cases of fire by permission of a Team Leader. Employees must report to their Team Leader fire equipment in need of checking and/or refilling. They must also report fires and potential fire hazards immediately.

## Safety Lock-Out Regulations

“DANGER • DO NOT START”, “INCHING” AND “DEPARTMENTAL DANGER” tags are available for the use of all mill employees authorized to supervise, perform maintenance work or operate equipment, and

in all instances the appropriate tag **MUST** be used as indicated by the latest update of the Safety Lock-Out Procedure.

Employees using these tags must assure themselves that the proper switch, valve, or control has been locked out and, where possible, double check **to** be certain. In all cases where push buttons control equipment, said buttons should be pushed at least twice to be sure that the proper switch has been disconnected and locked.

Removal of locks will be as outlined in the latest update of the Safety Lock-Out Procedure.

### Drinking Water Supply

Drinking fountains have been installed at various points in the mill for the use of employees. Water from such fountains has been approved by the Department of Health and other sources must be considered contaminated.

### Hard Hats

When a worker is exposed to a hazard of head injury he/she shall wear head protection appropriate in the circumstances, provided the wearing of the head protection does not create a hazard. Head protection shall be worn on all mill property notwithstanding the noted exceptions. Hard hats are available in stores.

- X Where there is a risk of the hard hat falling into the stock and there is a reduced risk of head injury.
- X Automotive Garage mechanics can choose to wear bump hats.
- X All vehicles
- X Control and lunch rooms
- X Machine Room operating floor
- X Brown stock washer floor
- X Digester capping floor
- X Bleach washer floor
- X Stores
- X Offices
- X Laboratory
- X Turbine operators in the turbine room
- X Shops where there are not any overhead hazards
- X Clarifier drive access area
- X Entering and leaving work
- X At the ASB site.

### **Safety Glasses**

Wearing of Safety glasses with permanent shields is mandatory in all non-office areas.

Safety goggles must be worn in all areas and on all occupations where specified.

### **2. PENALTIES FOR UNEXCUSED ABSENTEEISM**

Any employee who fails to report for work shall be

treated as an absentee for each day of his absence, and unless he can show extenuating circumstances shall be subject to the following disciplinary action:

First day of absence: Written warning.

Second day of absence: Second written warning.

Third day of absence: Provided that it is within twelve (12) months of the first day of absence - dismissal.

### **3. INDIVIDUAL RESPONSIBILITY**

Everything in and about the plant must be kept clean and in good order, and each employee will be held responsible for the condition of that part of the plant under his control. He is required to see that his locker is kept clean and in a neat condition. Clothing or other articles must not be left at the bottom of lockers to cut off the circulation of air and thus prevent damp clothing from drying. Lockers will be inspected periodically.

### **4. BULLETIN BOARDS**

Notices shall not be posted in the Mill except upon official bulletin boards. In such cases permission of the Co-ordinator, Human Resources, must be obtained before the notice is posted.

## 5. LEAVING AND ENTERING THE PLANT

No employee shall be permitted to leave the plant while on duty without the permission of the head of his department. Employees stopping work are required to punch out when leaving the job and **to** punch in again when returning to work. This does not apply to employees who are specially instructed by the department head to go out for special reasons having to do with the job.

Each employee when reporting for work must enter the plant at the main entrance and punch his time card.

Employees are expected to be in their respective departments ready for work at the regular starting time and shall remain at work, except when otherwise authorized, until the regular quitting time.

Day workers punching in after their shift starts shall be penalized by losing ~~one-sixth~~ of an hour's pay for each ten minute period late, or fraction thereof. The same penalty will apply to those day workers who punch out before the end of their shift.

An employee must not punch the time card of another.

## 6. LEAVING EMPLOY OF COMPANY

Anybody leaving the employ of the Company shall not

remove any tool or property until they are first inspected by the Unit Leader or his designate and written approval obtained from either for their removal.

All packages are subject to search by the Security Guard.

## 7. TELEPHONES

Mill telephones are primarily for company business. Where personal calls are necessary, a minimum of time is to be used. Only emergency calls for men on shift will be accepted.

When an employee off duty has occasion to contact his supervisor after 5 p.m., Sundays or holidays, he shall call the Security Guard Office (Phone 229-1200). The Security Guard will then page the person called and will put the call through to him.

This practice will be used only in emergency.

## 8. SMOKING

Effective January 1, 2003 Marathon Pulp Inc. became a Tobacco Products-Free Workplace.

          I HT S - All employees should note that butane lighters are banned from Company property.

Regulations governing smoking are subject to change through notice to **our** employees **and** the Union.

#### **9. PERMITS FOR TRUCKS, INSPECTION OF CARS, ETC.**

The Company reserves the right at any time to examine all or any cars, or containers leaving the Mill. The Company also reserves the right to restrict the use and operation of cars on Mill property.

#### **10. LOCKERS**

Lockers are supplied to each employee and assignment of same is administered through the Human Resources Department.

#### **11. GENERAL**

Visitors are not permitted in or upon Company property except with properly signed passes by the Management. This applies also to employees who are off shift or who are not working.

**All** visitors must enter and leave the Mill premises at a time designated by Management.

Employees are not allowed in departments or parts of the Mill building not directly connected with their work.

No soliciting nor peddling will be permitted on plant

premises without written permission of Management and employees are specifically banned from carrying on private business transactions of any kind during working hours.

## 12. MEDICAL EXAMINATION

It shall be the policy of the Company to require new employees to submit to medical examination prior to employment and at the Company's expense as a condition of employment, and the Company may, at any time, require a further medical examination of any employee at the Company's expense, should such appear advisable as a sanitary or safety measure and reserves the right to take such action as circumstances may warrant. When arrangements have been made for an employee to report to the doctor's office for a medical re-check during working hours, he shall punch his time card out when leaving the mill and punch in on his return. He shall, however, be paid for the time he is absent.

## 13. FREEDOM FROM HARASSMENT

All employees are reminded that Marathon Pulp Inc. firmly believes that every person in the Company's employ has a right in the workplace to freedom from harassment.

Any harassment will not be tolerated and will be subject to discipline up to and including discharge.



#### 14. GROUP INSURANCE

All employees are required to participate in the Group Insurance Plan. Application will be signed after completing 2 months for permanent employees or 6 months for temporary employees.

Employees will have group insurance coverage for the following: Life Insurance, Accidental Death and Dismemberment, Extended Medical Benefits, Weekly Indemnity, Long Term Disability Insurance and Dental Care.

Insurance is carried by the Insurance Company, and, upon leaving the Company's employ, the employee's life insurance may be continued without medical examination by making application directly to the insurer.

#### 15. PENSION PLAN

A. A contributory pension plan is provided by the Company and is carried by the Sun Life Assurance Company covering all employees.

Applications must be signed at time of hiring. This is a condition of employment.

B. The normal retirement date for employees is the 1st day of the month following their 65th birthday.

## 16. CAUSES FOR IMMEDIATE DISCHARGE

- X Neglect of duty, carelessness, horseplay or practical **jokes**.
- X Absence from duty without permission.
- X Bringing intoxicants into the plant, or reporting to work under the influence.
- X Smoking or striking lights in prohibited areas.
- X Failure to report injuries and the observances of safety rules.
- X Riding on or using mechanical equipment without permission.
- X Disorderly or immoral conduct.
- X Sleeping on the job.
- X Reading on the job except where required in the line of duty.
- X Punching the time card of another employee, falsifying Company records or reports.
- X Theft, from the Company or fellow employee, taking Company property without permission.
- X Acts of sabotage, causing damage or liable to cause damage to materials, equipment or other employees, or attempting to incite others to cause like acts.
- X Incompetence, negligence, or insubordination.
- X Repeated tardiness or irregular attendance.

Automotive	Hoisting Engineer	28.66	28.66	29.15	\$29.59	\$30.18	\$30.78	
	Crane Operator 'B'	24.44	24.44	24.68	\$25.05	\$25.56	\$26.06	
	Tractor Operator 'A'	24.17	24.17	24.41	\$24.78	\$25.28	\$25.79	
	Tractor Operator 'B'	23.46	23.46	23.69	\$24.06	\$24.53	\$25.02	
	Truck Driver	23.27	23.27	23.50	\$23.85	\$24.33	\$24.82	
	Mechanic 'A'	28.86	28.86	29.15	\$29.59	\$30.18	\$30.78	
	Mechanic	27.13	27.13	27.40	\$27.81	\$28.37	\$28.94	
	Journeyman 'A'	28.86	28.86	29.15	\$29.59	\$30.18	\$30.78	
	Millwright	27.13	27.13	27.40	\$27.81	\$28.37	\$28.94	
	Handyman	24.29	24.29	24.53	\$24.90	\$25.40	\$25.91	
	Tractor Operator 'A'	24.17	24.17	24.41	\$24.78	\$25.28	\$25.79	
	Tractor Operator 'B'	23.46	23.46	23.69	\$24.05	\$24.53	\$25.02	
Woodyard	Truck Driver	23.27	23.27	23.50	\$23.85	\$24.33	\$24.82	
	Digger Operator							
	Digger Operator Helper							
	Labourer	22.72	22.72	22.95	\$23.28	\$23.76	\$24.24	
	Shift Relief Man	22.74	22.74	22.97	\$23.31	\$23.78	\$24.26	
	General							

Department	Classification	Rate	Rate	Rate	Rate	Rate	Rate
Digesters, Brown Stock Washers	Digester Cook	26.57	26.57	26.84	\$27.41	\$27.96	\$28.52
	Blk Stk Washer Oper	24.91	24.91	25.18	\$25.54	\$26.05	\$26.57
	Digester Helper	23.41	23.41	23.64	\$23.99	\$24.47	\$24.96
Beach Plant	Operator	27.36	27.36	27.63	\$28.04	\$28.60	\$29.17
	First Helper	24.62	24.62	24.87	\$25.24	\$25.74	\$26.25
	Second Helper	24.32	24.32	24.56	\$24.93	\$25.43	\$25.94
	Machine Tender	26.57	26.57	26.84	\$27.24	\$27.78	\$28.34
Machine Room	Baling Operator	24.32	24.32	24.56	\$24.93	\$25.43	\$25.94
	Utility Man	23.16	23.16	23.39	\$23.74	\$24.21	\$24.69
	Shipping Lead Hand	25.97	25.97	26.23	\$26.62	\$27.15	\$27.69
	Senior Day Operator	23.65	23.65	23.89	\$24.25	\$24.74	\$25.23
Whse Equip Oper (Relief)	Tour Whse Equip Oper	23.65	23.65	23.89	\$24.25	\$24.74	\$25.23
	Locomotive Engineer	23.65	23.65	23.89	\$24.25	\$24.74	\$25.23
	Senior Switchman	23.65	23.65	23.89	\$24.25	\$24.74	\$25.23
	Locomotive Switchman	23.65	23.65	23.89	\$24.25	\$24.74	\$25.23
Recast	Tail Oil Operator	23.56	23.56	23.80	\$24.16	\$24.64	\$25.13

	26.20	26.20	26.46	\$26.66	\$27.40	\$27.95
Analytical Teacher						
Senior Lab Teacher	26.95	26.95	26.21	\$26.60	\$27.13	\$27.67
Junior Lab Teacher	25.73	25.73	25.99	\$26.38	\$26.91	\$27.45
Pulp Grader	23.63	23.63	23.87	\$24.23	\$24.71	\$25.20
Mechanical Lead Hand	31.75	31.75	32.07	\$32.56	\$33.20	\$33.86
Journeyman X	28.86	28.86	29.15	\$29.59	\$30.18	\$30.76
Building Services Leadhand	31.75	31.75	32.07	\$32.56	\$33.20	\$33.86
Mechanical Leadhand	31.75	31.75	32.07	\$32.56	\$33.20	\$33.86
Mechanic	27.13	27.13	27.40	\$27.81	\$28.37	\$28.94
Maintenance Lead Hand	31.75	31.75	32.07	\$32.56	\$33.20	\$33.86
Sheetmetal Mechanic	27.13	27.13	27.40	\$27.81	\$28.37	\$28.94
Insulation Mechanic	27.13	27.13	27.40	\$27.81	\$28.37	\$28.94
Pipefitter	27.13	27.13	27.40	\$27.81	\$28.37	\$28.94
Carpenter	27.13	27.13	27.40	\$27.81	\$28.37	\$28.94
Welder	27.13	27.13	27.40	\$27.81	\$28.37	\$28.94
Build. Serv. Lead Hand	31.75	31.75	32.07	\$32.56	\$33.20	\$33.86
Brick Mason	27.13	27.13	27.40	\$27.81	\$28.37	\$28.94
Painter	27.13	27.13	27.40	\$27.81	\$28.37	\$28.94
Pulp Mill Oiler	26.20	26.20	26.46	\$26.86	\$27.40	\$27.95
Tool Room Attendant/ Repair Person	28.86	28.86	29.15	\$29.59	\$30.18	\$30.78

Description	RATES EFFECTIVE									
	1-1-03	4-1-03	7-1-03	10-1-03	1-1-04	4-1-04	7-1-04	10-1-04	1-1-05	4-1-05
<b>General Services</b>										
Track Foreman										
General Services Leadhand	31.75	31.75	32.07	32.07	32.55	33.20	33.86			
Sludge Removal Tender	23.22	23.22	23.45	23.45	23.80	24.28	24.77			
Labourer	22.72	22.72	22.95	22.95	23.29	23.76	24.24			
<b>Universal Electrical</b>										
Indust Mech/Milwright	27.13	27.13	27.40	27.40	27.81	28.37	28.94			
Head Tradesman	29.82	29.82	30.12	30.12	30.57	31.18	31.80			
Electrician 'A'	28.86	28.86	29.15	29.15	29.59	30.18	30.78			
Electrician	27.13	27.13	27.40	27.40	27.81	28.37	28.94			
<b>Instrumentation</b>										
Inst. Head Tradesman	29.82	29.82	30.12	30.12	30.57	31.18	31.80			
Instrument Mechanic 'A'	28.86	28.86	29.15	29.15	29.59	30.18	30.78			
Instrument Mechanic	27.13	27.13	27.40	27.40	27.81	28.37	28.94			
<b>Trades Training</b>										
Improver	24.55	24.55	24.80	24.80	25.17	25.67	26.18			
1st Helper	24.39	24.39	24.63	24.63	25.00	25.50	26.01			
2nd Helper	24.11	24.11	24.35	24.35	24.72	25.21	25.71			
Probationary Helper	22.72	22.72	22.95	22.95	23.29	23.76	24.24			

	27.13	27.13	27.40	\$27.81	\$28.37	\$28.94
<b>Trades Apprenticeship</b>						
Journeyman		27.13	27.40	\$27.81	\$28.37	\$28.94
4th Year Apprentice	25.69	25.69	25.95	\$26.34	\$26.87	\$27.41
3rd Year Apprentice	24.82	24.82	25.07	\$25.45	\$25.96	\$26.48
2nd Year Apprentice	23.95	23.95	24.19	\$24.55	\$25.04	\$25.54
1st Year Apprentice	23.09	23.09	23.32	\$23.67	\$24.14	\$24.62
Probationary Apprentice	22.72	22.72	22.95	\$23.29	\$23.76	\$24.24
<b>Power Plant</b>						
Turbine Operator	28.15	28.15	28.43	\$28.86	\$29.44	\$30.03
Recovery Operator	30.35	30.35	30.65	\$31.11	\$31.73	\$32.36
Asst Recovery Operator	28.19	28.19	28.47	\$28.90	\$29.48	\$30.07
Recalust Operator	26.98	26.98	27.25	\$27.66	\$28.21	\$28.77
2nd Asst Recovery Oper.	25.70	25.70	25.96	\$26.35	\$26.88	\$27.42
Utilities Shift Relief	22.74	22.74	22.97	\$23.31	\$23.78	\$24.26

NOTE: The Power Plant Employees, who possess a valid Stationary Engineer's certificate of qualification, the following hourly premium according to the certificate held:

- 1st Class Certificate \$1.20
- 2nd Class Certificate \$0.90
- 3rd Class Certificate \$0.40
- 4th Class Certificate \$0.25

This does not include maintenance personnel

## **APPENDIX “A”**

### **THE OPERATING PHILOSOPHY FOR MARATHON PULP INC.**

We recognize that it is in the mutual interest of the company and its employees to provide for the efficient operation of the plant and meet the employee needs and business expectations. We also recognize the traditional ways in which work was assigned and performed in the past must change to meet the ongoing challenges presented in our industry.

Both union and salaried employees at the Marathon mill are committed to achieve the changes required in a spirit of cooperation and trust. We are to achieve the changes required in a spirit of cooperation and trust. We are committed to creating a work environment, which promotes teamwork and encourages individual participation and initiative, and achieves our goals. Inefficient and outdated practices, work rules, management procedures, and other traditional ways in which work is assigned and performed must be addressed and alternatives introduced to meet the challenges of competition and the marketplace.

Our business objective is to manufacture quality pulp in a safe and environmentally sound manner which satisfied the needs and expectations of our customers as they perceive them and to do this better than our competition. Our customers include those who buy and use our product, and also the Corporation's



stockholders and employees, the business sectors we serve, and the community within which we operate. Ultimately, customer and employee satisfaction determines our success, secures the ongoing viability of our operation and provides job security.

This will be achieved by present and new methods which safely and effectively achieve ongoing and continuous improvement in mill operations, the quality and quantity of production, the elimination of waste and the cleanliness and housekeeping of the mill. This can best be accomplished in an atmosphere of cooperation, trust and respect, recognizing and utilizing the individual expertise and knowledge of all employees.

We are committed to creating a plant environment where all people:

- X create a high quality of work life within a safe environment;
- X have high achievement motives, strong work ethics, good organizational, technical and communication skills;
- X have a true sense of honour and integrity with respect for the organization and its members;
- X support working together and employee involvement;
- X are properly trained and informed to help them achieve their full potential:

- X are consistent, truthful, and accept responsibility for their actions;
- X are willing to listen and treat each other with respect;
- X are creative, and utilize problem-solving techniques;
- X engage in continuous improvement in all aspects of our business.

Operating crews and tradesmen will take responsibility and ownership for their respective areas. They will be expected to safely perform tasks that make good common sense within their recognized skill levels to increase employee effectiveness.

It is the duty of the company and the employees to cooperate fully, individually and collectively in the attempt to share values and ideals in the process of working together toward the mutual goal of staying competitive.

The company and the unions will seek to manage and resolve any issues in a timely and equitable way, while making changes in a systematic and participative manner.

We are partners and share the responsibility for the success of the Marathon mill today and for the future. By continuously operating according to this philosophy, we will fulfill our mission.

## **MARATHON PULP INC.**

### **COMPETITIVE WORK PRACTICES(C.W.P.)** **GUIDING PRINCIPLES**

In order to optimize the skills, training and ability of all personnel, improve competitiveness, efficiency, and productivity of the plant and secure the ongoing viability of the operation, the Company proposes the following changes in work practices:

- a) All tradesmen, regardless of trade, class or jurisdiction will perform on a mill-wide basis all required maintenance and repair work for which they have the ability.
- b) Tradesmen will assist operating personnel as required.
- c) Operating personnel will assist tradesmen as required.
- d) Operating personnel will perform any tasks for which they have the ability related **to** the activities of their department, such as routine adjustments, minor repairs, lubricating, testing, inspecting, etc.
- e) Operators may be assigned to work in other areas or departments when their department is **not** running.
- f) Work not requiring specialized skills or extensive training may be performed by any employee in the mill regardless of classification or jurisdiction.
- g) It is recognized some training may be necessary to fully implement C.W.P.

# **THE OPERATING GUIDELINES FOR THE MARATHONMILL**

## **Recognition of Unions**

The Company continues to recognize the jurisdictions of Local 548, USW.

## **Attrition**

With the implementation of C.W.P. the Company commits to the following:

- a) The Company agrees that no current permanent full time employees will be terminated as a result of the introduction of Competitive Work Practices;
- b) A tradesman today will continue to be a tradesman (includes trades trainees and apprentices);
- c) The role of a temporary employee will be maintained. In the event of a reduction in the temporary work force and upon continued application, these employees will be given rehire preference.

## **Steering Committee**

The signatory Union and Company management will form a Steering Committee which will oversee the development, progress, training and communication of C.W.P.. It will consist of two members of USW. and two members of management. It will audit, report progress, and work to resolve conflicts which would

jeopardize the spirit of cooperation which lead to this agreement.

Any permanent changes to the present work practices by the teams shall be directed through the Steering Committee before implementation. The Steering Committee will develop a consensus among its members in the decision making process.

Individuals will be assigned work only after completion of proper training and can refuse work assignments because of lack of training or safety.

The Steering Committee will develop a consensus among its members in the decision making process based on affirmative answers to the following key questions:

1. Can it be done safely?
2. Are the skills and abilities present?
3. Are the tools and time available?
4. Is it cost effective?
5. Is it consistent with appendix " A ?

All conflicts shall be resolved through the Steering Committee and their decision is final.

Steering Committee members will come from Senior Management and Union Executive.

## **Training**

The Company commits to provide the necessary training to ensure that the recognized skill needs of the team are met. Employees will not perform such work unless they can do it safely.

This training will be offered to the employees by job seniority.

## **Flexibility**

An employee's basic work assignment will be to perform tasks normally associated with his job classification and department. Every employee will be expected to perform incidental job duties and assist employees in other job functions in conjunction with his basic work assignment.

Company and the Union agree to form a union/management committee to finalize the details of a dual trades system that will be implemented at Marathon Pulp Inc.

## *Overtime*

Overtime for job continuation is the responsibility of the primary trade. If no one from the primary trade wants the overtime, it would be offered to other tradesmen (providing they are qualified) who were on the job from 7:30 a.m. to 3:30 p.m.. Scheduled overtime and call-ins will be as per the overtime policy.

Jobs that require more than one skill will be offered to the tradesman working on the job.

The parties hereto agree that this C.W.P. document which includes the Operating Philosophy for the Marathon Mill and the Operating Guidelines, will form part of our Labour Agreement and will be the basis by which we operate our mill.

Date when full implemented -

\$0.10/hr for all hourly employees.

After 6 months

\$0.40/hr for all hourly employees when labour costs/tonne decreases by 3% (6 month rolling average)

After 6 months

\$0.25/hr for all trades when maintenancelabour costs/tonne decreases by a further 2% (6 month rolling average)

After 6 months

\$0.25/hr for all trades when maintenancelabour costs/tonne decreases by a further 2% (6 month rolling average)

It is understood that if the second and/or third increases have not been achieved within the 36-month period after implementation, then the outstanding increase(s) will be granted or the total plan dropped and any increases granted will be forfeited.

## **APPENDIX “B”**

### **GROUP INSURANCE PLAN**

The following outline of the Plan is for ready reference only. The extent of the insurance for each employee and dependent is governed at all times by the complete terms of the master Group Insurance Policy issued by the carrier.

The Company and the Union to create a joint committee to review the benefit cost and look at every possible means of reducing premium costs.

Effective May 1, 2005, a co-payment plan for Dental and Major Medical will be set up with 90 % employer paid and 10% employee paid, with an employee maximum of \$150.00 for Dental and \$400.00 for Major Medical per year for family and \$75.00 for Dental and \$200.00 for Major Medical for single. This is in addition to already established deductibles.

Effective May 1, 2005, brand name prescription drugs will be reimbursed at 80%. for generic prescription drugs and drugs with no generic, the reimbursement will be 90%. Brand name drugs will only be reimbursed at 90% provided there is medical justification from the treating physician for its generic equivalent not being recommended, not tolerated or cannot be administered given the medical condition of the insured participant.



The parties recognize that the use of generic drugs is an important element for containing costs in the health care plan to increase the use of generic drugs.

### Schedule of Insurance

#### Employees

Basic Life Insurance	\$40,000.00
Effective May 1, 2000	\$45,000.00

Basic Accidental Death and Dismemberment Insurance	\$40,000.00
Effective May 1, 2000	\$45,000.00

At retirement the Basic Life Insurance will reduce to	\$10,000.00
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Effective May 1, 2000 for those retiring after May 1, 2000. the Basic Life Insurance will reduce to	\$12,500.00
Effective May 1, 2003 for those retiring after May 1, 2003 the Basic Life Insurance will reduce to	\$15,000.00

#### Accident and Sickness Insurance

Weekly Payment 70% of basic weekly earnings

## Long Term Disability Insurance

Your monthly benefit is 55% of your basic monthly earnings.

Maximum monthly benefit	\$ 3,000.00
Effective April 1, 1999	\$ 3,500.00
Effective May 1, 2005	\$ 5,000.00

The payment will be reduced by certain other periodic benefits to which you may be entitled, as explained later.

## Employees and Dependents

Dental Expense Insurance.

Extended Medical Benefits.

The entire cost of the above coverage is borne by the Company.

In addition, employees may also make application for Supplementary Insurance as follows:

Supplementary Life Insurance	\$40,000.00
Effective May 1, 2000	\$45,000.00

Supplementary Accidental Death and Dismemberment Insurance	\$40,000.00
Effective May 1, 2000	\$45,000.00

Employee's Monthly contribution for	
Supplementary Insurance	\$16.00
Effective May 1, 2000	\$18.00

Your contribution toward the cost of the Supplementary Group Insurance as shown above will be deducted from your pay cheque. The balance of the cost is borne by the Company.

The Insurance Company cannot accept applications for Supplementary Group Insurance in amounts other than those to which you are entitled in accordance with the above schedule.

**Exception:**

The amount of Supplementary Insurance was increased from \$15,000.00 to \$20,000.00 effective June 1, 1980. Employees, who as of May 26, 1980 had been enrolled for Supplementary Insurance, were given the option to pick up additional \$5,000.00 of insurance within sixty (60) days or remain at the former level of \$15,000.00. Similarly, on October 1, 1982, when every eligible employee's Supplementary Insurance was increased by \$5,000.00, those moving to \$20,000.00 from \$15,000.00 were given the opportunity to pick up an additional \$5,000.00 of insurance within sixty (60) days or remain at \$20,000.00. Similarly, on November 1, 1987, when every eligible employee's supplementary insurance was increased by \$5,000.00, those left with less than the maximum coverage were given the opportunity to pick up an additional \$5,000.00 of

insurance within sixty (60) days or remain at the level they were at. Effective May 1, 1990, active employees who carried supplementary life insurance were automatically picked up for an additional \$5,000.00. Those employees who were left with less than the maximum of \$35,000.00 were given the opportunity to pick up an additional \$5,000.00 provided they applied for it within 60 days. Effective May 1, 1995, active employees who carried supplemental life insurance were automatically picked up for an additional \$5,000.00. Effective May 1, 2000 active employees who carry supplemental life insurance will automatically pick up an additional \$5,000.00. Those employees who are left with less than the maximum \$45,000.00 can pick up an additional \$5,000.00 provided they apply for it within 60 days from the date they are eligible. If you enrolled for the Supplementary Insurance on or before your eligibility date, your Supplementary Insurance will become effective on that eligibility date provided you are then actively at work; otherwise on your return to active work.

If you enroll within 31 days after your eligibility date, your Supplementary Insurance will become effective as soon as you are actively at work after enrolling. If you do not enroll within 31 days after your eligibility date, you can not participate in the future without submitting evidence of your insurability.

## Spousal Life Insurance:

Optional Spousal Life Insurance is available to employees in the amount of \$50,000.00 reducing to \$15,000.00 at the employee's retirement and cancelling upon the employee's death. Full cost is to be paid for by the employee.

Effective January 1, 2005

Increase to \$60,000.00., reduce to \$20,000.00 at retirement.  
employee to pay premium

## When you Become Insured

If you are hired as a full-time permanent employee, you will become eligible for insurance for yourself and your dependents upon completion of two months of continuous active service. No one will be eligible for Long Term Disability Insurance beyond the date he attains age 65.

Should you not be working full time on the day you would ordinarily become insured, the insurance for yourself and dependents will be delayed until you return to full-time work. Coverage for your dependents is subject to the conditions explained below.

## Eligible Dependents

The term dependent includes:

1. an employee's spouse, while residing with the employee.

2. “Dependent Children” are defined as natural or adopted children under twenty-one (21) years of age who are dependent upon the employee for financial support. Dependents also include unmarried children under twenty-five (25) years of age who are in full time attendance at specialized schools, colleges or universities and physically disabled and mentally retarded children of any age who are totally dependent upon the parents for financial support.

Employees applying for dependent coverage under this section will be required to furnish satisfactory proof of full time attendance at a specialized school, college or university or medical certification of disability or handicap, to the insurance carrier.

Any person who enters military service is not included in the term “dependent”.

The term “child” also includes any stepchild who resides in the employee’s household and any child supported solely by the employee and permanently residing in the household of which the employee is the head.

If a dependent, except a new born child, is confined for medical care or treatment in any institution or at home when coverage would normally start, the dependent will not be covered until given a final release by the doctor from all-such confinement.

### Life Insurance for Employees

The Life Insurance is payable in event of your death from any cause, at any time or place, while you are insured. Payment will be made in a lump sum or in instalments to your beneficiary. You may change the beneficiary whenever you wish in accordance with provincial laws.

If you become totally disabled, the policy contains a provision under which your Group Life Insurance, shown in the schedule, may be continued at no cost to you while you remain totally disabled unless terminated as specified below.

If your Long Term Disability benefits based on credited service are exhausted before you qualify for retirement, your Life Insurance in effect at the commencement of disability will be terminated. However, the amount of terminated Life Insurance may be converted to an Individual Life Insurance Policy as though your employment had terminated. See "Change to an Individual Policy".

If you are age 55 or older, qualify for retirement and have exhausted your Long Term Disability benefits based on credited service, the plan provides that \$10,000.00 of the Life Insurance will be continued into retirement.

If the Long Term Disability Benefits are no longer

available to you due to your attainment of the normal retirement age, but you would have been eligible for continued Long Term Disability Benefits based on credited service had you not attained the normal retirement age, the plan provides that \$10,000.00 of Life Insurance will be continued into retirement.

Effective May 1, 2000 for those who retire after May 1, 2000, the plan provides that \$12,500.00 of Life Insurance will be continued into retirement.

Effective May 1, 2003 for those who retire after May 1, 2003 the plan provides that \$15,000.00 of Life Insurance will be continued into retirement.

#### Change to an Individual Policy

During the 31 days following termination of your employment, you may change your Group Life Insurance, without a medical examination, to one of a number of the carriers individual life policies. The policy will be effective at the end of the 31-day period, and the premiums will be the same, as you would ordinarily pay if you applied for an individual policy at that time. If you die during this 31-day period, your Group Life Insurance will be paid whether or not you have applied for an individual policy.



## Accidental Death and Dismemberment Insurance for Employees

Accidental death and Dismemberment Insurance provides benefits for your **loss** of life, limbs, or the entire and irrecoverable loss of sight. Benefits are payable if the **loss** is a direct result of bodily injury caused by an accident, and the **loss** is sustained within ninety days after the date of the accident.

The full Principal Sum to which you are entitled in accordance with the Schedule of Insurance will be paid for the loss of:

- X Life
- X Both Hands
- X Both Feet
- X One Hand and One Foot
- X One Hand and One Eye
- X One Foot and One Eye
- X Both Eyes

One-half the Principal Sum will be paid for the **loss** of one hand, one foot or one eye. In no case will more than the Full Principal Sum be paid for all losses sustained through any one accident.

Since the purpose of this insurance is to provide benefits for losses due to accidents, no benefits are paid on account of a loss caused or contributed to by:

- X Bodily or mental infirmity; or

- X Disease, ptomaine or bacterial infections; or
- X Medical or surgical treatment (Unless made necessary by an injury covered under the Plan); or
- X Suicide or intentionally self-inflicted injury; or
- X War or any act of war.

The injury causing the loss must occur while insurance is in force.

### Accident and Sickness Insurance for Employees

The Plan pays you a weekly benefit for disability absences during which you are prevented from working as a result of a non-occupational accidental bodily injury or disease. Your benefit will commence on the first day of disability due to injury and on the fourth day of disability due to disease unless you are confined to a hospital, in which case your benefit will commence on the first day of hospital confinement if earlier. An employee *off* work for thirty (30) continuous days or more will have benefits paid from the first day of disability. The benefit is payable for a maximum of fifty-two weeks during any one period of disability. New employees during their first year of employment will be eligible for benefits equal to their service time only. Benefits will not be payable following the normal retirement date of an employee.

The amount of your weekly benefit is shown in the Schedule of Insurance. An employee, who is on active

claim arising from a disability which occurred before the effective date of a negotiated wage rate increase and which continues thereafter, shall as from the effective date of the negotiated change be paid an increased weekly indemnity benefit in accordance with the formula.

A daily rate of payment for each calendar day of absence that qualifies for payment shall be one-seventh of the weekly amount of disability benefit.

All disability absences will be considered as having occurred during a single period of disability unless acceptable evidence is furnished that:

(a) the causes of the latest disability absence cannot be connected with the causes of any of **the** prior disability absences and the latest disability absence occurs after return to active work on full-time for **at** least one day, or

(b) A connection with prior disability absences can be established but that between the last **of** the previous disability absences which are connected and the latest one, you have returned to active work on full-time for at least two consecutive weeks.

It **is** not necessary **to** be confined to your home to collect benefits, but benefits are only payable for:

(a) those days on which you are under the care

of a legally qualified physician. A period of care will be considered to have started when you have been seen and treated personally by the physician.

(b) those days on which you are not performing work for compensation or profit.

The disability absence must commence while insurance is in force.

### **Weekly Indemnity dispute resolution mechanism**

Effective date February 15, 2005.

The following weekly indemnity dispute mechanism will apply conditional to:

The employee submitting the required claim forms properly filled; and  
The employee has given authorization to the Company and/or the insurer to have access to the information they require to adjudicate the claim.

a) If requested by the employee, the Company will make advance payments at normal intervals until the claim is processed. The employee will sign a promissory note stating that he will reimburse the Company for any advance payments received.

b) The Company and/or insurance carrier reserves the right to demand physical examinations

throughout the duration of the employee's absence due to disability.

### Maternity Benefits

If a disability absence is due to pregnancy, or resulting childbirth or miscarriage, the maximum period of payment is six weeks. Benefits are payable only if the pregnancy and the resulting disability absence commence while your insurance is in force.

### Long Term Disability Insurance for Employees

LTD Insurance assures you a monthly income if you are totally disabled for a long period. Both occupational and non-occupational disabilities are covered.

For the amount of your Monthly Benefit, see the schedule. An employee, who is on active claim arising from a disability which occurred before the effective date of a negotiated wage rate increase and which continues thereafter, shall as from the effective date of the negotiated change be paid an increase long term disability benefit in accordance with the formula.

### Commencement of Benefits

You will commence receiving LTD benefits upon exhaustion of your Accident and Sickness Benefits,

or if the disability is not covered by Accident and Sickness Insurance, after 180 consecutive days of total disability.

### Duration of Benefits

The duration of your benefits will be based upon one week of benefits for every week of credited service with the Company immediately preceding the disability, but not beyond the attainment of your normal retirement age.

The decision of a third doctor agreed upon by both parties shall resolve any case of differing medical opinions.

### To Be Considered Totally Disabled

You must be unable, solely because of disease or injury, to work at any occupation within the bargaining unit to which your seniority would entitle you. Furthermore, beginning 24 months after LTD benefits start you must be unable, solely because of disease or injury, to work at any reasonable occupation.

Reasonable occupation is an occupation to which you are reasonably suited by training, education, or experience. Assignment of work will be subject to approval by the Company Medical Director after consultation with your Doctor.

Proof of continued total disability will be required at reasonable intervals by the Insurance Company. If you fail to furnish such proof, or if you refuse to be examined by a physician (designated and paid by the Insurance Company), you will no longer be considered totally disabled.

Total disability isn't considered to exist if you are gainfully employed.

### Successive Disabilities

If you receive benefits for a disability and again become totally disabled while covered, the later disability will be regarded as a continuation of the prior one unless you have been back to full-time work for at least six months. However, if the later absence is due to an unrelated cause and you had returned to full-time work, it will be considered a new disability.

### Most Disabilities Covered

The LTD Plan covers most types of disability. It does not cover disability resulting from or contributed to by act of war, intentionally self-inflicted injury, attempted suicide whether or not sane, or disability during imprisonment. For the purpose of the insurance, you will not be considered to be disabled while outside Canada or the US, its territories or possessions.

## How LTD Benefits are Affected by Other Income

The goal of LTD Insurance is to assure you a reasonable income even though the income comes from more than one source. Therefore certain other periodic benefits are taken into account. Here's how it works: For any month in which periodic benefits are available from another source, your LTD Benefit will be reduced, if necessary, so that the sum of your LTD Benefit and the other periodic benefits will not exceed 55% of your basic monthly earnings with us.

The other "periodic benefits" are: salary benefits from any source for which we have paid any part of the cost or made payroll deductions; periodic benefits under the Canada (or provincial) Pension Plan, but not including dependents' benefits or any increase in the Canada (or provincial) Pension Plan Benefits by law except on account of military service.

## Dental Expense Insurance

### For you and your Covered Dependents

These benefits are for dental services furnished by any licensed dentist or by a physician furnishing dental care for which he is licensed.



## Deductible

A deductible of \$25.00 Single/Year and \$50.00 Family/Year applies.

## **Benefits**

After the applicable deductible the Plan will pay benefits at the following rates for charges incurred by a covered individual in connection with covered dental services:

- (a) 100% for Class I dental services.
- (b) 50% for Class II dental services.

Effective April 30, 2005 ...  
2004 ODA Schedule of Fees will apply.

Effective January 1, 2006 ...  
2005 ODA Schedule of Fees will apply.  
Effective January 1, 2007 ...  
2006 ODA Schedule of Fees will apply.  
Effective January 1, 2008 ...  
2007 ODA Schedule of Fees will apply.  
Effective January 1, 2009 ...  
2008 ODA Schedule of Fees will apply.

Some examples of Class I and Class II dental services appear at the end of this section.

The maximum benefit payable for all dental services performed on a covered individual in any one calendar

year is \$1,000. Effective May 1, 2000 the maximum benefit payable for all dental services performed on a covered individual in a one calendar year is \$1500.00.

### Pre-Determination of Benefits

Charges incurred by you or a covered dependent are eligible only when the dentist's proposed course of treatment has been submitted to and reviewed by the Insurance Company and returned to the dentist showing the estimated benefits. This pre-determination requirement will not apply to courses of treatment under \$500 or to emergency treatment.

At the discretion of the Insurance Company, benefits may not be paid, or may be for a lesser amount that would otherwise have been payable, in cases when claims exceed \$500 and a dentist's proposed course of treatment was not filed and approved prior to the date on which the services were performed.

The dentist's proposed course of treatment should itemize his recommended services, show his charge for each service, and be accompanied by supporting X-rays.

Many dental conditions can properly be treated in more than one way. Therefore, in determining the amount of benefits payable, consideration will be given to alternate procedures, services, or courses of treatment which may be performed for the dental condition concerned

in order to accomplish the desired result.

Pre-determination of benefits permits the review of the proposed treatment in advance and allows for resolution of any questions before, rather than after, the work has been done. Additionally, both you and the dentist will know in advance what is covered and what the estimated insurance benefits are, assuming you or the dependent remains covered.

### **Exclusions**

1. Charges made for or in connection with any diagnosis or treatment performed primarily for cosmetic purposes.
2. Charges for dental care to remedy a condition arising from war, riot or insurrection or while the person is a member of the armed forces of any country.
3. Charges for any dental care to the extent that benefits are available to the individual under the Hospital Services Commission of Ontario, the Workplace Safety and Insurance Board of Ontario or any other federal, provincial or municipal agency or department of public service of Canada or of any other country.
4. Anything not necessary or not customarily provided for dental care.

## Examples of Dental Services

### Class I Services

- Oral examinations, including scaling and cleaning of teeth
- Topical application of sodium or stannous fluoride
- Oral hygiene instruction
- Dental x-rays
- Extractions
- Oral surgery, including excision of impacted teeth
- Amalgam, silicate and plastic composite fillings
- Anaesthetics administered in connection with oral surgery or other covered dental services
- Injections of antibiotic drugs by the attending dentist
- Treatment of periodontal and other diseases of the gums and tissues of the mouth
- Endodontic treatment, including root canal therapy

## Class II Services

- Initial installation (including adjustments after 3 months following original insertion) of partial or full removable dentures to replace one or more natural teeth.
- Replacement of an existing partial or full removable denture or the addition of teeth to an existing partial or full removable denture to replace extracted natural teeth, but only if evidence satisfactory to the Insurance Company is presented that the existing denture cannot be made serviceable.
- Repair or relining of dentures

## Extended Medical Benefits for You and Your Dependents Your Benefits

Payments of charges in excess of the deductible (WITH NO CO-INSURANCE) for the following necessary services and supplies ordered or prescribed by a licensed medical practitioner:

1. Service of a graduate registered nurse.
2. Blood and blood products for transfusion.
3. Drugs, medicines, sera and vaccines that are required by law to be purchased with a doctor's prescription with the exception of insulin and diabetic supplies which will continue to be covered.
4. Professional ambulance service for emergencies.
5. Treatment by a physiotherapist or a chiropractor.

6. Prosthetic appliances, crutches, splints, casts, trusses, braces, orthotics, oxygen and rental of equipment for administration thereof, rental of wheel chair, respirator, hospital type bed.
7. Dental treatment as a result of an accident provided treatment is rendered within 90 days of the accident (including up to one set of artificial teeth when natural teeth have been damaged).
8. Laboratory tests by a qualified person - but not where provided by a medical practitioner in the course of the private practice of medicine.
9. Charges for active treatment or convalescent care in a hospital appropriate for such treatment or care by any provincial hospital plan in excess of the public ward per diem rate of such hospital up to \$10 per day, but not for more than 120 days.
10. Charges of a public general hospital for the difference in cost between semi-private accommodation and a private room (but not a suite).

**Exclusions:**

- I. (a) Services or supplies to the extent benefits are provided under any provincial plan or other governmental plan or law under which the individual is or could be covered, or to the extent to which benefits would be provided had the individual met the requirements for having the care or services furnished under the plan or law, or (b) services or supplies for which insurance benefits are prohibited by any provincial plan or other governmental plan or law.

2. Anything not ordered by a doctor, or not necessary for medical care; charges in excess of those usually made when there is no insurance or in excess of the general level in the area.
3. Care or treatment provided for under The Hospital Services Commission Act, the Workplace Safety and Insurance Board, or other Government agency (including illness or conditions resulting from service in the armed forces).
4. Conditions due to acts of war, riot or insurrection, declared or undeclared. Innocent bystanders to Riot or Terrorist acts are exempt.

#### Overall Maximum for Each Individual

There is an overall maximum of \$10,000 for yourself and \$10,000 for each covered dependent for all causes combined. Whenever benefits are paid, they are charged against the individual's overall maximum.

Effective May 1, 2000 the overall maximum is increased to \$15,000.00.  
Effective January 1, 2003 the overall maximum is increased to \$20,000.00  
Effective January 1, 2006 the overall maximum is increased to \$22,500.00  
Effective January 1, 2009 the overall maximum is increased to \$25,000.00

**REQUEST FOR RESTORATION**- At any time after the benefits charged to an individual's overall maximum reach a total of at least \$1,000, you may arrange to have the full maximum restored by furnishing satisfactory proof the individual is in good health.

### Deductible

The deductible is the first \$50 of eligible expenses incurred by the individual during the calendar year. The maximum for a family is two deductibles of \$50 each. After these two deductibles have been satisfied, other eligible members of the same family will have no deductible to satisfy in that calendar year.

If two or more members in a family are injured in the same accident, only one \$50 deductible per calendar year will apply to claims resulting from the accident.

**Carry-over Deductible** - A new deductible will apply each calendar year. However, under certain conditions, expenses incurred during the last three months of the previous year which were applied against the year's deductible (whether or not the full deductible was accumulated for the year) may be carried over and also applied against the deductible in the new year and thus reduce or eliminate that year's deductible.



## General Information Termination of Insurance

When your employment terminates or when you cease to be a member of the eligible classes, all of your insurance will cease except that if your death should occur within 31 days thereafter, the Life Insurance death benefit will be payable. If you fail to make the contributions required the Supplementary Life and Accidental Death and Dismemberment Insurance will cease at the end of the period for which contribution has been made and you must furnish satisfactory evidence of insurability before insurance can again be obtained. If your insurance terminates, insurance for your dependents terminates at the same time.

## Surviving Spouse Health Care Coverage

Effective date of ratification.

In the event of a death of an employee covered under the health benefit plan, the surviving spouse and dependents will have 30 days extended benefits.

## Extended Insurance

Extended Medical Expense Benefits will be available

for expenses incurred by the disabled person during the continuation **of** the disability **for** a maximum **of** twelve months beyond the date on which insurance terminates, but, in no event, beyond the date the disabled person becomes covered under any other plan.

The Dental Expense Insurance will be extended to cover the following dental care received within the next 60 days provided benefits would have been paid had the insurance remained in effect.

- a) An appliance, or modification **of** one, for which an impression was taken before termination.
  - b) A crown, bridge or gold restoration for which the tooth was prepared before termination.
  - c) Root canal therapy, provided the pulp chamber was open before termination.
- Any extended benefits payable are subject to the provisions and limitations of the Plan.

## Retiree Coverage

Effective February **24, 1994**, for employees retiring early on or after the 1st of the month following their 55th birthday and after completing at least **20** years of service, the Company will continue the active drug plan portion of the extended medical benefits to age 65.

## Temporary Layoff

If you are temporarily laid off your insurance can be continued until the end of the policy month following the policy month in which the lay-off starts. If, at the end of that period, you are still on temporary layoff, consideration will be given to continuing your Life Insurance for a longer period. In order for you to continue your insurance during lay-off, it will be necessary for you to make the required contribution on or before the paydays on which contributions would be deducted if you were working.

## Weekly and Monthly Earnings Calculation

Monthly earnings shall be **4.4** times weekly earnings. Weekly earnings shall be calculated as **40** times the rate for the job the employee was on his last day worked prior to disability for which benefits are paid (**42** times the rate for tour workers).

## Co-ordination with Other Plans

The purpose of health care insurance is to help meet actual expenses. In line with that purpose our Plan contains a non-profit provision co-ordinating it with other plans under which an individual is covered **so** that the total benefits available will not exceed 100% of the allowable expenses.

An "allowable expense" is any necessary, reasonable and customary expense covered, at least in part, by one of the plans.

"Plans" means these types of medical and dental care benefits:

(a) coverage under a law or governmental program, (b) group insurance or other coverage for a group of individuals, including student coverage obtained through an educational institution.

When a claim **is** made the primary plan pays its benefits without regard to any other plans. The secondary plans adjust their benefits **so** that the total benefits available will not exceed the allowable expenses. No plan pays more than it would without the co-ordination provision.

A plan without a co-ordinating provision is always the primary plan. If all plans have such a provision: (1)

the plan covering the patient directly, rather than as an employee's dependent, is primary and the others are secondary, (2) if a child is covered under both parents' plans, the father's is primary, (3) if neither (1) nor (2) applies, the plan covering the patient longest is primary.

Insurance companies now use: "parent with the earlier birth date (month/day) in the calendar year. If both parents have the same birth date, the Plan of the parent whose first name begins with the earlier letter in the alphabet is deemed to pay benefits first."

When our Plan is the secondary plan and its payment is reduced to consider the primary plan's benefits, a record is kept of the reduction. This amount will be used to increase our Plan's payments on the patient's later claims in the same calendar year - to the extent there are allowable expenses that would not otherwise be fully paid by our Plan and the others.

### Definitions for the Purpose of this Plan

Non-occupational accident or sickness - an accident not related to employment, or sickness not covered under Worker's Compensation or similar law.

Doctor - a physician or surgeon licensed to practice medicine and perform surgery, also includes a licensed dentist, podiatrist, or optometrist practising in his own field.

Hospital - a legally operated institution providing complete in-patient services for a fee, including surgical facilities, under supervision of a staff of doctors. In any event, any institution approved for resident in-patient care under any provincial hospital services program is considered a "hospital". The term excludes any other institution, or part of one, used mainly as a rest or nursing facility, or facility for the aged, or for care of drug addicts or alcoholics.

### Payment of Claims

#### Dental Expense or Extended Medical Plan

For a dental or an extended medical claim, you should contact the Human Resources Department for proper claim forms.

If further information about your claim is needed, you should contact the Human Resources Department.

#### Payment of Company Requested Medical Forms;

All medical forms requested by the Company will be paid 50% by the Company.

## APPENDIX "C"

### EMPLOYEES PENSION PLAN (As In Effect May 1, 1993)

The following highlights are designed to answer some of the questions that are most commonly asked about your pension plan. This explanation of the Plan is governed by the terms of the Plan document which sets forth the provisions in detail.

The word "Company" used in this description of the Plan refers to Marathon Pulp Inc.

#### What does the plan provide?

An income to you when you retire for as long as you live, with a minimum of **84** monthly payments, or another form of pension of equal value. Effective January 1, 1995 for anyone retiring on or after January 1, 1995 the minimum pension payments under the basic plan are increased from **84** to 96. Effective May 1, 1999, for those employees retiring on or after May 1, 1999, the minimum pension payments under the basic plan are increased from 96 to 120.

The Plan is available to all regular union employees of the Company's Marathon, Ontario Mill operation.

You will be required to join the Plan on the January 1st on which you first fulfil either of the following requirements:

Have both completed 12 months of continuous service and attained Age 21;

or

Have completed 24 months of continuous service, provided you are then under Age 65.

### When do I retire and receive my first pension payment?

You will reach Normal Retirement Age on your 65th birthday. You will receive the first payment of your pension on the 1st day of the next month. This day is known as the Normal Retirement Date.

You may choose to retire early on the first day of any month following your 55th birthday. This day is known as the Early Retirement Date. If you choose to retire on or after your 58th birthday and after you have completed at least 20 years of service, the monthly pension you will receive will be the total pension credits you have earned to your Early Retirement Date without any reduction, subject to Revenue Canada restrictions described below.

If you choose to retire before your 58th birthday and/or before completing at least 20 years of service, you will receive an adjusted monthly pension equal to the actuarial equivalent of the pension credits you have earned to your Early Retirement Date.

In any event, Revenue Canada rules limit the maximum pension you may receive to not more than your total pension credits reduced by 1/4 of 1% for each month by which your Early Retirement Date precedes the earliest of the following dates:



- i) you attain age 60;
- ii) you complete 30 years of service; or
- iii) your age plus years of service total 80.

However, if you have completed 20 or more years of service at your Early Retirement Date but have not attained age 58, the monthly pension you will receive will be a percentage of the pension credits earned to such date determined according to the following Table:

Table

Age at Early Retirement Date	% of Pension Credits Earned
57	94
56	88
55	82

#### How much will my pension be?

For the period in each year of the Plan (January 1 to December 31) during which you make contributions you will earn a pension credit based on your Earnings Class in that year. The sum of all these credits will be the amount of the pension payable to you at Normal Retirement Date.

The Tables at the end of this section can be used to determine the credits earned for contributory service after January 1, 1988 and January 1, 1995. The amount of the income credit shown in the Table is for one full year of membership in which you make 12 monthly contributions. Pro rated credit will be given in any year in which you do not make 12 monthly contributions.

If you were a member of the Plan before January 1, 1985, please refer to your Annual Statements for credits earned for contributory service prior to that date.

If you were employed by the Company on January 1, 1979 and were a member of the Plan on this date, the sum of the pension credits you earned during the period January 1, 1973 to December 31, 1977 has been increased by 25%, and the total pension credits earned to December 31, 1977 (including such increase) has been further increased by 6%.

In addition, if you were employed by the Company on October 1, 1982 and were a member of the Plan on that date, the pension accrued by active employees, as at December 31, 1972 was increased by 10%.

In addition, if you were employed by the Company and a member of the Plan on January 1, 1988, the pension accrued by active employees as at December 31, 1987 was increased by 5%.

In addition if you were employed by the Company and a member of the Plan on April 1, 1999, the pension accrued by active employees as at April 1, 1999 was increased by 3.5%.\*

**\*NOTE: All pension Improvements are subject to applicable pension legislation and Revenue Canada Limits.**

Employees who joined the Plan on its effective date, January 1, 1948, are entitled to past service pension credits for service before that date as outlined in the certificates issued to them upon joining the Plan.

The Company will provide the following:

(i) Upon early non-reduced retirement starting at age 58 and/or age 59, a lump sum equal to 425 hours at the regular straight time hourly rate at retirement, and will pay on each anniversary following retirement, but not beyond age 65, further lump sum payments equal to 275 hours at the regular straight time hourly rate at time of retirement.

(ii) Upon early non-reduced retirement starting on or after age 60 and on each anniversary following retirement, but not beyond age 65, a lump sum equal to 275 hours at the regular straight time hourly rate at time of retirement.

NOTE: Effective May 1, 1999 employees who retire between the age of 55 and 58 with 20 years of service between May 1, 1999 and April 30, 2004, the lump sum bridging payments will be reduced by two-thirds (2/3) of 1% for each month (8% per annum) by which early retirement precedes the attainment of age 58. All such bridging shall be paid on a monthly basis out of the Pension Fund.

(iii) At normal retirement age on the 1st of the month following their 65th birthday, will receive a one time only lump sum payment equal to 400 hours at the regular straight time hourly rate at time of retirement. Effective February 24, 1994 those employees who retire at normal retirement age on the 1st of the month following their 65th birthday, will receive a one time lump sum payment of 450 hours at their regular straight time hourly rate at the time of retirement.

NOTE: When a person on long term disability retires any lump sum payments due will be paid at the current wage of his former position.

### How is the pension payable?

The regular form of pension will be paid monthly for the rest of your lifetime, but should you die before having received 84 monthly payments, the amount of normal pension will continue to the beneficiary you have named, until 84 monthly payments in all have been made. Effective January 1, 1995 for anyone retiring on or after January 1, 1995 the minimum pension payments under the basic plan are increased from 84 to 96. Effective May 1, 1999, for anyone retiring on or after May 1, 1999 the minimum pension payments under the basic plan are increased from 96 to 120.

If you have a spouse when your pension begins, pension legislation requires that the regular form be actuarially adjusted. This adjustment will provide a pension payable throughout your lifetime. Upon your death, 60% of the adjusted pension will continue to be paid to your spouse.

You and your spouse may jointly waive this 60% joint and survivor pension by submitting a completed spousal waiver form, as prescribed under the Ontario Pension Benefits Act, 1987 to the Company within the 12-month period before your retirement date.

### Who is considered to be my spouse?

For the purposes of the Plan, your spouse is someone to whom:

- (i) you are legally married by reason of a valid civil or religious ceremony; or
- (ii) you are not legally married, but with whom you are living

in a conjugal relationship:

- a) for a period of not less than 3 years, or
- b) of some permanence, if you and that person are the natural or adoptive parents of a child, both as defined in the Ontario Family Law Act, 1986:

and from whom you are not living separate and apart.

Do I get income tax relief on my co. " " \_\_\_\_\_

Yes. Under present Income Tax regulations your contributions may be deducted from your income when making up your tax return and are not included as part of your taxable income.

What do the benefits of the plan cost?

Your contributions and the Company's will commence when you become a member of the Plan and will continue while you remain a member until you retire.

A schedule of contributions which outlines the contributions which will be deducted from your wages or salary, based on your Earnings Class, is as shown in the Table at the end of this section.

If your basic contributions made on or after January 1, 1987, together with interest, are in excess of 50% of the value of your pension credits earned on or after January 1, 1987, you will receive at termination of employment, a lump sum cash payment equal to this excess amount. If you should die while employed, your beneficiary will receive a lump sum cash payment equal to this excess amount.

Do I receive interest on my contributions?

Effective from January 1, 1988 your basic contributions will accrue interest at a rate which is based on an average five-year personal fixed term chartered bank deposit rate.

Prior to January 1, 1988 your basic contributions accrued interest at the rate of:

- (i) 7% compounded annually on basic contributions made on or after December 1, 1982, and
- (ii) 3% compounded annually on basic contributions made on or after January 1, 1964 and prior to December 1, 1982.

Effective from January 1, 1988 **your** voluntary contributions will accrue interest at the rate of return which can reasonably be attributed to the operation of that part of the pension fund to which the voluntary contributions are made.

Do I have to continue contributions if for any reason I am

No. If you are on an approved leave of absence without pay for one month or longer **you** will continue to be a member of the Plan but you will stop making contributions during your absence. No pension credits will be earned in the months you do not contribute but credits arising from previous contributions will not be affected.

Since December 1, 1984 employees on Weekly Indemnity have had the option of picking up pension contributions while on Weekly Indemnity. **As** of May 1, 1999 employees on W.S.I.B. will also have the option of picking up pension contributions during the first 12 months on W.S.I.B.

Your pension will continue to accrue, at no cost to you, while you are receiving benefits under the Long Term Disability Plan and after twelve (12) months on W. S. I. B. You will continue to earn full pension credits as though still actually working based on the earnings used to establish the amount of your Long Term Disability benefit or your W.S.I.B. benefit. On January 1, 1985 the Plan was amended to provide that the pension contribution the Company makes on behalf of employees on L.T.D. will be adjusted to reflect increases in L.T.D. payments. As of May 1, **1999** the same benefit was extended to employees after 12 months of receiving W.S.I.B. benefit.

**What happens if I die in service before I retire?**

If you die in service before you retire and after you have completed 2 consecutive years of Plan membership, your beneficiary is entitled to:

- (i) a lump sum cash payment equal to the value of your pension credits earned or granted on or after January 1, 1987, (this is a vested benefit); plus
  
- (ii) a lump sum cash refund of your basic contributions to the Plan made prior to January 1, **1987** plus interest.
  
- (iii) If you die in service before you retire and after you have either (a) completed 5 or more years of continuous service or (b) attained age 55, your beneficiary is entitled to a lump sum cash payment equal to the value of your pension credits earned for service to date.

Pension legislation requires that your spouse, automatically

be designated as your beneficiary with respect to vested benefits accrued from January 1, 1987. You and your spouse may jointly waive your spouse's claim to the death benefit by submitting to the Company a completed waiver form prescribed under the Ontario Pension Benefits Act, 1987.

In place of the lump sum cash payment, your spouse may elect to:

- (i) receive an immediate or deferred pension, which may be provided by the lump sum cash payment; or
- (ii) transfer the lump sum cash payment to a registered retirement savings plan owned by the spouse.

If your spouse does not notify the Company of the election within 90 days of receiving notification of the benefits payable, it will be assumed that an immediate pension has been elected.

You may designate, in writing, a beneficiary to receive any benefits which are not required to be paid to a spouse, or which have been waived by your spouse. You may revoke such designation, subject to the provisions of any annuity, insurance, or other contract or law governing such designation which may apply.

If you die in service before completing 2 consecutive years of Plan membership, your beneficiary will receive a lump sum cash payment equal to your basic contributions plus interest.

#### What happens if I leave the Company before I retire?

Except as otherwise provided you may elect:



- (i) to receive as a cash settlement equal to the total of your contributions to the Plan, plus interest; or
- (ii) to leave your own contributions in the Plan and receive at Normal Retirement Date the monthly pension purchased by them.

If you elect (ii), in respect of your basic contributions, and at the time of leaving the Company you have either (a) completed 5 or more years of continuous service, or (b) attained age 55, the pension payable will be increased to the total of the pension credits earned for service to date of termination.

However, in order to conform to the requirements of pension legislation, if you leave the service of the Company for reasons other than death or retirement, pension legislation requires that,

(a) if you leave the service of the Company after you have attained the age of 45 and have completed 10 years of continuous service, you will be required to leave in the Plan, all basic contributions made by you on or after January 1, 1965, and will receive at your Normal Retirement Date, the monthly pension credits earned for service performed on or after such date; or meeting the condition set out above.

(b) If you leave the service of the Company after you have completed 2 years of Plan membership and prior to meeting the conditions set out above, you are required to leave in the Plan, all basic contributions made on or after January 1, 1987 and will receive at your Normal Retirement Date the monthly pension credits earned or granted on or after such date.

Notwithstanding the above, you may elect to have the value of

your deferred pension transferred to:

- (i) a registered retirement savings plan;
- (ii) an insurance company to provide a deferred pension commencing on or after your 55th birthday;
- (iii) your new employer's pension plan, provided the administrator of the plan accepts the transfer, provided the amount transferred is administered in accordance with the provincial locking-in requirements.

If you do not transfer the value of your pension, you may elect to receive an actuarially reduced pension commencing on the first day of any month following your 55th birthday.

**May I get my contributions back while I am still employed?**

No. That would defeat the purpose of the Plan. The object of the Plan is to accumulate funds to provide you with a pension and as long as you are employed by the Company your contributions and those of the Company remain in the Plan for that purpose.

**May I borrow or assign my share of the funds?**

No, because all funds are held in trust for the purpose of providing the benefits of this Plan.

**What happens to the Company's contributions if the plan**

The Company intends to continue the Plan permanently and every effort has been made to arrange the Plan so that it will meet future conditions. Should it ever be necessary, however,

to discontinue the Plan or change it, the pension credits which have been accrued up to that time cannot be affected.

May I contribute more than the amount shown in the Table of Credits and Contributions in order to obtain a larger pension?

Yes. You may supplement your pension by contributing more than the basic contribution with the limitation, however, that the total of your basic and additional voluntary contributions in any one calendar year will not exceed the maximum allowed under the Income Tax Act.

Additional voluntary contributions may commence on the date you join the Plan or on any anniversary of the effective date of the Plan (January 1st). Any change in the amount of additional voluntary contributions, once determined, may be made only on an anniversary date of the Plan.

The monthly amount of pension provided by such additional voluntary contributions will depend upon the investment return which is not guaranteed.

Should you die or leave the Company before you retire, the refund arising from your additional voluntary contributions will be equal to the total of these contributions plus interest.

How do I become a member of the plan?

You will complete an application card, naming therein the person (your beneficiary) who is to receive any amount due in the event of your death. Be sure to state the given names of your beneficiary. No medical examination is required.

Can I get a larger pension until I am eligible for the government pensions and a smaller pension thereafter?

Yes. If you retire before you are eligible for the benefits under the Canada or Quebec Pension Plan and the **Old Age Security Act**, you may elect the "levelling option" under the Plan. The option provides you with a uniform monthly payment during your retirement. In other words, you will get a larger pension from the Plan until you are eligible for pension under the government plans. When you are eligible to receive payments from CPP/QPP and OAS, your pension from the Plan will be reduced accordingly.

What happens if I am divorced or separated?

Cases of divorce, marriage annulment and separation are subject to the property laws of the Province you live in. We suggest you contact your own legal representative for further information.

Do I pay taxes on my pension benefits?

Income tax is payable on all your pension income, including the benefits from government plans. Remember, however, you will probably be in a lower tax bracket and your taxes should not be as high as those you now pay on your present income.

How can I find out details of my pension benefits?

Each year, you will receive an annual statement showing the amount of pension earned to date.

What happens if my marital status changes or I move?

It is your responsibility to inform the Company of any changes to your marital status, beneficiary or address. This will ensure that you receive the benefits to which you are entitled.

May I borrow against my credit in the Plan?

Except in certain cases of marital breakdown, or by naming **a** beneficiary, any pension to which **you** may become entitled under the Plan may not be assigned, whether by voluntary action or operation of the law.

**TABLE OF PENSION CREDITS AND MEMBER'S BASIC CONTRIBUTIONS**  
**(EFFECTIVE JANUARY 1, 1991)**

<u>Earnings Class</u>	<u>Annual Rate Earnings</u>	<u>Average Monthly Earnings of Class</u>	<u>Monthly Pension Credit for Each Full Year as a Contributor in Class</u>	<u>Member's Monthly Basic Contribution</u>
40	24,000.01 to 25,200	2,050	56.38	82.00
41	25,200.01 to 26,400	2,150	59.13	86.00
42	26,400.01 to 27,600	2,250	61.88	90.00
43	27,600.01 to 28,800	2,350	64.63	94.00
44	28,800.01 to 30,000	2,450	67.38	98.00
45	30,000.01 to 31,200	2,550	70.13	102.00
46	31,200.01 to 32,400	2,650	72.88	106.00
47	32,400.01 to 33,600	2,750	75.63	110.00
48	33,600.01 to 34,800	2,850	78.38	114.00
49	34,800.01 to 36,000	2,950	81.13	118.00
50	36,000.01 to 37,200	3,050	83.88	122.00
51	37,200.01 to 38,400	3,150	86.63	126.00
52	38,400.01 to 39,600	3,250	89.38	130.00

53	39,600.01 to 40,800	3,350	92.13	134.00
54	40,800.01 to 42,000	3,450	94.88	138.00
55	42,000.01 to 43,200	3,550	97.63	142.00
56	43,200.01 to 44,400	3,650	100.38	146.00
57	44,400.01 to 45,600	3,750	103.13	150.00
58	45,600.01 to 46,800	3,850	105.88	154.00
59	46,800.01 to 48,000	3,950	108.63	158.00
60	48,000.01 to 49,200	4,050	111.38	162.00
61	49,200.01 to 50,400	4,150	114.13	166.00
62	50,400.01 to 51,600	4,250	116.88	170.00
63	51,600.01 to 52,800	4,350	119.63	174.00
64	52,800.01 to 53,000	4,450	122.38	178.00
65	53,000.01 to 53,200	4,550	125.13	182.00
66	53,200.01 to 53,400	4,650	127.88	186.00
67	53,400.01 to 53,600	4,750	130.63	190.00
68	53,600.01 to 53,800	4,850	133.38	194.00
69	53,800.01 to 54,000	4,950	136.13	198.00
70	54,000.01 to 54,200	5,050	138.88	202.00
71	54,200.01 to 54,400	5,150	141.63	206.00
72	54,400.01 to 54,600	5,250	144.38	210.00
73	54,600.01 to 54,800	5,350	147.13	214.00
74	54,800.01 to 55,000	5,450	149.88	218.00

## BASIS OF PENSION CREDITS AND MEMBER'S CONTRIBUTIONS

% of Average Monthly Earnings of Class	Monthly <u>Pension</u>	Member's Monthly Basic <u>Credit Contributions</u>
	2-3/4%	4%

NOTE: Your rate of earnings on the date you become a member of the plan determines your Class until the following January 1. On January 1st of each year, your Class will be re-determined according to your rate of earnings on that date, and your pension credit and basic contributions for the next twelve months will correspond to that Class.



TABLE OF PENSION CREDITS AND MEMBER'S BASIC CONTRIBUTIONS  
(EFFECTIVE JANUARY 1, 1995)

	<u>Earnings Class</u>	<u>Annual Rate Earnings</u>	<u>Average Monthly Earnings of Class</u>	<u>Monthly Pension Credit for Each Full Year as a Contributor in Class</u>	<u>Member's Monthly Basic Contribution</u>
53		39,600.01 to 40,800	3,350	67.00	97.49
54		40,800.01 to 42,000	3,450	69.00	100.40
55		42,000.01 to 43,200	3,550	71.00	103.31
56		43,200.01 to 44,400	3,650	73.00	106.22
57		44,400.01 to 45,600	3,750	75.00	109.13
58		45,600.01 to 46,800	3,850	77.00	112.04
59		46,800.01 to 48,000	3,950	79.00	114.95
60		48,000.01 to 49,200	4,050	81.00	117.86
61		49,200.01 to 50,400	4,150	83.00	120.77
62		50,400.01 to 51,600	4,250	85.00	123.68
63		51,600.01 to 52,800	4,350	87.00	126.59
64		52,800.01 to 54,000	4,450	89.00	129.50
65		54,000.01 to 55,200	4,550	91.00	132.41

66	55,200.01 to 56,400	4,650	93.00	135.32
67	56,400.01 to 57,600	4,750	95.00	138.23
68	57,600.01 to 58,800	4,850	97.00	141.14
69	58,800.01 to 60,000	4,950	99.00	144.05
70	60,000.01 to 61,200	5,050	101.00	146.96
71	61,200.01 to 62,400	5,150	103.00	149.87
72	62,400.01 to 63,600	5,250	105.00	152.78
73	63,600.01 to 64,800	5,350	107.00	155.69
74	64,800.01 to 66,000	5,450	109.00	158.60
75	66,000.01 to 67,200	5,550	111.00	161.51
76	67,200.01 to 68,400	5,650	113.00	164.42

### ANALYSIS OF PENSION CREDITS AND MEMBER'S CONTRIBUTIONS

% of Average Monthly Earnings of Class	Monthly <u>Pension</u>	Member's	
		Monthly Basic	<u>Credit Contributions</u>
	2%		2.91%

Increase employee contribution from 2.91 % to 5%. Effective May 1, 2005.

The Company and the union will review the plan position as of December 31, 2005 when the scheduled evaluation is available to re-evaluate the level of the employee contribution.

**NOTE:** Your rate of earnings on the date you become a member of the Plan determines your Class until the following January 1. On January 1st of each year, your Class will be re-determined according to your rate of earnings on that date, and your pension credit and basic contributions for the next twelve months will correspond to that Class.

In the case of hourly paid employees, the annual rate of earnings on January 1 will be based on your regular occupational rate on that date, multiplied by 2112 (8 hours per day by 264 days per year).

The preceding tables only apply to contributions made from January 1, 1985 to December 31, 1994 and on and after January 1, 1995. If you were a member of the plan before that date, refer to your Annual Statements for credits earned prior to January 1, 1985.

**EXAMPLE**

Assume an employee joins the Plan at age 25 at the Class 49 earnings level and has future earnings rating as follows (using the table in effect January 1, 1995):

Number of Years	to Age	Earnings Class	Monthly		Total Monthly Benefit Earned
			Pension Credit	Benefit Earned	
5	30	49	\$ 59.88 x 5 years		\$ 295.00
5	35	50	61.00 x 5 years		305.00
5	40	52	65.00 x 5 years		325.00
5	45	54	69.00 x 5 years		345.00
5	50	56	73.00 x 5 years		365.00
5	55	58	77.00 x 5 years		385.00

5	6	5	79.00 x 5 years	9 5.00
5	6	6	81.00 x 5 years	<u>405.00</u>

He will receive from the Plan at Normal Retirement Date a pension of \$2,820.00 per month

Introduce a new Defined Contribution Group RRSP based on 5% employee contribution and 5% employer contribution for all new employees hired after May 1, 2005 with the option for current employees to move from the Defined Benefit plan to the Defined Contribution Group RRSP.

TABLE OF PENSION CREDITS AND MEMBER'S BASIC CONTRIBUTIONS  
(EFFECTIVE MAY 1, 2005)

53	39,600.01 to 40,800	3,350	67	167.5
54	40,800.01 to 42,000	3,450	69	172.5
55	42,000.01 to 43,200	3,550	71	177.5
56	43,200.01 to 44,400	3,650	73	182.5
57	44,400.01 to 45,600	3,750	75	187.5
58	45,600.01 to 46,800	3,850	77	192.5
59	46,800.01 to 48,000	3,950	79	197.5
60	48,000.01 to 49,200	4,050	81	202.5

61	49,200.01 to 50,400	83	207.5
62	50,400.01 to 51,600	85	212.5
63	51,600.01 to 52,800	87	217.5
64	52,800.01 to 54,000	89	222.5
65	54,000.01 to 55,200	91	227.5
66	55,200.01 to 56,400	93	232.5
67	56,400.01 to 57,600	95	237.5
68	57,600.01 to 58,800	97	242.5
69	58,800.01 to 60,000	99	247.5
70	60,000.01 to 61,200	101	252.5
71	61,200.01 to 62,400	103	257.5
72	62,400.01 to 63,600	105	262.5
73	63,600.01 to 64,800	107	267.5
74	64,800.01 to 66,000	109	272.5
75	66,000.01 to 67,200	111	277.5
76	67,200.01 to 68,400	113	282.5
77	68,400.01 to 69,600	115	287.5
78	69,600.01 to 70,800	117	292.5
79	70,800.01 to 72,000	119	297.5
80	72,000.01 to 73,200	121	302.5
81	73,200.01 to 74,400	123	307.5
82	74,400.01 to 75,600	125	312.5
83	75,600.01 to 76,800	127	317.5
84	76,800.01 to 78,000	129	322.5
85	78,000.01 to 79,200	131	327.5

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