

1998 – 2004

AGREEMENT

BETWEEN

DOMTAR INC. COMMUNICATION PAPERS ST. CATHARINES BUSINESS CENTER,

AND

COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA FEB 2 4 2003

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AGREEMENT

Between

Domtar Inc., a Corporation (by continuance) under the laws of Canada and having its head office located at 395 de Maisonneuve Boulevard West, Montreal, Quebec, herein acting with respect only to its Domtar Pulp and Paper Group, Communication Division, mill located at St. Catharines, Ontario, hereinafter referred to as the "Company"

-and-

The Communications, Energy and Paperworkers Union of Canada and its Local 77, acting jointly and severally, hereinafter called the Union, agrees to a renewal of the Collective Agreement for a period of six years, subject to the Memorandum of Agreement executed at Brockville, Ontario as of June 14, 1999. The terms and conditions of the Agreement, so amended, will remain in effect until April 30, 2004.

SECTION 1 PURPOSE OF AGREEMENT

- a) The general purpose of this Agreement is in the mutual interest of the employer and employee to provide for the operation of the Mills of the Company under the methods which will further to the fullest extent the safety and welfare of the employees, the economy of operations, quality and quantity of output, cleanliness of the Mill and the protection of property. It is recognized by the Agreement to be the duty of the Company and the employee members of the Union to cooperate fully, individually and collectively, for the advancement of said conditions.
- b) There will be no strikes, slowdowns, or lockouts during the term of this Agreement all parties signing this agreement shall endeavour to bring about a condition of maximum production and efficiency. However, in the event that any or all departments of this Mill are closed for any reason whatsoever, it is mutually agreed and understood to be to the advantage of both the Union and the Company to maintain certain essential services. These services are Operation of the Steam Plant; Care and watching of the premises; and

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Maintenance necessary to place the Mill or Departments **in** efficient condition for starting up and commencing operations.

c) Work will not be interrupted because of any disagreement among local employees who are members of tho signatory Union, or between one of them and any third party. Neither shall work be interrupted because of any dispute or disagreement between persons, corporations, unions or associations which are not signatory to this Agreement.

SECTION 2 RECOGNITION

- a) The Company agrees to recognize the COMMUNICA-TIONS, ENERGY AND PAPERWORKERS UNION OF CANADA and its Local 77, as the sole collective bargaining agent far all employees of the Company, save and except Supervisory Foreperson, those above the rank of Foreperson, Engineering Department employees, Stores employees, Office employees, watchperson, and certain salaried positions excluded by agreement.
- b) Subject only to the express provision of this Agreement, the Union agrees that supervision; management and control of the Company's business and plans are exclusively the function of the Management.
- c) Under normal conditions Supervisors shall not do work which is customarily performed by members of the bargaining unit. This shall not apply when the Supervisors are engaged in: Training employees; Experimental or development work; Providing assistance which is required due to production difficulties, or doing work required in an emergency.

SECTION 3 MEMBERSHIP

a) Any regular employee who is now, or has been, in good standing in the Local Union, or who should after this date become or be reinstated as a member, shall, as a condition of continued employment maintain

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membership in good standing in the Local Union, during the life of this Agreement.

- b) New employees shall make application for membership and join the Union after completing thirty (30) working days, and will serve a probationary period of sixty-five (65) working days beginning from their employment date. After the first thirty (30) day period, the Union shall represent such employee in every capacity, except for discharge and layoff during the probationary period.
- c) The Company shall deduct current Union dues from the earnings of each employee and remit to a designated official of the Union on a monthly or mutually agreed basis.
- d) After an employee becomes eligible for Union membership, if he/she refuses to join the Union or maintain paidup membership, it will be the duty of the Union, through its authorized officials, to notify the Company in writing that the employee in question is not a member in good standing. Written notice shall be given similarly to the employee in question at the same time. The Company shall then remove such employee from the payroll.
- Employees on Contractor's payrolls doing work on Company premises are not considered as part of this Agreement.

SECTION 4 WAGES AND RATES OF PAY

- a) The classification and wage rates as shown on the attached schedule shall form and become part of this Agreement.
- b) Errors in pay will be adjusted the week following their detection.
- c) If a job is changed materially within the contract year, either party may request a change in the rate of that job. Sixty (60) days shall be given to determine and develop the efficiency of the equipment prior to establishing a regular rate. Exceptions to this rule shall

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occur where extra time is necessary and a further time limit of sixty (60) days can be mutually agreed upon.

- d) When a new job involves a process, system or equipment new to the mill or to the department, a temporary rate will be set up agreeable to the Company and Union until a suitable regular rate can be properly established.
- e) All other Local Adjustments will be considered by the Company after careful reviewing and screening by the Union officials and must be submitted not later than February 28th. Wage changes thus negotiated will take effect as of May 1st, following.
- f) If the Company and Union fail to agree upon the revision of wages and/or local adjustments, the wage scale then prevailing shall continue until such time as a settlement is arrived at, and shall be effective as of the effective date of the Agreement.
- g) When no work is available for an employee who was scheduled to report for work, the Company will make every reasonable effort to notify the employee that he/she should not report as scheduled. In the event an employee is not notified that there is no work, the Company will provide him/her with a minimum of three (3) hours work or three (3) hours pay at his/her classified rate in lieu thereof. If it is necessary to change an employee's job after he/she reports for work, he/she will be paid a minimum of 2 hours at his/her regular rate and the remaining hours at the rate of job performed.
- h) Training rates will be as follows:
 - Promotion within a line of progression in the same department: The employee will maintain his/her current rate of pay until he/she alone assumes responsibility of the next higher classification for which he/she is being trained (e.g., Back Tender to Machine Tender),
 - Transfer from another job and department: The employee will be paid the base labour rate while being trained. Generally, employees will be paid the rate for job performed when they

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alone are held responsible for the work or service performed.

- Shift Differential: Effective May 1, 1991 0 -\$.40 0 -\$.60. In settlement of any future wage increases based on a percentage of rates, these shift differentials will be excluded before the percentage is applied.
- No shift differential is paid to employees who are scheduled to come in one or two hours early to make ready for a start-up prior to the commencement of their regular shift. Time and one half only will be paid for this time. (Previously Letter of Understanding 1993 ~ 1998)

SECTION 5 OPERATION OF THE MILL

- a) The regular operation of the mills in St. Catharines shall be seven (7) days continuous operations on any or all operations as required.
- b) In the event the Company finds it necessary to revert to less than seven (7) day operations in one or more departments, the workforce shall be reduced in the department or departments affected in accordance with departmental seniority provided the remaining employees are qualified to do the work available. Prior to any such reduction in the workforce, the Company agrees to discuss the reduction with the Union Executive.
- c) Employees may be required to commence work in advance of normal start-up times in order to permit start-up on time.

SECTION 6 HOURS OF WORK

- a) Hours of regular employment for all employees shall be forty (40) hours per week and eight (8) hours per day.
- b) Tour Workers
 - Tour or shift workers are those who are engaged in a two or three alternating shift

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basis on a job that operates continuously for at least 16 hours.

- i) Shifts will normally change at 7:00 a.m. and 3:00 p.m. and 11:00 p.m. and whenever possible rotate in sequence weekly.
- No tour workers shall change shifts without the permission of his/her Superintendent or Foreperson.
- iv) No tour worker shall leave Company premises during hours of employment without the permission of his/her Supervisor or Designate.
- c) Day Workers
 - Day workers are ail employees who do not come within the classification of tour workers, as defined in 6(b)(i) above.
 - ii) The regular hours of work for day workers will be eight (8) hours per day as scheduled in each department and under normal circumstances will be from 8:00 a.m. to 4:00 p.m. during which time workers are not to leave Company premises.
 - iii) The regular hours of work for electrical and mechanical maintenance employees will be from 7:30 a.m. to 3:30 p.m. during which time the workers are not to leave Company premises.

SECTION 7 STARTING AND STOPPING TIMES

- a) Tour Workers
 - i) When a tour begins each tour worker is required to be in his/her place. At the end of a shift no tour worker shall leave his/her place to wash-up or dress until his/her mate has reported to take on the responsibility of the position. If a tour worker does not report for his/her shift, the person he/she is to

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relieve shall notify his/her Foreperson or Superintendent and shall remain and carry on his/her work until a substitute is secured, failing which he/she shall carry on a extra shift. Tour workers shall not relieve their mates until they have changed their clothes, if necessary, and are prepared to take on the responsibility of the job.

- No workers will be required to work more than sixteen (16) hours consecutively.
- When a tour worker is unavoidably prevented from reporting for his/her scheduled shift, he/she must give notice to his/her Foreperson or Superintendent at least four (4) hours prior to his/her scheduled time to go on shift, except for day shift. Day shift notification shall be a minimum of one (1) hour prior to scheduled starting time. Abuse of this rule shall liable the offender to disciplinary action.
- iv) It is the duty of tour workers to provide continuous operation on shift jobs and they must work long hours when necessary to provide this continuous operation. In no case, however, will a person be required to work long hours when another person, capable and efficient, is available to take his/her place. The Company will make every possible effort to provide a capable and efficient replacement so that the above long hours will be reduced to a minimum.
- Employees will be promoted in lines of progression by seniority provided the employee has the qualifications to do the job in question.
- b) Day Workers
 - i) Day workers shall be in their respective working places with clothes changed, if necessary, ready to begin work at the designated starting time. Machinery will be started promptly and not stopped until three

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(3) minutes before the designated stopping time.

- i) If any day worker is unavoidably prevented from reporting for work as scheduled, he/she must make every reasonable effort to notify his/her Foreperson, or Superintendent. Such notification shall be previous to the scheduled starting time.
- iii) Day workers must not leave their work or work area except by permission granted by their Superintendent or Foreperson. They must obtain permission from their Superintendent or Foreperson to change to some other job.
- iv) A rest period of fifteen (15) minutes shall be allowed day workers during the forenoon as arranged in each department or by the Foreperson. This rest period shall normally be taken between 10:00 a.m. to 10:15 a.m. and shall not in any case exceed the time limit provided, which is fifteen (15) minutes off the job.
- v) A paid lunch period of thirty (30) minutes shall be allowed day workers as arranged in each department *or* by the Foreperson. The lunch period shall normally be taken from 12:00 noon to 12:30 p.m. and shall not in any case exceed the time limit provided which is thirty (30) minutes off the job. If an employee is required to work all or part of his/her lunch or rest period he/she is given equivalent time off. Overtime and call-in pay do not apply in the preceding case.
- vi) Maintenance workers shall be granted a ten (10) minute washup period in the afternoon from 3:20 p.m. to 3:30 p.m. The washup period is defined as the time interval between stopping work on the jobsite, at ten minutes prior to 3:30 p.m.

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c) Meal Allowance

- An employee required to work more than two (2) hours beyond the end of his/her regular day or shift, and not previously notified will be provided with a \$4.00 meal allowance by the Company. A \$4.00 meal allowance will be provided every four (4) hours after the first one.
- ii) Effective May **1, 2001** a **\$6.00** meal allowance will be provided.
- d) Wire Clause
 - i) Employees called in for a wire change shall be expected to report for work within one (1) hour call-in, except for justifiable cause. Such employees shall be paid six (6) hours at their straight time rate or at a rate of time and one haif (1-1/2) for hours worked on a wire change, whichever shall be the greater.
 - i) If employees called in for a wire change report late, one (1) hour or less from their reporting time, they shall be docked the time late from the pay allowance. If such employees report late more than one (1) hour from reporting time, the Company shall not be obligated to provide work or pay.
 - iii) Machine crew employees who continue work on the wire change beyond the end of their regular scheduled hours shall be paid time and one half for such time worked.
 - iv) The above provisions are separate from and are not to be interpreted as part of the callout provisions of Section 11.

SECTION 8 RETURN TO WORK NOTICE OF INTENTION

a) <u>Iour Workers</u>

When a tour worker has been absent from work for one or more shifts, he/she shall be required to give notice to his/her Superintendent or Foreperson of his/her intention to report for his/her next regular shift, as follows:

- For 7 3 shift by 5:00 p.m. on the day previous.
- For 3 11 shift by 12:00 noon on the same day.
- For 11 7 shift by 5:00 p.m. on the same day.

Day Workers

- When a day worker has been absent from work for one (1) or more days, he/she shall be required to give notice to his/her Superintendent or Foreperson of his/her intention to return for his/her next regular day by 5:00 p.m. on the previous day.
- ii) If employees report back to work without giving notice as specified in (a) and (b) (i) above, the Company may refuse to allow them to work on that day.

SECTION 9 SCHEDULED DAYS OFF

- Every effort will be made to have an employee's scheduled days off for the 40 hour week rotate weekly.
- b) When an employee is required to work on his/her scheduled or designated days off, he/she shall be paid for all hours worked on such days at time and one half rates, subject to the following conditions:
 - When an employee wishes to change his/her scheduled or designated days off, he/she will notify his/her Supervisor at least 24 hours in advance, and if such change is agreed by the Supervisor, then the employee will work at straight time rates on the days regularly scheduled as his/her scheduled or

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designated days off. If he/she is required to work on the alternate **day** he/she shall be paid at the overtime **rate**.

- ii) In the event of an employee being required to work on his/her scheduled or designated days off (not being Sunday) he/she will be paid at straight time rates, provided he/she has been given at least 24 hours advance notice and assigned other days off, as mutually agreed upon, for which he/she will be paid at overtime rates, if required to work on such days.
- iii) If an employee is required to work on his/her scheduled or designated day off (being a Sunday) he/she shall be paid time and one half of the rate of the job, and if he/she is not assigned another day off in that work week, he/she shall be paid the rate of time and one half hours worked on his/her sixth work day of that week.
- c) Day Workers Maintenance

If a day worker is required to work on his/her scheduled or designated day off (being a Sunday), the worker will be paid time and one half of the rate of the job. If the work is in excess of six (6) hours but less than eight (8) hours, the worker will be assigned four (4) hours off during the same work week. If the work is in excess of eight (8) hours, the worker will be assigned eight (8) hours off during the same work week. If the worker is required to work the assigned hours off, the worker will be paid time and one half for working those hours. If the worker options to work the assigned hours off, the worker will be paid at straight time rates.

SECTION 10 BEREAVEMENTLEAVE

a) Up to five (5) days compassionate leave with pay (maximum 40 hours) will be granted to an employee losing time from regular work due to the death of a member of the employee's immediate family namely: husband, wife, son and daughter.

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- b) Up to three(3) days compassionate leave with pay (maximum 24 hours) will be granted to an employee losing time from regular work due to the death of a deceased member of his/her immediate family namely: Father, Mother, Brother, Sister, Mother-In-Law, Father-In-Law, Stepfather and Stepmother, Grandparents, Stepbrother, Stepsister and Grandchild.
- c) Employees will be eligible for Bereavement Leave with pay after forty-five (45) days continuous service.
- d) In the event that burial is held at a later date, one (1) of the days referred to in paragraph (a) or (b) of this Section may be taken on the date of the burlal, subject to all applicable conditions of this Section.

SECTION 11 CALL-INS

a) Tour Workers

Tour Workers called in, after completing their regular shift to perform work other than their regular job, and after having left the Mill, shall be paid at overtime rates, but will receive not less than four (4) hours straight time pay at the rate of the irregular job.

b) Day Workers

Day Workers specially called in to work outside of their regular hours and after having left the Mill, shall be paid at overtime rates but will receive not less than four (4) hours straight time pay at the rate of the job they are called in to do.

c) Outside mill entrance at the Guardhouse is a Call-in.

SECTION 12 HOLIDAYS

a) An employee will be eligible for paid holidays, as Indicated in 12 (c) providing the employee has been at work on his/her last scheduled shift preceding the holiday and providing he/she returns to work as

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scheduled Immediately **following** the holiday, unless excused as **indicated** below:

- I. If away on vacation;
- ii. If work is not available due to a curtailment of operation of the mill;
- iii. If he/she has applied for and has received special official leave;
- iv. If he/she is absent due to substantiated Illness or accident.
- b) An employee who has completed thirty (30) days, but less than one year's continuous service, and who is absent, due to illness or accident, will be eligible to receive payment for the first statutory holiday authorized by the Labour Agreement following the date such employee has been absent. Any employee who has completed more than one (1) year's continuous service will be eligible to receive payment for the first two (2) statutory holidays following the date he/she has been absent, due to illness or accident.

An employee with more than thirty (30) days service who is on layoff, shall be entitled to receive payment for Statutory Holidays provided he/she has worked a minimum of one (1) day during the thirty (30) days immediately preceding the holidays.

- c) The following holidays and minimum shutdown times shall be recognized by this Agreement (from 12-hour Agreement). Holiday pay will be based on each employee's regular schedule. Eight (8) hours pay shall be given to all hourly rated employees who have been on the payroll for thirty (30) days, for the holidays listed when not worked.
 - i) NEW YEAR'S DAY 40 hours from 3:00 p.m. on the day preceding the holiday to 7:00 a.m. the day following the holiday.
 - VICTORIA DAY 24 hours from 7:00 a.m. on the day chosen as the holiday to 7:00 a.m. on the day following the holiday.

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- iii) CANADA DAY 24 hours from 7:00 a.m. on the day of the holiday until 7:00 a.m. on the day following the holiday.
- iv) LABOUR DAY 24 hours from 7:00 a.m. Monday until 7:00 a.m. Tuesday.
- v) THANKSGIVING DAY 24 hours from 7:00 a.m. Monday until 7:00 a.m. Tuesday.
- vi) CHRISTMAS DAY 40 hours from 3:00 p.m. on the day preceding the holiday to 7:00 a.m. on the day following the holiday.
- d) Agreement Covering Mill Operation During Mill Holidays: Not withstanding of the provisions of the Collective Agreement, the Company has the right to operate continuously on a year-round basis. The forty- (40) hour shut at Christmas and the twentyfour - (24) hour shut at Christmas and the twentyfour - (24) hour shut on Labour Day will be on a voluntary basis. If the Company Is unable to obtain the sufficient number of volunteers, production will not be scheduled. This staffing procedure can be modified locally by mutual agreement between the parties. The Company advises the Union thirty (30) days in advance of its Intention to do so.
 - i) When the Mill is operating during a Mill holiday, work crews are kept to a minimum, as for a regular Sunday operation.
 - ii) An employee who works on a Mill holiday **as** per above is paid as follows:

His/her Mill holiday is paid according to Section 12 (e); 12 (c)

His/her hours worked are paid at double time.

For each hour worked he/she receives an additional payment for one (1) hour at the rate paid for the job he/she performed.

An employee who works at least a complete shift during the twenty-four (24) hours of a Mill holiday may lake a compensating holiday without pay (one per Mill holiday) within the

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same calendar year at a date approved by his/her supervisor.

- An employee who does not work during a Mill holiday is paid according to the provisions set out in section 12 (c).
- iv) Employees required by the Company to work on such Mill holidays will be scheduled by following the regular weekly work schedule. Scheduled employees wishing to be excused from working a Mill holiday will apply in writing to their Supervisor twenty-one (21) calendar days prior to the commencement of the said days.

Vacancies on each shift resulting from these requests will be filled in a manner similar to the manner in which the vacancies created by floating holidays are normally filled, with move-ups conducted on each shift.

Vacancies remaining after these shift promotions will be filled by qualified employees on their scheduled day *off*. The Company will approach those employees in order of seniority with first choice to the senior qualified employee available at the job level of the vacancy.

No employee will be scheduled to work at a job level which is more than two classifications above his/her classified job.

Failure to identify qualified employees on their day off willing to work will result in the requests of the junior scheduled employees being denied as outlined in the second paragraph above and therefore these employees will be required to work.

v) The preceding provisions apply only while the Mill is operating during a Mill holiday.

> This agreement does not apply to employees who must perform regular work during Mill holidays when the Mill is not in operation.

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Three (3) floating holidays to be taken without interrupting the efficient operation of the Mill at a time mutually agreeable between the Supervisor and employee during the period May 1st, to April 30th.

To be eligible, an employee must have completed ninety (90) days of continuous service. The floating holidays shall be taken on a schedule straight time working day of the employee.

Employees terminating must take their floaters before their termination date or last day worked.

On January 1st a check will be made to see that Statutory and Floating holidays are outstanding, and those employees entitled to holidays will be notified and also informed that holidays must be scheduled by **January 15th**. If not scheduled by **January 15th**, the Supervisor shall assign the day or days after consultation with the employee.

In lieu of three (3) additional floating holidays, each employee who has been on the payroll thirty (30) days shall receive twenty-four (24) hours additional pay at his/her classified straight time rate, except that in the case of employees who regularly relieve or who substitute for other employees, the higher rate will apply if the employee worked on such higher rated job on both of his/her scheduled work days immediately preceding and immediately following the holidays. The time of the pay will be one week before Christmas. Employees retiring during any contract year will be paid for any floater or lieu pay owing them at the time of their retirement. The same method of payment will also be used for Statutory Holidays and Floating Holidays.

e) Any employee obligated to work on a holiday will be paid double time for all hours worked and he/she will have the option of taking time off with pay in lieu of the holiday, in accordance with the following schedule. If

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the work is in excess of six (6) hours but less than eight (8) hours the employee will have the option of four (4) hours off within ninety (90) days as agreed between the employee and the Company.

If the work is in excess of eight (8) hours the employee will have the option of eight (8) hours off within ninety (90) days as agreed between the employee and the Company.

If time off is elected, then payment for the Statutory Holiday will be made on the day on which time off is actually taken.

f) Any employee who is on regular vacation during the time of a paid holiday may choose as follows;

- Take a day off on a straight time day with pay as soon as can be mutually arranged within ninety (90) days of return to work.
- ii) In lieu of (i) above, receive payment for the holiday.
- g) No work schedule shall be changed to accommodate the use of a statutory holiday as a scheduled day off. If a statutory holiday falls on an employee's normal day off, payment for the sixth day is at straight time (48 hours). If the holiday falls on a regular scheduled shift or work day, it is recognized as eight (8) hours worked, and the employee is paid time and one half for the sixth day.

SECTION 13 VACATIONS

a) <u>Eligibility</u>

Employees governed by the terms of this Agreement are entitled to vacation with pay as outlined in this clause, with the understanding that vacation schedules are such that full and efficient production is maintained.

 i) Employees who have NOT completed by September 30th, at lease one (1) year continuous employment, shall be credited with one (1) full day of vacation for each

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complete calendar month of employment prior to **May 1** st., up to a maximum of ten (10) days. Credited days of vacation must **be** taken consecutively and on straight time days.

- Employees who do NOT qualify under the Vacation Clauses shall receive vacation pay in accordance with the Vacation with Pay Act of Ontario.
- iii) Time lost as a result of an accident, suffered during employment, at this Company and recognized by the Workers' Safety and Insurance Board (WSIB), shall be considered as time worked for the purpose of vacation credits in that year.
- iv) Vacation pay will not be paid for unless time off has been taken unless In accordance with Section 13(c)(iii).
- v) If any or all of the Mills are to be shut down for shortage of orders for any reason not now evident, it is expected that the Union will cooperate with the Company in an endeavour to make satisfactory arrangements for vacations to be taken at that time.
- vi) Vacation schedules will be subject to Company approval.
- vii) Employees having completed at least one (1) year continuous service, as of September 30th, in the current year, shall be entitled to two (2) weeks vacation with pay.
- viii) Employees having completed at least four (4) years continuous service, as of September 30th, in the current year, shall be entitled to three (3) weeks vacation with pay.
- ix) Employees having completed at least nine (9) years of continuous service, as of September 30th, in the current year, shall be entitled *to* four (4) weeks vacation with pay.

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- Effective May 1, 2000, employees having completed at least eighteen (18) years continuous service, as of September 30th, In the current year, shall be entitled to five (5) weeks vacation with pay.
- xi) Effective May 1, 2000, employees having completed at least twenty-three (23) years continuous service, as of September 30th, in the current year, shall be entitled to six (6) weeks vacation with pay.
- xii) Employees having completed thirty (30) years of continuous service, as of September 30th, in the current year, shall be entitled to seven (7) weeks vacation with pay.
- xiii) Vacation with pay will not **be** allowed during periods of illness and non-occupational accident covered by weekly indemnity or WSIB cases.
- xiv) Continuous employment for vacation credit shall be interpreted to be at least nine (9) full months of employment as of May 1st.
- xv) Earned vacation will be calculated on the basis of nine (9) or more full months of continuous employment equaling 100% vacation credit per year, however, **a** proportionate reduction in total vacation pay will be made in the case of less than nine (9) months continuous employment.
- xvi) An employee who shall have completed twenty-five (25) years of service as of September 30th, and who shall have attained an age listed below, shall be entitled to additional vacation with pay in accordance with the following schedule:

After age 60 and prior to age 61 1 week After age 61 and prior to age 62 2 weeks After age 62 and prior to age 63 3 weeks After age 63 and prior to age 64 4 weeks After age 64 and prior to age 65 5 weeks

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Supplementary vacation entitlement is subject to the following:

- Once earned, Supplementary Vacation must be taken prior to the employee's next birthday, outside of the period May 1st, to September 30th.
- Each week of Supplementary Vacation will be calculated at 2.4% of gross earnings in the previous calendar year, or 40 hours pay at the employee's regular classified rate, whichever is greater.
- iii) No right to payment shall accrue to the employee until he/she has satisfied both conditions of age and service and has met all the other eligibility conditions of vacation entitlement in the Agreement.
- b) Vacation Period
 - i) Employees shall be allowed no more than one period of vacation during the period of May 1st to September 30th, a maximum of two (2) weeks consecutively, unless there are weeks available after the vacation schedule has been finalized for the first round on April 1st.
 - All vacations, except the supplementary vacations, must be taken during the contract year May 1st, to April 30th.
 - Vacation schedules shall be arranged in each department by the Supervisor, using the basis of departmental seniority for individual selection as the governing factor.
 - iv) Employees may be granted in excess of two (2) weeks vacation with pay outside the period May 1st., to September 30th.
 - v) On November 15th, a check will be made to see what vacations are outstanding and those employees entitled to vacations will be notified and also informed by December 1^{sh}, that vacations must be scheduled by December 15th. If not scheduled by

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December **15th**, the Supervisor shall assign them **after** consultation with the employee.

c) Vacation Pay

- Vacation pay will be based on forty (40) times the employee's classified rate at the time vacation is taken or 2.4% of the total gross earnings for the previous year, whichever is greater for each week of vacation entitlement.
- An employee shall receive an additional four
 (4) hours pay at his/her current classified rate
 for each week of vacation entitlement taken
 during the period January 1 to April 30.

For the first and last week, Sunday to Sunday, of this section, an employee will be eligible for extra pay provided 4 of the 7 days falling within the prescribed time period, i.e., January 1st falls on Wednesday, employee is eligible, January 1st on Thursday, employee not eligible. Last week of April if includes four (4) days or more employee is eligible, if included three (3) days or less, employee riot eligible.

- iii) If any or all of the Mills are shut down for shortage of orders for any reason not now evident, and excluding Vacation Shutdowns, employees may request 50% of one week's vacation pay entitlement in accordance with 13(c)(i). The remaining 50% may be applied to a second incidental mill shutdown or will be paid out by the Company on April 30'"
- iv) Regular payroll deductions will be taken from vacation pay.
- v) Employees who have not taken their vacation and who terminate their employment shall he paid full vacation pay on the basis of service eligibility as of May 1st, and to date of termination, if applicable. All other employees who resign or are discharged

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shall **be** paid Vacation Pay on the basis of the Vacation with Pay Act of Ontario.

vi) It is understood that all of the foregoing, except 13(a)(ii) is in lieu of the vacation pay regulations set forth under the Hours of Work and Vacations With Pay Act promulgated by the Ontario Government, and shall not be construed as being in addition to the regulations in the Act.

SECTION 14 OVERTIME

a) <u>Tour Workers</u>

A tour or shift worker, as defined in Section 6 (b) will receive time and one half rates under the following conditions:

- For eight (8) hours or less worked on a Sunday
- ii) For additional hours worked over his/her regular daily hours of work, except:
 - When required to work more than eight (8) hours, but not continuously, in a twenty-four (24) hour period, due to change of shifts, required by a normal scheduling of Mill operations.
 - When a tour worker exchanges shifts, in whole or in part, by mutual arrangement of, and with his/her mate or another worker, with the approval of his/her supervisor.
 - When required to remain awaiting his/her mate because of tardiness up to one (1) hour.
- iii) For hours worked before or after his/her regular shift on day work at the rate of the irregular job.
- For hours worked on his/her scheduled or designated days off, subject to the provisions of Section 9.

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v) For hours worked on "Call Ins" subject to the conditions set down in Section 11.

b) Day Workers

A day worker, as defined in Section 6 (c) will receive time and one half rates under the following conditions:

- i) For eight (8) hours or less worked on a Sunday.
- i) For hours worked after his/her regular stopping time at night and before his/her regular starting time in the morning, unless notice of change of his/her regular starting or stopping time has been given by 12:00 noon on the previous day.
- iii) For hours worked beyond twelve (12) p.m. (noon) Saturday. Exceptions: Clothing Person, Swipes.
- iv) For hours worked on his/her scheduled or designated days off, subject to the provisions of Section 9.

For hours worked on "Call Ins" subject to the conditions set down in Section 11.

- c) Overtime Worked on a Statutory Holiday or a Sunday
 - Employees who work on a Statutory Holiday shall be paid at the rate of double time their regular straight time rate for all hours worked on a Statutory Holiday.
 - In addition to maintenance work required by a ii) total Mill shutdown, other maintenance work must be performed on Mill Statutory Holidays to sustain the operations to the mutual advantage of the employees and the Company. Where sufficient help is available, crews will be set up on voluntary basis. Sufficient advance notice will be given of the work required and meetings will be held to discuss the repairs to be done during the shutdown except for last minute

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emergencies. Double time will be paid to all employees who work on a Statutory Holiday.

iii) Employees who work on a Sunday shall be paid at the rate of double time their regular rate for any time worked in excess of eight (8) hours, except when required to remain awaiting a mate because of tardiness up to one (1) hour for which they would be paid time and one half.

SECTION 15 SENIORITY

- a) For the purpose of this Agreement there shall *be* three
 (3) classes of seniority: Mill Seniority, Department Seniority and Job Seniority. They are defined as follows:
 - Mill Seniority shall be determined by an employees length of continuous service in the bargaining unit with the Company at this location, measured from the date the employee was hired.
 - Department Seniority shall be determined by an employee's length of continuous service in a department measured from the effective date the employee was either hired or transferred into the department as a regular employee in that department.
 - iii) Job Seniority shall be determined by an employee's length of continuous service on a job Classification measured from the official effective date that the employee was assigned to that job on a regular basis.

After new employees have successfully completed the probationary period of ninety (90) days, their seniority shall be effective as of the original date of employment.

iv) For the purpose of this Agreement, qualifications mean skills and abilities.

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- b) An employee shall cease to have seniority rights and his/her employee status with the Company shall be terminated:
 - i) If the employee voluntarily leaves the Company.
 - If the employee is discharged and not reinstated under the provisions of Section 16.
 - iii) If the employee fails to report without a valid reason following an approved leave of absence.
 - iv) If an employee is laid off and fails to return to work when recalled.
 - When an employee reaches the normal retirement date whether or not he/she is a member of the Company Pension Plan.
- c) Students hired by this Division will be categorized in either of the following two classifications:
 - i) Summer Vacation Relief May 1 to September 30.
 - ii) Weekend Relief September 30 to May 1.
 - Summer Vacation Relief
 When a Student advises the Company that he/she is returning to school, and is no longer available for continuous employment, he/she will be terminated and paid the normal vacation entitlement.

Holiday Benefits Statutory Holidays after thirty *(30)* days continuous employment. Floaters after ninety (90) days continuous employment.

Weekend Relief
 Following employment as a Summer Vacation Relief, if a Student expresses the desire to work on weekends, he/she will be terminated as noted above and will be placed "on call".

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On the first day of his/her return to work as a Weekend Relief person, he/she will be put back on payroll. Theoretically, from this day forward he/she will be hired on a day to day basis, but left on payroll to eliminate numerous rehiring and termination changes.

d) Holiday Benefits - Nil

The rehire date for Weekend Relief is invalid for computing contract benefits accorded to regular employees.

All Students working on Weekend Relief assignments will be terminated on April 30th and paid the normal vacation entitlement.

The classification of Summer Vacation Relief would then apply from May 1 to September 30.

- e) Union Dues
 - Summer Vacation Relief After thirty (30) working days service, Union Dues will be deducted monthly from the Student's wages on the normal checkoff system.
 - Weekend Relief On our checkoff system, Union Dues are automatically deducted from one pay per month.
- f) Seniority Status

It is understood and agreed that Students are hired as Temporary Help to replace regular employees, and in layoff situations they shall be laid off first. The only exception would be if regular employees were not qualified or capable of performing the job held by a Student.

g) Status Transfer Students to Regular Employees

If a student, hired as a Summer Vacation Relief, decides not *to* return to school and wishes *to* become a regular employee, he/she will advise the Company of

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his/her intention and the Company will consider to rehire him/her as a regular employee with the effective **data of his/her** first **day** worked **in** the following month. This rehire date will then be used in respect to contractual benefits derived from continuous employment as a Regular employee.

SECTION 16 PROMOTIONS, TRANSFERS AND DEMOTIONS

- A permanent vacancy is defined as a job classification where there is not a classified incumbent. The Company reserves the right to decide if and when a permanent job vacancy is to be filled.
- b) An employee may hold only one permanent classification at any one time. The employee automatically gives up all rights to any previous permanent job classification when he/she is transferred to a new permanent classification except as outlined below in 16 (e).
- c) An employee transferred to another department as a result of a job posting, will not be allowed to post to another position for a period of one (1) year except in the case where an employee has accepted a transfer and becomes eligible for a Steam Plant or Maintenance Department job posting.
- When a permanent vacancy occurs on a bottom job in a d) line of progression, or new jobs, or other vacancies are created, the Company shall post such vacancy on all of the Mill bulletin boards for a period of seven (7) calendar days. All employees in the bargaining unit will have the right to apply for such a vacancy, and selection will be based on Mill seniority providing that the senior employee has the necessary skill and ability. Appointments will be made within ten (10) days posting and the following the closing date of the Union will be advised accordingly. Successful applications will occupy their new position as soon as possible within thirty (30) calendar days following the appointment confirmation to the Union, or the Company must give an immediate explanation why the move must be delayed.

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- e) The successful applicant (permanent job posting) will be on trial for a period not to exceed thirty (30) days worked from the date of transfer. If the employee proves satisfactory, he/she will be confirmed in his/her new classification and department without loss of seniority. The employee has the right to return to his/her job within thirty (30) days worked if the Company agrees the reasons are good and sufficient.
- f) Promotion and demotion shall be done on a Job Seniority basis insofar that when it is necessary to promote an employee to the next level in a line of progression, the classified employee, who has the greatest Job Seniority and the qualifications necessary to perform the work required, who is in the job immediately below the open position in the line of progression, shall be promoted.

In the case of equal Job Seniority, Department Seniority shall prevail. In the case of equal Job and Department Seniority, Mill Seniority shall prevail.

- g) An employee who refuses a promotion in a line of progression shall be considered a junior to all employees who bypass him/her for promotional purposes only. In the case of a reduction in the work force, employees will be demoted step by step down their line of progression in the reverse order of the steps followed in their promotion.
- h) It is understood that such employees must accept tour or day work if they have the opportunity of a promotion to a position at a higher rate.

For the purpose of this Article, only medical reasons will be considered as valid grounds for refusing promotions in a line of progression.

- i) Temporary Promotions
 - i) Any employee placed for less than one (1) hour on a position paying a higher rate will receive his/her regular rate. However, if over one (1) hour, he/she will be entitled to receive the higher rate. Exceptions to this rule will occur when the operating force is reduced, then lower rated positions will be considered regular until the personnel is increased. Employees so placed will understand that

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they are to accept lower positions at the prevailing rates.

 ii) If a promotion is of a temporary nature, overtime rates will he paid for all hours worked after he/she has completed the regular hours in the day, as set out in Section 6.

In jobs classified under the Mechanical Classification Plan, an employee promoted on a temporary basis or temporarily doing work of a higher classification, will receive a rate not higher than that which applies to the classification next higher than his/her original rate.

- Persons in the labour pool must accept promotions to regular positions when they are requested by the Company to do so.
- I) Any employee who has been, or is a member of the Union, and has been transferred to a position not covered by this Agreement, and is subsequently transferred back to an occupation within the bargaining unit due to a reduction in staff, shall maintain his/her seniority for a three (3) month period. If, however, he/she is promoted out of the bargaining unit, he/she will maintain his/her seniority and welfare benefits for a three (3) month period, during which time he/she may revert to his/her job within the bargaining group.

It is understood that when a person is transferred out of the bargaining unit, the Union will be given written advance notice of the transfer, and the employee must maintain payment of Union Dues for the three (3) month period.

m) Employees who, for any reason, are incapable of performing their duties in a satisfactory manner may be required to change their jobs. Such changes, however will be discussed with the Union, if, as arid when made.

Whenever possible, in the judgment of Management, a person will be given a second chance either in the department in which he/she has been working, or in some other department where he/she will be given a fair opportunity to produce.

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SECTION 17 LAYOFF AND RECALL

- a) In layoffs, preference for employment will be given to employees with the greatest Mill seniority with the Company, provided that they are competent to perform the work assigned which may occur because of layoffs.
- b) Recall Rights
 - An employee laidoff with less than five (5) years service shall retain a right of recall for a period equivalent to his/her length of service, or for one year, whichever is less. (There is no recall provision for new employees during the probationary period of ninety (90) days). An employee laidoff with five (5) or more years of service shall retain a right of recall for a period of two (2) years.
 - The period of recall will be measured from the last day worked. Laidoff employees shall be recalled in the reverse order of their layoff, provided that they are competent to perform the work required.
 - iii) Employees on layoff must make themselves available for work. When layoff exceeds thirty (30) days, the employee must report for work within five (5) days of recall.
 - iv) The Company will pay premiums for the current month in which an employee is laidoff, plus the following month, in accordance with the terms outlined in the Letter of Understanding entitled "Group Insurance Coverage for Employees on Layoff Employee Obligation to Respond to Recall".

SECTION 18 ADJUSTMENT OF COMPLAINTS

Should differences arise between the Company and the Union or its members employed by the Company as to the meaning or application of the provisions of this Agreement, there shall be no suspension of work on account of such

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differences but an earnest effort shall be made to settle the differences in the following manners.

Step 1:

- a) The Employee, with the representation of one Shop Steward, will discuss the Issue with the Supervisor and the one optional Non-Negotiated witness to resolve the difference.
- b) If the Employee, Shop Steward and Supervisor cannot resolve the difference, the Shop Steward will file a grievance with the Supervisor within 48 hours of the conflict resolution meeting. The Supervisor will respond to the grievance within seven calendar days and present his/her response to the Shop Steward involved with the grievance.
- c) If the Shop Steward and Employee are not satisfied with the response, he/she will forward the grievance to the Union Executive within 7 days of response for the issue to be raised to Step 2.
- d) Within fourteen (14) days of receiving the Supervisor's written response a member of the Union Executive will notify the Director of Human Resources if they wish to proceed to Step 2 with this grievance.

Step 2:

- a) The Union and the Company will arrange a meeting at a mutually agreeable time to resolve the grievance at Step 2 no later than sixty (60) calendar days from the date of the Step 1 meeting. The meeting shall consist of Management and Union representatives.
- b) If the Union Executive are not satisfied with the resolution from the Step 2 meeting, they may choose to proceed to Step 3 of the grievance procedure.
- c) Within ten (10) days of the Step 2 meeting, a member of the Union Executive will notify the Director of Human Resources of intent to proceed to Step 3.

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Step 3:

a) The Director of Human Resources and Local Union President will arrange a third step conflict resolution meeting at a time mutually agreeable to both parties. The members of the Third Step meeting will consist of: Director of Human Resources or designate; one other Company Director or designate; one member of the Union Executive; one member of the National Union or designate.

Arbitration Procedure

- The party desiring to submit a matter to Arbitration shall deliver to the other party a notice in writing of intention to arbitrate.
- b) Within ten (10) days after the date of the said notice of intention, the party initiating arbitration shall notify the other party of the naine of its Representative on the Arbitration Board, and the other party shall appoint its representative within ten (10) days of receipt of this notification.
- c) In the event that either party shall fail to appoint a representative to the Arbitration Board within the delay provided, the other party may request the Minister of Labour of the Province of Ontario to appoint **a** representative on behalf of the defaulting party.
- d) When the representatives have been appointed they shall meet forthwith *to* choose a Chairperson who, with the two representatives, shall constitute the Arbitration Board.
- e) Should the representatives fail within five (5) days to agree on a Chairperson, the Minister of Labour of the Province of Ontario may be requested by the representatives, or by either of them, to appoint a person who shall be chairperson of the Arbitration Board.
- f) After the Arbitration Board has been formed by the foregoing procedure, it shall meet and hear the evidence and representatives of both parties and shall

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render a decision within fifteen (15) days after the completion thereof.

- g) The decision of the majority of the Arbitration Board on the matter at issue shall be final and binding on both parties, but the jurisdiction of the Arbitration Board shall be limited to deciding the matter at issue, within the meaning of the existing provisions of the Agreement, and in no event shall the Arbitration Board have the power to add to, subtract from, alter or amend this Agreement in any respect, except in cases of disciplinary action. If it is the opinion on the Board that some lesser penalty is justified, the Board shall have the right to decide such penalty.
- Each party shall pay its own arbitration costs including the fees and expenses of witnesses called by it and its representatives. The fees and expenses of the Chairperson shall be shared equally by the parties.
- i) It shall be the duty of the Management, Shop Stewards and Officers of the Union to see that all grievances shall be dealt with at the time they become evident, and shall be disposed of as soon as possible. Every reasonable effort shall be made to dispose of all grievances prior to the expiration of this Agreement.
- j) The Management may take up with the Union, complaints from customers or Mill Control Departments or from other sources, and require that a worker or workers from the department which caused the complaint be brought before the meeting.
- k) The Union agrees to cooperate actively in every reasonable manner to eliminate absenteeism.
- It is understood that any grievance arising out of the suspension, or discharge of employees, or their recall from any of these separations, must be presented to the Company within fourteen (14) work days of the occurrence; otherwise no grievance will be deemed to exist.
- It is further understood that all other grievances must be presented to the Company within thirty (30) workdays of the occurrence; otherwise no grievance will be deemed to exist.

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For the purposes $d^{\!\!\!\!}$ this Section, "Work Days" shall exclude Saturday, Sunday and statutory holidays.

SECTION 19 MUTUAL INTEREST & WELFARE

The Union agrees to cooperate with the Company in all matters of Health and Safety.

SECTION 20 NON-DISCHIMINATION

Federal and Provincial Legislation deal with the matter d discrimination in employment against employees and union members on account of race, colour, creed, sex, age or national origin. As a matter *d* record, the Company and the Union hereby subscribe to the principles of such legislation.

SECTION 21 TRADE APPRENTICESHIP PROGRAMME

- a) It is agreed that the Trade Apprenticeship Programme, and as amended from time to time, will form part of this Agreement and will continue in force and effect during the life of this Agreement.
- b) It is understood that temporary labouring help shall be paid at the base labour rate, provided the regular maintenance helper(s) is employed on the same specific job. In the event that no regular helper is working on the job, one of the temporary labourers shall be entitled to the "B" Class helper rate.

SECTION 22 TRADES FLEXIBILITY

a) <u>Mutual Assistance Day Workers</u>

Tradesperson who are scheduled as part of the day maintenance crew will continue to be assigned work which is pari of their classified trade. When employees of different classified trades are assigned to work together on a specific job, they will assist each other in performing the assigned tasks.

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In return for this approach, each Tradesperson will receive an adjustment of: Tradesperson Class " A and above \$.50 per hour Tradesperson Class "B" \$.25 per hour Tradesperson Class "C" \$.15 per hour

b) Tradesperson on Shift

A Tradesperson working on shift will carry out all work which he/she is capable of performing in addition to his/her trade. The Company, in conjunction with the Union, will identify the training requirements to improve the skills of the Tradesperson on shift.

Shift Tradesperson of different trades and Mill areas will be brought together as a group to perform repairs. In return, Tradesperson on shift will receive an adjustment of \$.50 per hour over and above the "mutual assistance" adjustment.

c) Job Security

The company does not anticipate job reductions in the maintenance department as a direct result of trades flexibility, but if they occur, they will be handled through attrition.

d) Past Agreements

The above provisions replace all practices and verbal or written agreements which contravene or prevent the application of this flexibility.

e) <u>Oilers</u>

Trades flexibility and mutual help do not apply.

SECTION 23 JURY DUTY & CROWN WITNESS

An employee who serves as a juror or crown witness shall be paid the difference between the pay received for such service and eight (8) times the straight time hourly rate he/she would otherwise have received, subject to the following conditions.

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- a) The employee has *at* least ninety (90) days of continuous service.
- b) The days eligible for such payment shall be scheduled working days of the employee upon which he/she would otherwise have worked.

SECTION 24 PENSION PLAN

The Company Pension Plan is mandatory for all new employees in accordance with the terms and conditions of said plan. The Pension Plan including modifications agreed to in the Memorandum of Agreement dated April 22, 1999 forms part of the Agreement and will be administered in accordance with the terms d the plan.

SECTION 25 AUTOMATION AND TECHNOLOGICAL CHANGE

A Joint Committee on Automation andior Technological Change will be established consisting of four (4) persons, two (2) selected by Management and two (2) selected by the Union. The function of the Joint Committee shall be advisory to Management and it will study the effects on employees, their employment status and their working conditions in the Mill, of changes resulting from automation andior technological change.

The Joint Committee, among other things, will consider early retirement, re-training, transfers to other jobs, as well **as** the availability of assistance from the various levels of Government, as means of assisting employees displaced by changes resulting from automation andior technological change.

Prior to the introduction of automation andior technological change which is likely to be d a permanent nature, and which will result in layoffs, or which may materially affect the employment status of employees, the Company will advise the Joint Committee as far in advance as possible, but in no case less than 60 days in advance of such changes.

At such time the Company will supply the Joint Committee, for its use, such information as may be required.

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Should the introduction of changes resulting from automation and/or technological change result in a niaterial alteration in the job **content** and/or **skill. a new rate shall be** negotiated **for** the job in question. The new rate when agreed upon will be retroactive to the date of change, with the old rate applying during the interim period. If required, the employee concerned shall be provided with an opportunity to take on the job training, in order to enable him/her to fulfill the changed requirement of the job.

Regular employees who are displaced from their jobs, as a result of automation and/or technological change, will be provided the opportunity for on the job training to enable them to fill another job to which they are entitled, on the basis *o* f their seniority.

An employee who is permanently set back to a lower paid job because of automation and/or technological change, shall maintain the rate of his/her permanent job at the time of the set back, for a period of six (6) months, arid for a further period of six months, he/she shall be paid an adjusted rate which will be midway between the rate of his/her permanent job at the time of the set back, and the rate of his/her new permanent job. At the end of this twelve (12) month period, the rate of his/her new permanentjob shall apply.

SECTION 26 JOB SECURITY

The Company and the Union recognize that technological change, automation, changes in methods of process and reduction of the workforce have an impact on employees.

The Company is therefore prepared to make the following commitment. Immediately following a public announcement by the Company of its intentions to proceed with a major project or layoff (for reasons other than market conditions) affecting the employment status of permanent employees, the Company will meet with the Union involved to implement the following:

- a) Special early retirement provisions
- b) Freeze on the hiring of permanent employees
- c) Retraining

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- d) Transfers to other job vacancies
- e) Exercise of the **bumping** provisions of the agreement
- f) Attrition (death, retirement, voluntary resignation, discharge for cause)
- g) Give consideration to displaced employees of Cornwall and St. Catharines for other openings in these locations. The Company will recognize continuous service for vacation and pension, without the need to complete another probationary period.

SECTION 27 SEVERANCE

Severance Pay: An employee who has completed at least one year of continuous service will be entitled to a severance pay equal to one week of salary per year of continuous service. One week of salary means the employee classified rate multiplied by the regular number of hours (minimum 40 hours). The years of continuous service at the time of the layoff are prorated by any part of a year.

SECTION 28 SAFETY FOOTWEAR

Effective May 1, 2001: The Company will contribute a maximum of \$80 per calendar year.

Effective May 1, 2003: The Company will contribute a maximum of \$100 per calendar year.

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APPENDIX "A" GROUP INSURANCE PROVISIONS

- a) The following Group Insurance Plan shall be provided for all eligible employees. The Company will pay 100% of the premium cost of benefits effective the first day of the month following ratification and any future increases in premium costs will be shared between the company and the employee.
- b) <u>Compulsory Participation arid Waiting Period</u>: Membership in the full Group Insurance Plan is compulsory for ail full-time permanent employees after a three (3) month waiting period, except in the case of the Dental Plan which requires a twelve (12) month waiting period for new employees.
- c) <u>Changes in Government Plans</u>: If, during the life of this Agreement, Federal and/or Provincial governments shall introduce legislation to provide benefits already covered by this plan, the Company will have the right to full integration of both benefits and costs. Any savings arising out of such integration shall accrue to the Company account unless otherwise stipulated by law.
- d) <u>Administration</u>: Group Insurance benefits will be administered in accordance with the terms and conditions of the group insurance policy. Copies of the insurance contracts and amendments hereto will be furnished to the Union and the Company will provide a full accounting once each collective agreement year. The Company agrees that the amended Group Insurance Pian remain in effect during the term of this agreement.

LIFE INSURANCE

- a) <u>Life Insurance</u>: Effective the first day of the month following date of ratification, all eligible employees shall be provided with Life Insurance coverage in the amount of forty thousand dollars (\$40,000) at no cost to the employee.
- b) <u>Retiree Life Insurance</u>: The Company shall provide Retiree Life Insurance of \$7,500 for all present and

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future retirees **between** the ages of **55** and 65 at no cost to the retiring employees.

The Company shall provide Retiree Life Insurance of \$5,000 to take effect immediately upon attaining age 65, at no cost to the retiring employee.

- c) <u>Life Insurance for Dependents</u>: Effective the first day of the month following ratification, the Company shall provide Dependent Life Insurance at no cost to the employee on the following basis:
 - Spouse \$10,000 The spouse's Life Insurance will be reduced to \$500 upon the employee's retirement and cancelled on his death.
 - ii) Each unmarried dependant child:
 - (a) 14 days but Jess than 1 year of age -\$400.00
 - (b) 1 year but less than 19 years, (twenty-five (25) years when a student full-time), wholly dependent on the employee for support, \$5,000.
- <u>Accidental Death & Dismemberment</u>: All eligible employees shall be provided with Accidental Death and Dismemberment coverage in the same amount as life insurance.

WEEKLY INDEMNITY

Effective July 1, 1999 for all eligible employees actively at work, the Company will pay 100% of the Weekly Indemnity premiums in effect on that date.

- a) Effective May 1, 2000, the maximum Weekly Indemnity coverage will be increased from \$530 to \$540 or the E.I. maximum, whichever is greater, for eligible employees actively at work on that date.
- b) Effective May 1, 2001, the maximum Weekly Indemnity coverage will be increased from \$540 to \$560 or the E.l. maximum, whichever is greater, for eligible employees actively at work on that date.

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- c) Effective May 1, 2002, the maximurn Weekly Indemnity coverage will be increased from \$560 to \$580 or tho E.I. maximum, whichever is greater, for eligible employees actively at work on that date.
- d) Effective May 1, 2003, the maximum Weekly Indemnity coverage will be increased from \$580 to \$600 or the E.I. maximum, whichever is greater, for eligible employees actively at work on that date.
- e) <u>Offsets</u>: CPP benefits for disability payable on behalf of the employee for the same disability, including retroactive payments, will reduce weekly indemnity benefits by an equal amount. All employees may be obligated to apply for government disability benefits at any time of disability and will agree to reimburse the insurance company for any retroactive payments made while in receipt of weekly indemnity benefits.
- f) Successive Periods of Disability: Successive periods of disability separated by less than 30 calendar days of full time active employment at the employee's customary place of employment shall be considered one period of disability unless the subsequent disability is due to an injury or sickness entirely unrelated to the cause of the previous disability and commences after the employee has returned to full time active employment. Full time active employment does not include vacations.

Should the employee be off work due to illness or disability on the effective date of new coverage, he/she will be eligible for the improved benefit level on the date of his/her return to full time active employment. However, should he/she return to full time employment for less than thirty (30) days, the improved benefit will be payable for *fifty-two* (52) weeks *of* benefit paid prior to the effective date of new coverage.

- g) <u>E.I. Rebate</u>: In view of the improvement in weekly indemnity benefit and the Company contribution, the 5/12th portion of the premium reduction (employee's share) under the Employment Insurance Act, shall be retained by the Company from the effective date.
- h) <u>Definition of Hospitalization</u>: First day of hospitalization includes first day *of* inpatient hospitalization, a minimum of twelve (12) hours of outpatient hospitalization or

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when a day surgery is performed under general anesthetic.

OTHER COVERAGE UNDER THE GROUP INSURANCE PLAN

- a) MAJOR MEDICAL
 - i) Effective the first day of ratification, the maximum amount payable for each individual in any one year is \$25,000 (from 20,000) less any benefits paid in the immediately preceding two (2) calendar years.
 - ii) Deductibles: Single- \$25.00 Family- \$25.00
 - Co-insurance 20-80 except on drugs which are 100% paid after deductibles have been satisfied.
- b) <u>Vision Care</u>: The following vision care expenses incurred by an employee and/or covered dependents are eligible when recommended by a physician or an optometrist. Frames lenses, and the fittings of prescription glasses, including contact lenses up to a total payment of \$125.00, per family member, in any two consecutive calendar years.

LONG TERM DISABILITY

Long Term Disability Plan: The Company shall pay the monthly premium rate of the L.T.D. Plan which shall be administered in accordance with the terms of the insurance policy.

<u>Eligibility</u>: The L.T.D. Plan shall be compulsory for all full time regular employees who are participants in, and who are covered for Weekly Indemnity benefits under the existing group insurance plan.

1) BENEFIT LEVEL AND QUALIFYING PERIOD

Amount of Benefit: The rate used to determine long term disability benefits is the classified rate of the employee effective the first of May preceding the date

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the employee became eligible for Weekly Indemnity benefits.

During the term or agreement, the rate used to determine the benefits of employees shall be increased effective May 1st of each year by general wage increases that occur while the employee is on L.T.D. Employees currently on Weekly Indemnity shall qualify for this improved benefit.

Benefits are 55% of the rate, as defined in the preceding paragraphs, multiplied by 2080 and divided by 12 up to the maximum monthly benefit in effect on the date the employee became eligible for L.T.D.

Effective July 1, 1999, for all new cases, the maximum monthly benefit is **\$2,300** (from \$2,200).

Effective May 1, 2002, for all new cases beginning on *or* after, the maximum monthly benefit is **\$2,400** (from \$2,300) for employees actively at work on that date.

Improvements to benefits apply to employees actively at work on effective date of enhanced benefits.

C.P.P. benefits payable on behalf of the disabled employee's dependents are not to be offset against L.T.D. benefits.

- 2) Offsets: The amount of benefit shall be reduced by any payments made under any government disability plans (except increases in such amounts occurring 12 months or more after disablement), W.S.I.B. or any other nonprivate disability income plan.
- 3) <u>Definition of Disability</u>: "Disability" shall mean an insured employee who has received 52 weeks of benefits under the Weekly Indemnity plan and who is unable, because of non-occupational disease or accidental bodily injury, to work at his regular occupation or at any other available job in the mill during the next consecutive twelve (12) months, and thereafter is unable to perform any and every duty of every occupation in the mill for which he is reasonable fitted by education, training or experience.

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4) Duration of Benefits To Be The Earlier Of:

- i) A benefit period equal to months of service
- ii) Age 65
- iii) The date of retirement
- iv) The date of death
- 5) <u>Successive Periods of Disability</u>

Successive periods of disability, for purposes of the long term disability plan, separated by less than thirty (30) days of active full time employment at the employee's customary place of employment shall be considered one period *of* disability unless the subsequent disability is due to an injury or sickness entirely unrelated to the causes of the previous disability and commences after the employee has returned *to* full time active employment. For the purpose of this article, full time active employment does not include vacation.

6) <u>Pension Accru</u>—: While entitled to benefits under the L.T.D. Plan, a contributory member of the plan will continue to accrue pension benefits, free of
 contributions by him/her based on his/her regular classified rate as of the date disability commenced.

Although accruing pension benefits, no death or termination benefits will accrue during this period, except with respect to interest on employee contributions made prior to date of disability.

- 7) Other Benefits While On L.T.D.:
 - Group Life Insurance will be maintained on a waiver of premium basis. Upon cessation of L.T.D. benefits in the event of retirement or age 65, the Group Life Insurance will be reduced immediately in accordance with the retiree benefit thereunder.

Installment life benefits will be paid if an employee under age 65 continues to be totally disabled and he/she no longer has benefit entitlements under the weekly income

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and L.T.D. disability plans, on the following basis:

The amount of Life Insurance Benefit, less \$2,500 paid at the rate of one-sixtieth per month for a maximum period of 60 months, or early retirement, or age 65, whichever occurs first. The \$2,500 coverage will be continued as a retiree life insurance benefit.

For an employee who commences Weekly Indemnity on or after February 1, 1988, the Life Insurance benefit will be \$4,000.

- ii) Accidental Death & Dismemberment will not be maintained while receiving L.T.D. benefits.
- iii) Health insurance coverage will be maintained in accordance with the conditions applying under the collective agreement.
- iv) The present provisions with respect to disability pension payments is amended so that they will only become payable if the employee qualifies for such payment after expiry of his L.T.D. benefit period.
- 8) Exclusions:
 - Benefits under L.T.D. Plan will not be payable for claims resulting from self-inflicted injury, war or riot.
 - i) An employee on L.T.D. shall not accumulate credit for vacation or holidays.

Explanatory Notes on Administration of Long Term Disability Plan Qualifying Period: The word "consecutive" shall be interpreted as "52 weeks accumulative for the same disability".

Amount of Benefit: The amount of benefit shall not be reduced by Disability Pension payments under War Veterans or W.S.I.B. legislation if the disability is unrelated.

Benefit Period: The Benefit Period shall be by year and by month of service. A Year of Service shall not include

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the period from the onset of a disability which resulted in a consecutive period of W.I. and L.T.D.

An employee who returns to work after a period of Long Term Disability, **shall** be credited with accumulated service while on W.I. and L.T.D.

Dental Plan:

A dental plan with participation compulsory is provided for all employees.

Effective May **1**, **1999**, the Dental Plan to provide payment based on the **1998** Ontario Dental Association **(ODA)** Schedule of Dental Fees.

Effective May 1, 2000, payment will be based on the 1999 Ontario Dental Association's (ODA) Schedule of Dental Fees.

Effective May **1**, **2001**, payment will be based on the **2000** Ontario Dental Association's (ODA) Schedule of Dental Fees.

Effective May **1**, **2002**, payment will be based on the **2001** Ontario Dental Association's (ODA) Schedule of Dental Fees.

Effective May **1**, **2003**, payment will be based on the **2002** Ontario Dental Association's **(ODA)** Schedule of Dental Fees.

Effective May **1**, **2004**, payment will be based on the **2003** Ontario Dental Association's (ODA) Schedule of Dental Fees.

 Effective Date of Coverage: Eligibility for these benefits shall apply only to those employees who are actively at work on the effective date of the plan. If an employee is not actively at work on the effective date of the plan or any amendments thereof, coverage will commence when he returns to work full time. New employees will become eligible for coverage after one (1) year of continued service.

No employees shall be covered for dental insurance when laid off except those for whom a course or

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treatment has been prescribed and has commenced prior to such lay-off. Benefits will in rio case continue longer than ninety (90) days from tho date of lay-off.

- Eligible Expenses: Eligible expenses under this plan are expenses for dental treatment recommended as necessary by a physician or dentist which are not in excess of the minimum fee specified in the Dental Fee Schedule of the Province in which the employee resides
- 3) <u>Co-ordination of Benefits</u>: If an employee is insured simultaneously under any other plan which provides benefits similar to those provided under this plan, payments *of* benefits for that employee or his eligible dependents under this plan will be determined by the Co-ordination of Benefits provision. The payments from all sources will not exceed the total of actual expenses incurred without exceeding the amount indicated under the schedule of fees.
- 4) Integration with Government Plans: The plan will not provide like benefits where such are currently being provided by federal or provincial legislation. If, during the life of this Agreement, federal or provincial governments shall introduce legislation to provide benefits already covered by this plan, the plan shall be amended so as to eliminate said benefits. Any resulting premiums savings shall accrue to the Company.
- 5) <u>Administration</u>: The plan will be administered in accordance with the terms and conditions of the master policy. The decision as to the choice of administrative vehicle will be made by the Company. All necessary procedures to assist the dentist in evaluating the existing conditions and the dental care required. These services include:

Module I = Basic Coverage / No Deductible / 80% Payable

 <u>Diagnostic:</u> All the necessary procedures to assist the Dentist in evaluation the existing conditions and the dental care required. These services include:

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Examinations and consultations

- i) Roentgenology and pathological reports as required by the attending dentist
- iii) Full mouth x-rays not more often than once every 24-month period
- iv) Bite-wing x-ray once every 6 months

7) <u>Preventive Therapy</u>:

- i) Prophylaxis (cleaning and scaling of teeth) once every 6 months. This treatment is eligible if performed by a Dentist, *or* a Dental Hygienist under the direct supervision of a Dentist.
- ii) Topical anticariogenic applications, once every 6 months. This treatment is eligible if performed by a Dentist, or a Dental Hygienist under direct supervision of a Dentist.
- Space maintainers when placed primarily to maintain space and not for orthodontic purposes, and provision of habit breaking appliances.
- iv) Injections of antibiotic drugs by the attending Dentist.
- 8) <u>Oral Surgery</u>: Extractions and other surgical procedures normally 'performed by a Dentist, including pre and post-operative care.
- 9) <u>Minor Restorative Dentistry</u>: Procedures to restore the natural teeth to normal function restricted to amalgam, silicate, plastic, synthetic porcelain and composite fillings.
- <u>Repairs</u>: Relining, rebasing or repairing of an existing appliance, (fixed bridge work, removable partial or complete dentures).
- 11) <u>Endodontics:</u> Necessary procedures for treatment or pulpally involved teeth, including non-vital teeth and root canal therapy.

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 Periodontics: Procedures necessary lor the treatment of diseases of the soft tissue and the bone surrounding and supporting the teeth.

Module II = Major Restorative / No Deductible / 50% Payable

ONLY THOSE LISTED BELOW ARE ELIGIBLE:

- i) Crown and Inlay, including gold and porcelain veneer fillings where other material is riot suitable.
- ii) The creation of an appliance (fixed bridgework, removable partial or complete dentures).
- iii) The replacement of an existing appliance (fixed bridgework, removable partial or complete dentures) only under the circumstances set out below:
 - If the existing appliance is at least 3 years old and cannot be serviceable.
 - If the existing appliance is temporary and is replaced with a permanent bridge or denture and takes place within 12 months of when the temporary appliance was installed.
 - If necessitated by the extraction of an additional natural tooth while insured under this Policy.
- iv) Services of a licensed Denturist when practicing within the scope of his license.

Module III = Orthodontics/No Deductible/50% Payable **\$1,500** maximum lifetime benefit per individual effective July **1**, 1999.

The only treatment eligible is necessary dental treatment which has as its objective the correction of malocclusion of the teeth.

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LETTERS OF UNDERSTANDING INDEX

APPENDIX "B"

The following Letters of Understanding remain in force.

lumber	Subject
3-1	Supervisor Relief – Vacation and Floaters
B-2	Conduct Records
B-3	Missing Time Cards
B-4	Guaranteed Floating Holiday Date
B-5	Vacation Scheduling Rules
B-6	Duration of Overtime Rate on Call-Ins
B-7	Overtime Statutory Holidays Double Time Period
B-8	Stationary Engineer's Hourly Rate Maintained
B-9	Third Class Stationary Engineers' Relief Obligations
B-10	Trade Apprenticeship Program
B-11	Group Insurance Coverage for Employees on Lay Off Employee-Obligation to Respond to Recall
B-12	Stock Preparation Material Shortages
B-13	Group Insurance Coverage for Early Retirees
B-14	Cutback, Layoff, Bumping
B-15	Incidental Work During a Total Mill Shutdown
B-16	Statutory Holiday (Mondays) Start-up After the Holiday
B-17	Weekly Indemnity & WSIB Payment Delays Weekly Indemnity and WSIB Payment Delay
B-18	Work Schedules

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Number	Subject
B-19	Long Hours of Work and Double Shifts (Hourly Rated Employees)
B-20	Shop Stewards
B-21	Time Off for Union Activities
B-22	Relief Supervisors
B-23	Notification of Job Postings
B-24	Disciplinary Meetings
B-25	Apprentices & Trades

Signed this 10" day of May, 1999

Communication, Energy &
Paperworkers UnionDomtar Inc.
Communication DivisionOf Canada, Local 77St. Cath. Business Center
St. Catharines, Ontario

L. Chaffe President, Local 77 S.M. Cabral Director, Human Resources

C. Barlow Vice President, Local 77 P.G. Bush Director,Manufacturing

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APPENDIX "B-1" SUPERVISOR RELIEF - VACATION AND FLOATERS

When an employee is required to relieve a Supervisor, his/her absence from his/her department or job will not affect or alter the established standard vacation limits for purposes of granting vacations and floaters, requested in accordance with established procedures. He/she will be excluded when considering the total number of employees that are off.

APPENDIX "B-2" CONDUCT RECORDS

In the case of minor offenses and infractions of Mill Rules, where an employee has a clear record for a period of twelve (12) months, his/her record of offenses shall be cleared.

APPENDIX "B-3" MISSING TIME CARDS

The Company will develop standard instructions concerning handwritten notes being posted by the supervisors to signify missing time cards. This instruction will be consistent throughout the Mill.

APPENDIX **"B-4**" GUARANTEED FLOATING HOLIDAY DATE

Once approved, two floating holidays per contract year will be granted on the date requested, using the following procedure:

The request must be submitted thirty (30) days prior to the holiday on a coloured time card.

The Supervisor will inform the employee as to the disposition of the request within ten (10) days of the submission. When approval is granted, it is unconditional.

General Note: Advance floating holiday cards can only be submitted for the period May 1st to April 30th (contract year). Requests submitted beyond this period will not be considered.

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APPENDIX "B-5" VACATION SCHEDULING RULES

The present will confirm that the "Vacation Scheduling Rules" dated **May 10, 1999** shall remain in effect **for** the term of this agreement. Mill needs may require amendments to these rules, in which case the union shall be consulted before modifications are made.

APPENDIX "B-6" DURATION OF OVERTIME RATE ON CALL-INS

Maintenance personnel and clothing person called in for a job will receive time and one half until the specific job is completed (e.g. 5 a.m. to 9 a.m.) then reverts to straight time rate for the remainder of the day.

APPENDIX "B-7" OVERTIME STATUTORY HOLIDAYS DOUBLETIME PERIOD

In the Memorandum of Agreement signed September 19, 1973, Clause 8(A) reads as follows:

"Employees who work on a Statutory Holiday shall be paid at the rate of double time their regular straight time rate for all hours worked on a Statutory Holiday."

This letter confirms that both parties agreed that the double time provision is only applicable to all hours worked during the Statutory Holiday, and a Statutory Holiday is defined as the twenty-four **(24)** hour period extending from 7 a.m. on the day of the holiday until 7 a.m. on the day following the holiday.

Employees will have the option of taking time off as defined in **Section 12(e)** of our Labour Agreement.

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APPENDIX "B-8"

STATIONARY ENGINEER'S HOURLY RATE MAINTAINED

In line with the Plant Training Programme that was instituted to train and develop our own Stationary Engineers, situations will arise whereby a certificated Engineer will be required to vacate a position in the Steam Plant to assume Compressor Operator duties in the paper mill because that position requires a certificate.

In such cases, a Trainee will fill the position in the Steam Plant (normally held by *a* Third Class Engineer), and he/she will **be** paid the Helper's rate that is listed in the Agreement. Under the aforementioned circumstances, the certificated person must relinquish his/her rights to the position in the Steam Plant, for which the Company is prepared to maintain his/her rate.

This practice is not applicable to situations created by seniority moves.

APPENDIX "B-9" THIRD CLASS STATIONARY ENGINEERS' RELIEF OBLIGATIONS

One of the main functions of the Third Class Shift Engineers working in the Steam Plant is to provide back-up or relief to the Second Class Operating Engineers.

In the event that an Engineer, who is working in a Relief capacity, requests to be excused from this responsibility due to unusual circumstances, the request may be granted if a suitable replacement can be assigned (*). In such a case there will be no **loss** of job seniority.

(*) The assignment of this position to another Engineer will **be** offered on a seniority basis with strictly voluntary acceptance.

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APPENDIX "B-10" TRADE APPRENTICESHIP PROGRAMME

CLARIFICATION OF INTENTION: Under..

10) WAGES, BENEFITS AND ALLOWANCES Apprenticeship rate calculation for employees attending Government Apprenticeship Classes is: The employee's regular rate for a 40 hour week minus the Government allowance = his/her weekly wage from the Company.

APPENDIX "B-11"

GROUP INSURANCE COVERAGE FOR EMPLOYEESON LAY OFF EMPLOYEE OBLIGATION TO RESPOND TO RECALL

The Company will pay premiums for the current month in which an employee is laid off, plus the following month.

- Depending on the requirements of operating schedules, an Active Recall List will tie established and the balance of the junior employees will be terminated, but will retain contractual Recall Rights as defined in the Labour Agreement.
- As operations expand, terminated employees who still have Recall Rights will be put on the Active Recall list.
- Employees on the Recall List who work one day will have their coverage projected for another cycle.
- 4) Employees on the Active Recall List must make themselves available for work.
- 5) The second refusal or absence from a scheduled assignment within a two month period will immediately relieve the Company of their obligation to pay the employee's Group Insurance premiums. Reinstatement of Company payments will not take effect until said employee returns to work.

There may be exceptions to this rule if, in the opinion of the company, there were valid reasons for the second refusal or absence. This Understanding does not alter or modify the terms covered in the Labour Agreement under Section 15 -Seniority.

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APPENDIX "B-12" STOCK PREPARATION MATERIAL SHORTAGES

It is mutually agreed and understood to be to the advantage of both the Union and the Company to maintain continuous operation of our paper making process.

In situations where our in-plant inventory of wastepaper, pulp or additives has been depleted, (excluding emergencies), and there is stock available at the receiving dock, and there is no qualified material handling lift truck operator on shift, the Company will make every reasonable effort to call one in.

If this procedure fails, then the operator who uses the product shall take the material, as required, to be furnished directly into the process.

The authorizing Supervisor shall ensure that all Safety precautions have been taken and the removal of material is performed in a safe manner.

APPENDIX "B-13" GROUP INSURANCE COVERAGE FOR EARLY RETIREES

The Company agrees, for those taking Early Retirement, to maintain coverage for Early Retirees between the ages of **55** and **65** for the following benefits:

- i) Life Insurance
- ii) Major Medical

The cost of these benefits will be paid by the Local Union on a monthly basis.

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APPENDIX "B-14" CUTBACK, LAYOFF, BUMPING

In a cutback, layoff situation, where an employee with low Mill seniority is displaced by an employee with greater Mill seniority, but less Departmental seniority, under Section 17 (a) of our Collective Agreement, the displaced employee cannot bump back into their home department, after the Schedule has been * established and costed, for a one (I) day work assignment and must accept other work that he/she is competent to perform.

• If posted Schedule has not been challenged in the week prior.

APPENDIX "B-15"

INCIDENTAL WORK DURING A TOTAL MILL SHUTDOWN

Incidental work that may arise during a shutdown will be taken care of by posting for volunteers and the work will be assigned in accordance with Article 17(a), of our Collective Agreement.

- a) If sufficient work is available to work all week, senior employees will work five (5) days (40 hours).
- b) If situation (a) occurs, payment for the fifth working day will be at straight time.
- c) Employees will be paid the hourly rate for the job performed.

APPENDIX "B-16" STATUTORY HOLIDAY (Mondays) START-UP AFTER THE HOLIDAY

When operating on a seven (7) day schedule, the Mill will be shutdown for twenty-four (24) hours from 7 a.m. Monday to 7 a.m. Tuesday.

When the Mill is NOT operating on a seven (7) day schedule, the Mill will start up on Tuesday and the work force shall be reduced in accordance with Article 5(c), of our Collective Agreement.

<u>Christmas & New Years</u>: Christmas and New Years are forty (40) hour Holiday shutdowns with the same Tuesday start-up arrangement when they fall on a Monday.

APPENDIX "B-17" WEEKLY INDEMNITY& WSIB PAYMENT DELAYS WEEKLY INDEMNITY AND WSIB PAYMENT DELAY

When an approved WI or WSIB claim payment cheque is delayed through no fault of the employee, the Company will advance an amount equivalent up to four (4) weeks of benefit to the employee. Such employee shall reimburse the Company upon payment by the insurer or WSIB the Company will notify the Union of any disputed claims.

Application of this understandingwill be as follows:

<u>Weekly Indemnity (Approved Claim):</u> If no payment has been received for a two (2) week period, commencing with the date submitted to Personnel, the Company will pay this employee two (2) weeks benefit. If the claim is delayed further, the employee can receive additional payments up to the four (4) week maximum reimbursementlevel.

Application of this understanding will be as follows:

WSIB (Approved Claim): If no payment has been received for a three (3) week period commencing with the date on which the claim was filed, action will be initiated to advance the employee a four (4) week payment during the fourth week if no payment has been received by that point in time. THE EMPLOYEE SHALL REIMBURSE THE COMPANY ON RECEIPT OF PAYMENT FROM WI OR WSIB.

APPENDIX "B-18"

WORK SCHEDULES

The following timetable has been developed by Supervisory staff to meet our objective "To Post All Department Work Schedule by **4:30 p.m.** Thursday to cover the following week.

A list of Labour Pool employees that have been scheduled to work forty (40) hours will be posted. Weekly payroll records - will be posted by Wednesday of the following week.

<u>Other variables to be satisfied</u>: We must adhere to our lead time often ten (10) days advance notice for Vacation and Floating Holiday cards. Employees returning from sick leave, WI or WSIB must inform their Supervisor by 12:00 noon Thursday of their intention.

Acknowledgement: There is no doubt that this time frame will be affected by uncontrollable business conditions such as poor order, short-time situations, but it should be the exception rather than the rule.

Reasonable efforts shall be made to inform employees rapidly of changes in schedule.

APPENDIX "B-19" LONG HOURS OF WORK AND DOUBLE SHIFTS (Hourly Rated Employees)

<u>Double Shifts (11-7 & 7-3)</u>: The Company considers that an employee should not be expected io work a double after completing 11-7 shift for reasons of safety and efficiency if other arrangements can be made to relieve him/her.

This policy statement should indicate that Management expects Supervision to make every effort to replace the employee unless extreme circumstances prevent it.

Whenever such a situation occurs where an employee is obligated to work this double combination, a written report must be completed by the Supervisor in charge indicating the facts and the specific steps that were taken to seek a replacement such as persons contacted, etc.

This report must be submitted to the Manufacturing Director on the day of occurrence.

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APPENDIX **"E-20** SHOP STEWARDS

A Shop Steward may file a grievance during his/her scheduled working hours provided there is an urgency to do so and it does not interfere with or interrupt the work to be done. However, before undertaking such activity, a Shop Steward must obtain permission from his/her immediate Supervisor, and time away from his/her job must be kept to a minimum, Normally Stewards will be involved with matters within their home departments and each grievance should not require more than one Steward.

Abuse of this privilege will warrant it to be rescinded.

APPENDIX "B-21" TIME OFF FOR UNION ACTIVITIES

It is the Company's intention to cooperate with Union officials in granting **d** Time Off For Union Sponsored Activities

<u>Procedure</u>: Employees seeking time off for Union activities, other than joint meetings initiated by management, if granted, will be on the basis of no additional cost, loss of production or reduced efficiency to the Company.

Requests *for* Time Off For Union Activities are submitted to the employee's department supervisor in writing with a copy of the employee relations department **at** least seven (7) days prior to the requested day off.

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APPENDIX "B-22" RELIEF SUPERVISORS

It is the intent of the Company to use Supervisory Relief whenever the regular Supervisor is absent from his/her job. Relief Supervisors will replace regular Supervisors during periods of Holidays, Vacations, Illness, Training Course attendance and other absences.

This does not necessarily mean the Supervisor must be out of the mill in order to be replaced, e.g. in Mill seminars, taking inventory, starting up new equipment, training, production/quality problems etc.

Whenever an employee moves up to cover a Supervisory Relief position, it will not effect other vacation requests, or be counted within the department standard allowable limit. It is understood that the Relief Supervisor will report to Management any infractions of Safety Rules, Mill Rules, Standard Operating Practices, and will perform all the regular job functions of a Supervisor, except discipline. When discipline is required, it will be handled by a regular Supervisor.

APPENDIX "B-23" NOTIFICATION OF JOB POSTINGS

The company will advise employees going on Weekly Indemnity or WSIB to contact Personnel each week concerning Job Postings.

This will be communicated in a standard form letter that is given to employees with initial Weekly Indemnity claim forms.

APPENDIX "B-24" DISCIPLINARY MEETINGS

Whenever it is necessary to discipline an employee or employees, it is the Company's intention to have a Union Representative available or present.

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APPENDIX "B-25" APPRENTICES & TRADES

The parties to this agreement are jointly committed to the implementation and application df an Apprentice & Trades Prograin. An Apprentice & Trades Advisory Committee will be established and consist *of two* (2) members of bocal 77 (selected by the Union) and two (2) members of the Company. The mandate of the committee will be to identify, resolve and implement solutions to:

- trades to apprentice ratio
- when to post and select apprentices
- job posting requirements
- apprentice and trades training
- monitoring apprentice progress
- credit for previous experience
- time extension (sickness, accident, failures)
- apprentice & trades tool requirements
- problems as they arise

The practice **of** replacing regular mill trades on site with contract tradespersons rather than employing permanent mill tradesperson will stop.

When an unexpected trades vacancy occurs and a replacement *is* required, the selection process will commence immediately and in the interim period, contract trades may be used until a permanent replacement can be selected. It is recognized that contract trades may be required to:

- replace unexpected vacancies
- supply special skills
- perform emergency work
- supplement during major shuts
- work on capital projects
- perform civil work

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APPENDIX 1 VACATION SCHEDULING

Regular Employees

January 19: February 15:	Vacation list posted Vacation list down				
March 1:	Vacation vacations	list	posted	with	approved

Labour Pool Employees

March 1:	Labour Pool vacation planner posted
March 15:	Vacation planner down
April1:	Planner posted with approved vacatians

Regular Employees

April 1:	Second round planner posted			
April 15:	Vacation planner down			
May 1:	Vacation list posted with approved			
	vacations			

After

All outstanding vacations are first **come** first **served** basis. Vacation guidelines revised to reflect the dates referenced above.

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SECTION 29 TERM OF AGREEMENT

- a) This Agreement shall remain in effect for sixty (60) months from May 1st, 1998 to April 30, 2004 and is subject to renewal from year to year thereafter.
- b) In the event that either party desires to change any of the provisions of this Agreement, the party desiring the change shall give written notice by registered mail to the other party at least thirty (30) days before the anniversary date of the Agreement. Such notice is to be issued either from the national Office of the Union or from any officer of the Company and shall specify the nature of the proposed changes.
- c) Fending completion *of* negotiations this Agreement shall remain in force.
- All Letters of Understanding will form part of the Collective Agreement and are subject to renewal with the agreement of both parties.

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ST. CATHARINES MILL WAGE SCHEDULE

-2001-0.40 cents plus 0.9 cents JCP adjustment -2002-4.71% -2003-4.71%

DEPARTMENT CLASSIFICATION	MAY 1	MAY 1	MAY I
	2001	2002	2003
MATERIAL HANDLING			
Supervisor (Relief)	19.11	20.01	20.95
Lift Truck Opt/Checker	19.05	19.95	20.89
Lift Truck Opt	18.45	19.32	20.23
General Labourer	18.16	19.02	19.91
STOCK PREPARATION			
Supervisor (Relief)	23.26	24.36	25.50
Engineer	22.44	23.50	24.60
Stock Furnisher	20.33	21.29	22.29
Waste System Operator	19.28	20.19	21.14
Stock Supplier	18.64	19.52	20.44
Chief Baler	18.84	19.73	20.66
Baler	18.35	19.21	20.12
Size Maker	19.59	20.51	21.48
Guillotine Roll Splitter	18.31	19.17	20.07
Waste Paper Processer (Helper)	18.64	19.51	20.43
Orto Bond Helper	18.31	19.17	20.07
PAPER MACHINE NO. 1			
Supervisor (Relief)	23.45	24.55	25.71
Machine Tender #1	22.55	23.61	24.72
Back Tender #1	20.82	21.80	22.82
3 rd Hand #1	19.88	20.82	21.80
4 [™] Hand #1	19.12	20.02	20.96
PAPER MACHINE NO. 2			~
Machine Tender #2	22.62	23.69	24.80
Back Tender #2	20.95	21.94	22.97
3 rd Hand #2	19.88	20.82	21.80
4 th Hand #2	19.18	20.08	21.03
Temp. 5 th Hand #2	18.47	19.34	20.25

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	гт		
PAPER MACHINE NO. 3			24.72
Machine Tender #3	22.55	23.61	
Back Tender #3	20.93	21.92	22.95
3 ^{ed} Hand #3	19.88	20.82	21.80
4 th Hand #3	19.12	20.02	20.96
Helper #3	18.47	19.34	20.25
PAPER MACHINE GENERAL			
Clothing Man	20.95	21.94	22.97
Swipe-Senior	18.53	19.40	20.32
Swipe	18.22	19.08	19.98
WASH-UP & WIRE CHANGE			
Swipes	19.88	20.82	21.80
Extra Help	19.12	20.02	20.96
ROLL FINISHING			
Supervisor (Relief)	21.2	22.20	23.24
Supercalendar Operator	20.47	21.43	22.44
Back Tender	18.98	19.87	20.81
Supercalendar (L) Rewinder Help	18.43	19.29	20.20
REWINDER			
(L) Rewinder Operator	19,36	20.27	21.23
(L) Rewinder Helper	18,43	19.30	20.21
(S) Rewinder Operator	18.95	19.84	20.77
(S) Rewinder Helper	18.35	19.21	20.11
			1
ROLL WRAPPING			[
00010101			
Lift Truck Operator	18.47	19.34	20.25
Roll Wrapper Helper	18.35	19.21	20.12
CORE SHOP	ļ		
Coreperson	18.58	19.46	20.37
Coreperson Helper	18.28	19.14	20.04
SHEET FINISHING	L		
Supervisor (Relief)	20.37	21.33	22.33
Hand Sealer	18.16	19.02	19.91
Packer	18.84	19.73	20.66

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Skid Packer	18.84	19.73	2011
Utility	18.84	19.73	20.66
Ream Sealer	18.44	19.30	20.21
Carton Sealer			20.34
Tow Motor Operator	18.84	19.73	20.66
	18.45	19.31	20.22
CUTTER			
Large Cutter Opt	19.46	20.38	21.34
Small Cutter Opt	18.93	19.82	20.76
Helper	18.22	19.08	19.98
Tow Motor Cutter	18.45	19.31	20.22
TRIMMER			
(L) Operator	19.67	20.60	21.57
(S) Operator	18.76	19.64	20.56
Trimmer Helper	18.44	19.30	20.20
······································			
LAMINATOR			
Operator	19.66	20.59	21.56
Helper	10.55	10.10	
SHIPPING	18.55	19.42	20.34
SHIPPING Su ervisor Relie			20.34
SHIPPING	20.17	<u>21.12</u> 19.42	
SHIPPING Su ervisor Relie Shi, per Lead Hand	20.17	21.12	22.11
SHIPPING Su ervisor Relie Shi, per Lead Hand Lift Truck Opt	20.17	21.12 19.47	22.11 20.38
SHIPPING Su ervisor Relie Shi, per Lead Hand Lift Truck Opt Trucker Roll Handler	20.17 18.59 18.16	21.12 19.47 19.01	22.11 20.38 19.90
SHIPPING Su ervisor Relie Shi, per Lead Hand Lift Truck Opt Trucker Roll Handler CARTAGE	20.17 18.59 18.16 18.45	21.12 19.47 19.01 19.32	22.11 20.38 19.90 20.23
SHIPPING Su ervisor Relie Shi, per Lead Hand Lift Truck Opt Trucker Roll Handler CARTAGE Truck Driver	20.17 18.59 18.16 18.45 18.71	21.12 19.47 19.01 19.32 19.59	22.11 20.38 19.90 20.23 20.51
SHIPPING Su ervisor Relie Shi per Lead Hand Lift Truck Opt Trucker Roll Handler CARTAGE Truck Driver Spare Truck Driver	20.17 18.59 18.16 18.45 18.71 18.44	21.12 19.47 19.01 19.32 19.59 19.30	22.11 20.38 19.90 20.23 20.51 20.20
SHIPPING Su ervisor Relie Shi, per Lead Hand Lift Truck Opt Trucker Roll Handler CARTAGE Truck Driver	20.17 18.59 18.16 18.45 18.71	21.12 19.47 19.01 19.32 19.59	22.11 20.38 19.90 20.23 20.51
SHIPPING Su ervisor Relie Shi, per Lead Hand Lift Truck Opt Trucker Roll Handler CARTAGE Truck Driver Spare Truck Driver Truck Driver (Local) GENERAL	20.17 18.59 18.16 18.45 18.71 18.44	21.12 19.47 19.01 19.32 19.59 19.30	22.11 20.38 19.90 20.23 20.51 20.20
SHIPPING Su ervisor Relie Shi, per Lead Hand Lift Truck Opt Trucker Roll Handler CARTAGE Truck Driver Spare Truck Driver Truck Driver (Local)	20.17 18.59 18.16 18.45 18.71 18.44	21.12 19.47 19.01 19.32 19.59 19.30	22.11 20.38 19.90 20.23 20.51 20.20
SHIPPING Su ervisor Relie Shi, per Lead Hand Lift Truck Opt Trucker Roll Handler CARTAGE Truck Driver Spare Truck Driver Truck Driver (Local) GENERAL Office Janitor	20.17 18.59 18.16 18.45 18.71 18.44 18.45	21.12 19.47 19.01 19.32 19.59 19.30 19.32	22.11 20.38 19.90 20.23 20.51 20.20 20.23
SHIPPING Su ervisor Relie Shi, per Lead Hand Lift Truck Opt Trucker Roll Handler CARTAGE Truck Driver Spare Truck Driver Truck Driver (Local) GENERAL Office Janitor MAINTENANCE	20.17 18.59 18.16 18.45 18.45 18.44 18.44 18.45 18.46	21.12 19.47 19.01 19.32 19.59 19.30 19.32 19.02	22.11 20.38 19.90 20.23 20.51 20.20 20.23 19.91
SHIPPING Su ervisor Relie Shi, per Lead Hand Lift Truck Opt Trucker Roll Handler CARTAGE Truck Driver Spare Truck Driver Truck Driver (Local) GENERAL Office Janitor MAINTENANCE Supervisor (Relief)	20.17 18.59 18.16 18.45 18.45 18.44 18.44 18.45 18.46 24.90	21.12 19.47 19.01 19.32 19.59 19.30 19.32 19.02 26.07	22.11 20.38 19.90 20.23 20.51 20.20 20.23 19.91 27.30
SHIPPING Su ervisor Relie Shi per Lead Hand Lift Truck Opt Trucker Roll Handler CARTAGE Truck Driver Spare Truck Driver Truck Driver (Local) GENERAL Office Janitor MAINTENANCE Supervisor (Relief) Millwright Lead Hand	20.17 18.59 18.16 18.45 18.45 18.44 18.45 18.45 18.46 24.90 24.01	21.12 19.47 19.01 19.32 19.30 19.30 19.32 19.02 26.07 25.14	22.11 20.38 19.90 20.23 20.51 20.20 20.23 19.91 27.30 26.33
SHIPPING Su ervisor Relie Shi, per Lead Hand Lift Truck Opt Trucker Roll Handler CARTAGE Truck Driver Spare Truck Driver Truck Driver (Local) GENERAL Office Janitor MAINTENANCE Supervisor (Relief) Millwright Lead Hand Millwright Class " A	20.17 18.59 18.16 18.45 18.45 18.44 18.44 18.45 18.45 18.46 24.90 24.01 23.49	21.12 19.47 19.01 19.32 19.30 19.30 19.32 19.02 26.07 25.14 24.60	22.11 20.38 19.90 20.23 20.51 20.20 20.23 19.91 27.30 26.33 -25.75
SHIPPING Su ervisor Relie Shi per Lead Hand Lift Truck Opt Trucker Roll Handler CARTAGE Truck Driver Spare Truck Driver Truck Driver (Local) GENERAL Office Janitor MAINTENANCE Supervisor (Relief) Millwright Lead Hand Millwright Class " A Millwright Class " A	20.17 18.59 18.16 18.45 18.45 18.44 18.44 18.45 18.45 18.46 24.90 24.01 23.49 21.08	21.12 19.47 19.01 19.32 19.30 19.30 19.32 19.02 26.07 25.14 24.60 22.07	22.11 20.38 19.90 20.23 20.51 20.20 20.23 19.91 27.30 26.33 25.75 23.11
SHIPPING Su ervisor Relie Shi, per Lead Hand Lift Truck Opt Trucker Roll Handler CARTAGE Truck Driver Spare Truck Driver Truck Driver (Local) GENERAL Office Janitor MAINTENANCE Supervisor (Relief) Millwright Lead Hand Millwright Class " A	20.17 18.59 18.16 18.45 18.45 18.44 18.44 18.45 18.45 18.46 24.90 24.01 23.49	21.12 19.47 19.01 19.32 19.30 19.30 19.32 19.02 26.07 25.14 24.60	22.11 20.38 19.90 20.23 20.51 20.20 20.23 19.91 27.30 26.33 -25.75

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Class "B" Helper	18.71	19.59	20.51
MECHANIC	22.10	24.60	05.95
Lift Truck Mechanic Class " A	23.49	24.60	25.75
MACHINIST			
Machinist Class " A	23.49	24.60	25.75
Machinist Class "B"	20.80	21.78	22.81
Machinist Class "C"	20.36	21.32	22.32
Helper Class "A"	19.12	20.02	20.96
Helper Class "B"	18.71	19.59	20.51
PIPEFITTER			
Pipefitter Lead Hand	24.01	25.14	26.33
Pipefitter Class "A"	23.49	24.60	25.75
Pipefitter Class "B"	20.80	21.78	22.81
Pipefitter Class "C"	20.36	21.70	22.32
Helper "A"	19.12	20.02	20.96
Helper "B"	18,71	19.59	20.50
		12.52	20101
רו חבש	J		
Welder Class " A	23.49	24.60	25.75
Welder Class "B"	20.80	21.78	22.81
	20,00		
OILER			<u>_</u>
Oiler 1-3 months	19.77	20.70	21.68
Oiler	20.27	21.22	22.22
Oiler Special	20.80	21.78	22.81
ELECTRICIAN			
Supervisor (Relief)	24.90	26.07	27.30
Lead Hand	24.90	25.14	26.33
Electrician Class "A" Plus	24.01	25.38	26.58
Electrician Class "A"	23.49	24.60	25.75
Electronics Electrician – Class "B"	20.00	20.94	21.92
Electrician Class "B"	20.00	21.78	22.81
Electrician Class "C"	20.80	21.78	22.81
Helper "A"	19.12	20.02	20.96
Helper "B"	19.12	19.59	20.90
	10.71	19.39	
STEAM PLANT			
Chief Engineer (Relief)	23.93	25.06	26.24
2 nd Class Engineer	23.0,8	24.17	25,31
3 rd Class Engineer	20.72	21.70	22.72

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20.85	21.83	22.86
19.84	20.77	21.75
18.82	19.71	20.63
18.47	19.34	20.25
21.18	22.18	23.22
20.45	21.41	22.42
19.86	20.80	21.77
19.59	20.51	21.48
19.28	20.19	21.14
19.28	20.19	21.14
18,78	19.66	20.59
18.49	19.36	20.27
18.35	19.21	20.12
18.21	19.07	19.97
	18.82 18.47 21.18 20.45 19.86 19.59 19.28 19.28 18.78 18.49 18.35	19.84 20.77 18.82 19.71 18.47 19.34

Helper-- "A Boiler House – with 4th Class certificate Helper-- "B" Boiler House – .without 4th Class certificate

Shift Differential- May 1, 1994

* Afternoon shift - 0.40 cents per hour * Night shift - 0.60 cents per hour

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Memorandum of Agreement Wages

Between

Domtar Inc., Communication Papers St. Catharines Mill

And

Communications, Energy and Paperworkers Union of Canada And Its Local #77

June 14, 1999

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WAGES

ST. CATHARINES PATTERN MODIFICATION:

Guarantee

Year 1	0% Wage	No Lump Sum	\$2,750
	Increase		
Year 2	0% Wage	No Lump Sum	\$1,040
	Increase		
Year 3	0% Wage	No Lump Sum	\$2,080
	Increase		
Year 4	\$.40/hr Wage	\$2,304	(\$174)
	Increase		
Year 5	4.71% Wage	\$3,369	(\$2,358)
	Increase		
Year 6	4.71% Wage	\$3,154	(\$3,338)
	Increase		

NOTE: The lump sums listed under the title **"Guarantee"** will be paid to all eligible employees in the event of a Mill closure and will be guaranteed by **Domtar** Corporate Office. The amount referred to in any given year will be prorated on the basis of months or greater pari thereof. The sum total of all guaranteed amounts cannot result in an employee owing the Company money.

JCP Equivalency: On May 1, 2001, a wage adjustment of \$.09/hour will be applied to all employees actively at work on May 1, 2001. Actively at work is defined as in Lump Sum Eligibility 1-7.

ELIGIBILITY FOR LUMP SUM PAYMENT

The Company agrees to pay a lump sum amount as follows:

Regular employees who are actively (as defined per list 1-7 below) at work **as of** May 1, 1998 and who worked a minimum of 900 hours during the period from May 1, 1997 to

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April 30, 1998 shall receive the lump sums as outlined for above provided they continue to be on the payroll (recall rights, sickness, etc.) at the time the respective lump sums become due.

Employees who worked less than the 900 hours shall receive the amount provided for in the fifth year multiplied by the number of hours worked from May 1, 1997 to April 30, 1998 and divided by 900 as well as the lump sum provided for at years 4 and 6.

Employees who are hired between May 1, 1998 and April 30, 2000 who are still on the payroll on May 1, 2003 will receive a lump sum amount of \$2,000.

Employees who retired or deceased between May 1, 1998 and the date of ratification shall receive a lump sum payment in the amount of \$2,750.

Employees who retire or decease after the date of ratification and before May 1, 2002 shall receive a lump sum payment of \$2,750.

These amounts shall not be included in the calculation of vacation pay, pension or any other benefit entitlement.

For the purposes of calculating the hours worked, the following are also included:

- 1. Hours of paid vacation leave.
- 2. Paid hours for statutory and floating holidays.
- Hours lost while employees received benefits under the weekly indemnity plan.
- 4. Hours **lost** while employees received workers' compensation benefits.
- 5. Hours lost while employees were on maternity or parental leave.
- 6. Hours lost due to scheduled mill downtime for market conditions/inventory adjustments.
- 7. Hours spent on educational leave.

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These lump sums may be transferred to an RHSP or LSIF (before tax) if the employee so directs.

SPECIAL PROVISION: RETIREES

Earning calculations, for employees who retire during the term of the labour agreement, will **be** done according to the terms of the pattern settlement.

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Letter Of Understanding

Between

Domtar Inc. Communication Papers St. Catharines Business Center St. Catharines, Ontario

And

Communications, Energy and Paperworkers Union of Canada And Its Local #77

The Company and the Union agree to the implementation of the Twelve-Hour Shift Schedule for employees in the Communication, Energy and Paperworkers Union, Local 77, provided permission is granted by the Director of the Employment Standards Branch of the Ministry of Labour.

Original Letter of Understanding dated November 8, 1993. Bold italic print represents change negotiated at Local Issues May 10, 1999 or Main Agenda June 14, 1999.

- A trial period, commencing the first Sunday following the granting of permission by the Director of the Employment Standards Branch of the Ministry of Labour, will be implemented to allow both the Company and the employees to assess whether the twelve (12) hour compressed work schedule is a suitable arrangement. (3 work cycles ~ 168 days.)
- The twelve (12) hour compressed work schedule only applies to seven (7) day jobs in the following departments: paper machines, beater room, lab, roll wrap, goebel rewinder, roll handlers, steam plant, shift mechanic.*

* The shift mechanic and the supervisor will mutually agree on when lost time will be made up for any lost hours due to the shift mechanic schedule. Hours will be made up at a straight time rate,

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- A mill wide vote will be held to adopt the twelve (12) hour shift agreement.
- It is understood that any department wishing to go on twelve (12) hour shifts must signify their interest through a majority vote of the employees in the department who are currently working the seven (7) day shift schedule.

SCHEDULE OF HOURS

- The schedule will be: two (2) day shifts 7:00 a.m. to 7:00 p.m., twenty-four (24) hours off; two (2) night shifts 7:00 p.m. to 7:00 a.m., then four (4) days off.
- The hours of work will be 7:00 a.m. to 7:00 p.m. and 7:00 p.m. to 7:00 a.m.
- The work week will begin and end at 7:00 a.m. Sunday.

RETURN TO WORK NOTIFICATION

When a tour worker has been absent from work for one or more shifts, he/she shall be required to give notice to his/her superintendent or foreman of his/her intention to report for his/her next regular shift, as follows: For seven (7) to seven (7) days - by 5:00 p.m. the previous day; and, for seven (7) to seven (7) nights - by 3:00 p.m. the same day.

NO ADDITIONAL COST CLAUSES

- It is agreed the implementation of the twelve (12) hour shifts will not result in any increased cost, **loss** of efficiency, quality, safety performance or production.
- Upon converting to the new work-week, no premiums will be paid to any employee because of transferring from one standard work-week to another standard work-week. In the case of reverting back to the previous work-week schedule, the same rule will apply.

 After initial implementation, employees who enter or leave the compressed work-week from an eight (8) hour per day schedule will do so as per the above paragraph.

 An employee on the twelve (12) hour shift schedule who is working seven (7) to seven (7) days and requests time off to vote as designated by statute, must notify his/her supervisor four (4) days in advance. The shift schedule for that employee and his/her relief mate on this day will automatically change to 7:00 a.m. to 3:00 p.m. days, and 3:00 p.m. to 7:00 a.m. nights. Straight time rates will be paid for all hours worked.

PREMIUM PAY

- Shift differential will be paid for the 7:00 p.m. to 7:00 a.m. shift at the rate of \$0.67 cents per hour.
- Overtime will be paid after twelve (12) hours work on any regularly scheduled day, except as designated in *Section (14a)* and *(2iii)* of the Collective Labour Agreement.
- Hours of work on Sunday in excess of twelve (12) will be paid at the rate of double time subject to Section (14), Overtime, Paragraph (Ciii) of the Collective Labour Agreement.
- A tour or shift worker, as defined in Section (6b) will receive time and one-half rates to twelve (12) hours or less worked on a Sunday.
- If a Labour Pool employee *is* transferred between departments with different schedules – eight (*8*) hour shifts; twelve (12) hour shifts – he/she will be paid overtime rates for all hours worked in excess of three hundred thirty six (336) hours during the eight (*8*) week shift cycle.

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- Vacations will be taken in four (4) day blocks and pay for each week. Entitlement will be forty (40) hours or 2.4% -- whichever is greater.
- Pay for mill holidays will be as per the collective agreement: eight (8) hours straight time.
- Effective July 1, 1999, for those employees who would be scheduled to work on a statutory holiday, holiday pay will be based on each employee's normal schedule (8 or 12 hour shifts). Those employees not scheduled to work will receive pay as defined in the collective agreement.
- Three (3) floating holidays will be taken without interrupting the efficient operation of the mill. Pay for each floating holiday will be twelve (12) hours at straight time rate.
- Days in lieu of statutory holidays worked can only be taken off in twelve (12) hour units.
- Bereavement Leave as in Section 10 of the Collective Agreement.
- An employee required to report for Jury Duty or Crown Witness will be reimbursed the difference in pay between their regular straight time rate for twelve (12) hours and the pay received for the Jury or Crown Witness Duty.
- Weekly indemnity will be paid as at present: (basic weekly earnings to a maximum divided by seven days to equal the daily rate). Benefits will be paid from:
 - 1. the first day of disability if caused by accidental injury
 - 2. the fourth day (or 24 hours loss of pay) if resulting from sickness.

RELIEFCOVERAGE

 Employees will give notice as required by the Collective Labour Agreement and/or Company Policy on requests for time off. Every effort will be made to find replacementsat straight time rates.

Vacancies as the result of sickness, W.S.I.B. cases, vacations and other temporary vacancies: relief will be provided by moving up the shift. If relief is not available from the shift, then the senior person capable of doing the work must move.

The parties to this agreement clearly understand the need for replacements to be available for relief purposes. Replacements will be identified:

- 1. By moving the crew up and filling the vacancy at the bottom from the Labour Pool.
- 2. From the list of volunteers in each department.
- By contacting a crew member who is scheduled off. Crew members when contacted must fill the vacant position. Failure to respond will result in the implementation of point (4) of this replacement process.
- 4. In the event a replacement cannot be found for the operating unit, then the Company has the right to revert to eight (8) hour shifts on the Sunday immediatelyfollowing the incident without incurring any liabilities.

MEETINGS

- Given the extended period between shifts and to facilitate communications, each employee will be scheduled one (1) hour per month to attend meetings either before the start of after the end of their shift.
- Notwithstanding the Grievance Procedure, the Union/Management Committee will resolve twelve (12) hour shift schedule issues and concerns as they occur.

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Union representatives on the Committee will be selected by the Union Executive. The Union/Management Committee may, if appropriate, establish sub-committees made up of twelve (12) hour shift employees to assist in developing recommended solutions. Such recommendations must be approved by the Union/Management Committee before implementation.

CANCELLATION

- This agreement can be cancelled by the Company or the Union at any time by giving thirty (30) days written notice or seven (7) days if mutually agreed upon by the parties. Where possible, every effort will be made to complete a shift schedule cycle.
- Except as outlined in this Letter of Understanding, the terms and conditions of the existing Collective Agreement remain unchanged.

LETTER OF UNDERSTANDING

RENEWED MAY 10, 1999.

Local 77, C.E.P.

Domtar Inc. St. Catharines Business Center

L. Chaffe President Y.G. Boyer Vice-president

C. Barlow Vice-president P.G. Bush Director, Manufacturing

R. Sypes Treasurer S.M. Cabral Director, Human Resources

L.J. Dupelle Co-ordinator, Human Resources

Signed at Brockville, Ontario this 14th day of June, 1999.

Domtar Inc. St. Catharines Business Center

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Y.G. Boyer Vice President S.M. Cabral Director, Human Resources

P.G. Bush Director, Manufacturing L.J. Dupelle Human Resources Coordinator

Communications, Energy and Paperworkers Union of Canada, CEP Local 77

M. Lambert National Representative L. Chaffe President, Local 77

C. Barlow dice President, Local 77 R. Sypes Treasurer, Local 77

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