

COLLECTIVE AGREEMENT

BETWEEN

 **Smurfit-MBI**

(PEMBROKE PLANT)
(hereinafter called the "COMPANY")

and

**I.W.A. CANADA, LOCAL 1000
(HOURLY)**

(hereinafter called the "UNION")



JANUARY 1, 2000 - DECEMBER 31, 2005

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INDEX

ARTICLE		Page
1	Recognition	2
2	Regular Work Week	2
3	Continuous Run - 7 Day Operation	4
4	Overtime-Hours and Rates	6
5	Vacations with Pay	8
6	Holidays	11
7	Minimum Recompense	11
8	Seniority and Job Posting	13
9	Grievance Procedure	20
10	Union Membership	20
11	Management Rights	20
12	No Strike and Lock-Out Clause	24
13	Bulletin Boards	24
14	Health and Sanitation	24
15	Insurance Plan	24
16	General	27
17	Pregnancy Leave	31
18	Job Classification and Wage Rates	32
19	Automation	32
20	Plant Closure	34
21	Duration of Agreement	35
	APPENDIX A - Schedule of Wage Rates	37
	APPENDIX B - Long Term Disability Plan	40
	APPENDIX C - Dental Care Plan	43
	APPENDIX D - Pension Plan	45
	LETTERS OF UNDERSTANDING	55
	LETTER OF INTENT:	
	- Article XIV - Insurance Plan	59

LABOUR AGREEMENT

BETWEEN

Smurfit-MBI
PEMBROKE PLANT
(hereinafter called the "COMPANY")

and

I.W.A. CANADA
on its ~~own~~ behalf and ~~on~~ the behalf of the
Local 1000 (Hourly Employees)
(hereinafter called the "UNION")

WHEREAS it is the intent and purpose of both the Company and the Union to set forth herein the basic agreement covering rates of pay, hours of work and conditions of employment to be observed between the parties hereto and to provide procedure for prompt, equitable adjustment of alleged grievances arising from the interpretation of this agreement and whereas it is understood that close cooperation between the Company **and** the Union **towards** the success of the Company mutually **benefits** both parties.

NOW THEREFORE in consideration of the mutual covenants and agreements herein set forth the parties hereto mutually agree as **follows**:

Use of the masculine gender in this Agreement shall be considered also to include the feminine.

ARTICLE 1 - RECOGNITION

- 1.01 The Company recognizes the Union as the certified bargaining representatives on behalf of all hourly rated employees save and except foremen, those above the rank of foremen, office employees and factory clerks.
- 1.02 It is agreed by the Company and the Union that there shall be no discrimination, restraint or coercion by either party toward each other or by either party toward any employee for membership or non-membership in the Union.
- 1.03 There shall be no union activity engaged in during plant hours except as provided for in this Agreement or as authorized by the Company.
- 1.04 It is agreed that the Union Committee may consist of a maximum of four (4) representatives from the plant Union who shall represent the Union in any or all negotiations with the Company.
- 1.05 Members of the Bargaining and/or Grievance Committee shall be paid for lost time during negotiations and/or grievances but excluding arbitration. Pay will be at the committee member(s) regular straight time rate.

ARTICLE 2 - REGULAR WORK WEEK

- 2.01 The normal work week will consist of five (5) consecutive days not including Saturday and Sunday. Each normal workday shall not exceed eight (8) hours.
- 2.02 All hourly rated employees will be permitted to cease

work for two (2) twelve (12) minute periods each working shift, for a rest period.

- 2.03** i) The regular shifts shall be as follows:
- Graveyard Shift - 11:00 p.m. to 7:00 a.m.
 - Day Shift - 7:00 a.m. to 3:00 p.m.
 - Afternoon Shift - 3:00 p.m. to 11:00 p.m.
- ii) The shifts will move anti-clockwise: Day Shift to Graveyard; Graveyard to Afternoon; Afternoon to Day.
- 2.04** The regular shifts for a one (1) to two (2) shift operation shall not commence before 7:00 a.m. on a first shift nor 3:00 pm. on a second shift. To provide for the lunch period on a one (1) or two (2) shift operation the shifts may be extended.
- 2.05** Before departing from any of these regular work schedules, the Company will discuss mutually any change with the Union.
- 2.06** Shift premium will be as follows:
- Graveyard Shift - 11:00 p.m. to 7:00 a.m.
- 75¢ per hour
 - Afternoon Shift - 3:00 p.m. to 11:00 p.m.
- 50¢ per hour
- 2.07** On a two (2) shift operation, the next shift premium will apply after two (2) overtime hours in any one day.
- 2.08** i) Each employee except for the corrugator crew

shall receive a paid twenty (20) minute lunch period.

ii) The corrugator crew shall receive a paid twenty (20) minute lunch period at staggered times.

2.09 On a two (2) or three (3) shift operation, the Company agrees that shifts should be rotated every week as equally as possible.

2.10 The Company will notify an employee at least eight (8) hours before reporting **to** work when his shift has been changed. This condition will not apply when an employee **is** called in because of an emergency due **to** the illness or absenteeism of another employees.

ARTICLE 3 - CONTINUOUS RUN - 7 DAY OPERATION

3.01 The Company may operate the plant or a portion of the plant on a seven (7) day basis once they have exhausted the normal hours available in a **five** (5) day operation (Monday to Friday) on the equipment being scheduled for seven (7) days.

3.02 Employees affected will receive a minimum of two (2) weeks notice of the implementation of continuous run.

Once implemented an operation on continuous run will operate on the basis for a minimum of sixty (60) days. This period may be changed by mutual agreement between the Company and the Union.

3.03 The Company will meet with the Union in an attempt to reach a mutual agreement on shift schedules. If no agreement can be reached, the shift schedule will be based on twelve (12) hour shifts, seven (7) days a

week. As an example, under such a schedule, an employee would be on the following fourteen (14) day cycle:

- Be off Monday and Tuesday
- Work twelve (12) hours per day on Wednesday and Thursday
- Be off Friday, Saturday and Sunday
- Work twelve (12) hours per day on Monday and Tuesday
- Be off Wednesday and Thursday
- Work twelve (12) hours per day on Friday, Saturday and Sunday

On this basis, the employee would have two (2) three (3) day weekends off per month and would work not more than three twelve hour shifts in a row.

Carrying this example of twelve (12) hour shifts further, the following provisions would apply.

3.04 All scheduled hours worked will be paid at straight time rates with the exception of hours worked in excess of twelve (12) hours in a shift or a Sunday or holiday which will be paid at the rate of time and one-half (1½). An employee who voluntarily works on a Saturday or Sunday as a result of a replacement call-in will be paid overtime at the rates prescribed by the Collective Agreement (i.e. time and one-half (1½) for four (4) hours on Saturday and double time for hours worked in excess of four and double time for Sunday (with maintenance exception).

Under normal circumstances, the Company would not operate the plant on paid holidays. Employees working on the seven (7) day operation basis will be paid for twelve (12) hours at straight time rate for the holiday. Any work performed on a paid holiday would be voluntary and paid at the rate of time and one-half (1%).

3.05 Employees will continue to be eligible for vacation selection on a seniority basis and will continue to be able to select vacations in prime time as currently in effect.

3.06 Rest periods will be discussed with scheduling of seven (7) days, but no less than current contract provisions.

Weekly Indemnity will be amended to comply with the seven (7) day operation and will be no less than current provisions.

Shift premium - \$0.84 for the second 12 hour *shift* (nights)

ARTICLE 4 - OVERTIME - HOURS AND RATES

4.01 Overtime rates of one and one-half (1%) times the regular base rate will **be paid for** work done **in** excess of eight (8) hours per day, or in excess of forty (40) hours per week.

4.02 Overtime rates of double the regular rate will be paid for:

- i) work performed on Sunday, Holidays as listed in **Article 6.01, and in excess** of four (4) hours *on*

Saturday, except as noted below.

- ii) maintenance work performed on Sundays, Holidays and in excess of eight (8) hours on Saturday. However, when a complete production shift is scheduled on Saturday and a maintenance man is required to cover the shift, he will receive double the regular rate after four (4) hours on Saturday.
 - iii) it is understood that these overtime rates for work performed on a holiday are in addition to holiday pay as outlined in Article 6.01.
- 4.03 If overtime work is required in the plant, the Company agrees that the employees normally doing the work shall be given equal opportunity to do this work providing that they are *qualified* and capable of doing so.
- 4.04 it is understood that overtime is not compulsory and employees will be relieved from overtime work for reasonable excuses.
- 4.05 Where an employee has refused overtime, he will be **considered** as having worked overtime for record purposes only.
- 4.06 All employees required to work an overtime period of more than two (2) hours after completing a standard shift of eight (8) hours will be given a meal ticket - maximum value \$5.25 in merchandise to be purchased in the cafeteria as the employee wishes. The meal ticket will be given to the employee prior to the overtime being worked.

The value of the meal ticket will increase as follows:

August 1, 2000 - \$5.50

January 1, 2002- \$5.75

January 1, 2004- \$6.00

- 4.07 If pre-scheduled overtime is required for the Friday midnight shift, preference **will** be given to the employees working the midnight shift the preceding Thursday.

ARTICLE 5 -VACATIONS WITH PAY

5.01 Vacations with pay schedule shall be as follows:

1 full year's employment	- 2 weeks
4 full years employment	- 3 weeks
9 full years employment	- 4 weeks
18 full years employment	- 5 weeks
25 full years employment	- 6 weeks

An employee will be considered to have met the service requirement for vacation over two weeks upon reaching the anniversary date of his recognized seniority.

- 5.02 i) Vacation pay **for** employees with less than one (1) year's continuous employment shall be computed as four percent (4%) of **total** earnings.
- ii) The computation of pay for two (2) weeks vacation shall be four percent (4%) of previous year's total earnings; for three (3) weeks vacation shall be six percent (6%); for four (4) weeks vacation shall be eight percent (8%); for five (5) weeks vacation shall be ten percent (10%); for six (6) weeks vacation

shall be twelve percent (12%).

- iii) Notwithstanding the above where an employee is absent due to sickness or accident for a continuous period of two (2) weeks or more, his earnings for the twelve (12) months ending December 31st, previous calendar year, will be computed by applying his average weekly pay for the remainder of the twelve (12) months to cover the period of absence due to his sickness or accident up to a maximum of four (4) months.

5.03 Scheduling of Vacations

Employees who desire any definite vacation period shall so notify the Company in writing before April 1st. Choice of such definite vacation period shall go to the Senior employees among those applying, if all those applying cannot be released by the company at the same time. Vacation periods shall not be permitted to interfere with plant operations. Final vacation lists will be posted by May 1st.

- 5.04**
- a) Employees who so qualify may take two weeks vacation during the period June 15th to September 15th.
 - b) Employees who qualify for more than two weeks may take the additional vacation between January 1st and June 15th; and September 15th and December 31st.
 - c) In arranging the vacation schedule, Management must give full consideration to the necessities of full operation.

- d) Where vacation requests conflict, preference will be given to the senior employee and within departments.
- e) In the event that a planned plant shutdown is carried out to cover vacations, all employees must take their vacations during or straddling the shutdown.

5.05 Vacations cannot be accumulated for future years.

5.06 The Company will consult with the Union where other arrangements for vacations are deemed necessary.

5.07 The vacation with pay year will commence January 1st and end the following December 31st. All calculations pertaining to vacation with pay will be based on this period. (T-4 earnings of previous year less taxable benefits and allowances).

5.08 All employees are required to complete their vacations by December 31st of the current vacation with pay year. However, an employee with layoff periods will be free to elect to take his full vacation entitlements or reduce his vacation up to the number of **weeks** of layoff.

5.09 Vacation pay **will** be deposited on Thursday prior to the start of the employee's vacation.

5.10 Supplementary Vacation

Regular employees who have completed twenty-five (25) or more years of service will be granted additional vacation with pay the year in which they attain:

Age 60 - 1 additional week
Age 61 - 2 additional weeks
Age 62 - 3 additional weeks
Age 63 - 4 additional weeks
Age 64 - 5 additional weeks

This extra vacation may be taken in whole or in part in the vacation year and subject to paragraphs 5.03 and 5.04. If this supplementary vacation is not taken in its entirety during the year in which it is allowed, the money equivalent will be held as an accrual to be paid in one lump sum on retirement.

ARTICLE 6 - HOLIDAYS

- 6.01 Regardless of the day a holiday may fall on, the Company agrees to pay and grant time off for twelve (12) holidays, being: the day preceding New Year's Day, New Year's Day, January 2nd; Good Friday; Victoria Day; Canada Day: Civic Holiday; Labour Day; Thanksgiving Day; the day preceding Christmas Day; Christmas Day; Boxing Day. Holiday pay will be calculated by multiplying the regular base rate by eight (8) hours. To qualify for holiday pay, as above, an employee must have completed his probationary period. To qualify for holiday pay an employee must work his or her last scheduled shift immediately prior and his or her scheduled shift immediately after the holiday.
- 6.02 Absence without leave, late arrival exceeding sixty (60) minutes, early quitting without prior permission, will disqualify an employee from receiving holiday pay.
- 6.03 Consistent with production requirements and efficient operation of equipment, permission to be absent will not

be unduly withheld. Request for permission to be absent must be presented ~~forty-eight~~ **(48)** hours prior to the start of the shift before the holiday.

6.04 An employee who **is** on the seniority list and who does ~~not~~ work the shifts immediately prior and after a holiday by reason of certified illness or a lay-off would qualify for holiday pay provided:

i) illness, certified by a **doctor's** certificate, commence not more than fifteen **(15)** working days prior to the said holiday.

ii) a lay-off commences not more than fifteen **(15)** working days before the said holiday.

6.05 If the day of observance of a holiday falls within the period of vacation of an employee, he shall be paid for such a holiday in addition **to** his vacation pay.

6.06 Should an employee decide to have a day off in lieu of the holiday, he may **do so** at a time that is satisfactory to both the employee and the Company.

ARTICLE 7 - MINIMUM RECOMPENSE

7.01 Employees who report for work on time on a regularly scheduled working day or shift and for when the Company is unable **to** provide either their regular work or any other work because of a change in plans, will receive pay for four **(4)** hours at their base rate if supervision has failed to make reasonable effort to advise the employees of this situation, unless such conditions are beyond the control of the Company.

7.02 Emergency Calls

If an employee is called to the plant after he has completed his regular day of work, he shall be paid at the rate of time and one-half (1½) with a minimum of four (4) hours pay at his regular rate. The application of this section does not apply to pre-scheduled overtime.

ARTICLE 8 - SENIORITY AND JOB POSTING

8.01 All cases of lay-offs and reinstatements due to varying employment conditions, as well as cases of promotion and demotion within the employee group as distinguished from supervisory work, shall be according to length of service as set forth herein except when in the judgement of the Company an employee does not have the required skill and ability. Where skill and ability are relatively equal, seniority shall be the governing factor. This judgement shall not be exercised in an arbitrary or discriminatory manner but may be subject to grievance procedure. In order to properly implement the provisions outlined above, the following procedure will be used:

- 1) In the event that there is no work on an employee's regular job, the Company will assign the employee to other work for the remainder of that week. The employee will maintain his regular rate ~~or~~ the rate for the job he is assigned to whichever is the highest. At the end of the above period, such employee then has the right to exercise plant-wide seniority provided he has more than six (6) months seniority.

2) In the event of a reduction of shifts the following rules will govern:

a) Reduction from a three (3) shift level of operation to a two (2) shift level of operation.

Jobs will be discontinued based on an employee's job seniority in the classification.

- Any employee whose job is thereby discontinued would return to the job he held prior to posting to third shift or employee may elect to revert to the labour pool, providing labour pool work is available and the employee has sufficient seniority to perform this work.

b) Reduction of shifts below a two (2) shift level of operation.

- Jobs will be discontinued based on an employee's plant seniority in the classification.
- Any employee whose job is thereby discontinued may exercise his/her seniority rights to obtain another position providing he/she has the required skill and ability to fully perform the duties of the other job.

Note: the above rules outlined in b) above, will not replace the present procedure for employees whose jobs are not totally discontinued on a one shift level of operation.

In a) and b) above, spare operator status would be

maintained. Also, employees affected will move back up to either their two shift or three shift level job, as applicable, when shifts are increased.

- 3) In the event of a lay-off, the Company will notify any employee affected thereby not later than the start of his or her last full shift immediately preceding the lay-off.

8.02 Temporary Employees

An employee on being hired will be considered temporary and placed on probation until he or she has worked continuously for the Company for a period of sixty (60) calendar days or has accumulated forty (40) working days within one hundred and twenty (120) calendar days.

During this probationary period, an employee may be discharged at the discretion of the Company. At the completion of the probationary period, the employee will then become a regular employee and placed on seniority lists, with seniority back-dated to start date. A change of rate from starting rate will become effective at the beginning of the pay period following the completion of probationary period.

- 8.03 Seniority shall continue to accrue to permanent employees who may be absent from work for reasons of certified sickness or injury.

8.04 Students.

Students hired as vacation replacements during the period May 1st to September 30th each year and during the two (2) hunting seasons each year, will be considered as temporary employees for the full duration of their employment. At the time of hire,

students will sign a declaration to the fact that they **are** being employed only as temporary help and will resign from the employ of the Company by September 30th at the latest of each year, with exceptions of hunting seasons. In the event a student should wish to apply for **permanent** employment with the Company as a regular employee, they must re-apply after their resignation. In the event the Company decides to hire them for consideration as a regular full-time employee, the student must then complete a probationary period. Students are to be paid the hourly wage found in the Wage schedule under "Students" of this Agreement for the duration of their employment. They are also excluded **from** the following monetary provisions of the Labour Agreement:

- Holidays (except as provided for by Provincial legislation)
- Bereavement Leave
- Health and Welfare and Pension Plans

8.05 An employee ceases to be rated for seniority, if he:

- i) quits voluntarily
- ii) is absent without permission for three (3) consecutive days. This will result in warning and for the second offence dismissal. However, in the case of accident or certified illness, a warning will not be issued unless an employee has been absent five (5) working days without reporting and in this event a warning will be issued followed by dismissal for the second offence;
- iii) is dismissed for cause;
- iv) does not return to work within five (5) calendar days after he receives notification of recall by messenger or registered mail;

v) if **period** of lay-off exceeds twelve (12) months.
Employee with five (5) years service - twenty four (24) months.

8.06 A laid off employee must provide the Employee Relations Department with written notice of a change in address or telephone number.

8.07 Any employee who has been transferred by the Company from the bargaining unit to a supervisory or clerical job outside **of** the bargaining unit may be transferred back into the bargaining unit with the seniority held at the time of the original transfer for up to a two (2) year period from the date of transfer to the job outside the bargaining unit. After a trial period not **exceeding** six (6) months, if an employee is returned to the bargaining unit he may assume his job held immediately prior to the transfer. If the employee is returned to the bargaining unit after six (6) months he must return to the classification of General Labour.

8.08 Any employee who voluntarily accepts transfer to another Company plant shall retain his seniority for a period not to exceed **twelve** (12) months during which time such employee will be working at another location. Should such employee not elect to remain at the other plant, he **can** then return to his previous job in Pembroke without any loss of seniority. **Should the** employee not return before the twelve (12) month transfer clause elapses, this will constitute a break in service at the Pembroke plant and all seniority rating at Pembroke shall be lost.

8.09 An employee who is temporarily transferred to another classification shall be paid as follows:

- i) Each employee will **be** paid for the type of work performed each day with the exception that should an employee leave their regular classified job for a period

of one (1) hour or more to perform on a higher rated job, they will receive the job rate for the time that they work in the higher classification. This does not apply to employees whose job function requires meal and/or rest period relief.

- ii) Where an employee works four (4) hours at one (1) job and four (4) hours at another job, the highest base rate will apply for all eight (8) hours. When for the convenience of the company a worker is transferred to a lower rated job, he will maintain his hourly rate while so transferred.
- iii) Should an employee be transferred to a lower rated job classification, he shall receive the rate of his regular classified job. This shall not apply when the employee moves to a lower rated classified job for reasons of lack of work on his regular classified job, or when the move is brought on by personal request for such a move.

- 8.10 Notice of vacancies, new jobs or temporary jobs (excepting lead had jobs) within the scope of this Agreement and which command a contract and wage rate in excess of the general basic labour rated jobs and which are of more than two (2) weeks duration, will be posted for forty-eight (48) hours on the plant bulletin board. (When it is known that a vacancy is going to be more than two (2) weeks, then the job should be posted immediately). Interested employees must sign an application form for the posted job during this forty-eight (48) hour period. In the event that qualifications and ability of employees applying are relatively equal, seniority shall be the deciding factor. Should a qualified candidate not be secured through the Job Posting Procedure, the Company may consider employees who have not applied. Failing this, the Company can then go outside for candidates. In the event that an employee feels that a job posting selection has been discriminatory it may be the subject of grievance under the grievance procedure as outlined in this Agreement.

Job vacancies will be posted stating department, job classification and machine centre. If any operation in the plant is working on the continuous run - seven (7) day operation, job posting will be posted for five (5) working days.

- 8.11 It is agreed that **successful** applicants of the Job Posting Procedure will not **be** permitted to reapply for other **postings** more often than two (2) times during a twelve (12) month period from the first posting. This procedure shall not apply when employees alternate **between** their regular and the same temporary job. It is understood one (1) posting shall **be used** in such cases.
- 8.12 Spare operators will be trained. When a permanent vacancy becomes open, the spare operator will step into the vacancy automatically. The Company will post for another spare operator for that classified job. The **classified** jobs of Die Mounting Printing, Die Maintenance (steel-rule), Adhesive Mixer Operator, Shipping Assistant Coordinator, Shipper Checker (dock) have spares designated to replace the incumbent on a temporary basis. When a vacancy occurs, the designated spares will **automatically** step into the vacancy and **the** Company will post for another spare for the position which has become vacant. When an operator **has** been displaced (by a senior man exercising his seniority rights). the displaced employee will become the 1st Spare. **Any** incumbent spare would **become** 2nd Spare.
- 8.13 A trainee will be paid his regular classified job rate or the rate for the classification on which he is training, whichever is lower, until he is qualified.
- 8.14 The Company and the Union will form a small committee to **determine** reasonable length of training required for various job classifications.

- 8.15 After an employee's job has been significantly revised, such employee may be permitted, providing there is mutual agreement between the plant committee and divisional management, to exercise his/her seniority rights. Every aspect of this clause is subject to the grievance procedure.
- 8.16 When formalized scheduled training is performed, the trainer assigned by the Company will receive an additional fifty cents (.50¢) per hour over and above their classified rate for the hours he/she spends training.

ARTICLE 9 - GRIEVANCE PROCEDURE

- 9.01 i) The Company agrees that the time limits in this Article will refer to working days only and Saturdays, Sundays and Holidays shall not be included in any time limits.
- ii) The Grievance Committee consisting of the Union steward from each department of which there are six (6) and, if needed, a representative of the National Union and/or of Local 1000, shall represent the employees of the Company in matters pertaining to this Agreement. For stages one and two of the Grievance Procedure, the Chairperson, Vice-Chairperson and Steward involved will attend. For stage three, the Grievance Committee consisting of not more than four (4) employees may attend if necessary.
- iii) An employee will give his foremen an opportunity to adjust his complaint.
- 9.02 Should an employee or group of employees feel that any of the provisions of this Agreement have not been complied with, he or she shall have the right either personally or through the steward in which department the grievance occurs, or through the Grievance Committee, to appeal in writing. The grievance shall not be considered after thirty (30) days from when the grievance occurred. The grievance shall:

- i) be **referred** to the Department Head who will render a **decision** within forty eight (48) hours of receiving the complaint. If the solution is not **satisfactory** to the employee he must, within forty eight (48) hours;
 - ii) refer the matter to the Superintendent who will render a decision within forty eight (48) hours. If the solution is not satisfactory the matter must be **referred**, within five (5) working days to Stage 3.
 - iii) Failing satisfactory settlement at Stage 2, the matter may then be referred to the Production Manager, or his designated representative, within ten (10) working days.
- 9.03 If a solution at Stage 3 is not found, then either party may, within the following twenty (20) working days refer the matter to arbitration.

9.04 **Policy Grievance**

Should the Company feel that any of the provisions of this Agreement have not been complied with, the Company has the right to call for a meeting with the Grievance Committee to discuss any such alleged complaint.

Should the Grievance Committee feel that any of the provisions of this Agreement have not been **complied** with, the Grievance committee has the right to call for a meeting with the Company to discuss any such alleged complaint.

If the complaint is not resolved at said meeting, the matter may be dealt with as a grievance commencing at Stage 3 of the grievance procedure.

- 9.05 Where a difference arises between the parties relating to the interpretation, application, ~~or~~ administration of this Agreement, including any question as to whether a matter

is **arbitral**, or where an allegation is made that this Agreement has been violated, either of the parties may, **after** exhausting any grievance procedure established by this Agreement, notify the other party in writing of its desire to submit the difference or allegation to Arbitration.

- 9.06 This notice shall contain the name of the first party's appointee to an Arbitration Board.
- 9.07 The recipient of the notice shall within five (5) days advise the other party of the name of its appointee to the Arbitration Board. The two appointees so selected shall within five (5) days of the appointment of the second of them appoint a third person who shall be the Chairman. If the recipient of the notice fails to appoint an **Arbitrator** or if the two appointees fail to agree upon a Chairman within the time limit stated herein, the appointment shall be made by the Minister of Labour for Ontario upon the request of either party.
- 9.08 The **Arbitration Board** shall hear and determine the difference or allegation and shall issue a decision. This decision shall be final and binding upon the parties and any employee affected by it. The decision of a **majority** shall be the decision of the Arbitration Board but if there is no majority the decision of the Chairman shall govern.
- 9.09 It is understood that the function of the Arbitration Board shall be to interpret and apply this Agreement and that it shall deal only with specific questions as submitted and shall have no power to alter add to or amend this Agreement.
- 9.10 Each party to the Agreement shall pay the expenses of the member of the Arbitration Board **selected** by it or by the Minister of Labour and shall share equally in the fees and expenses of the third member of the Board.

9.11 Nothing contained in this Article shall prevent the parties from mutually agreeing to a single arbitrator.

9.12 It is the intent of this Agreement that grievances be dealt with promptly. Where a department steward requires to discuss a problem or grievance with the foreman or production supervisor, he may be joined by the Union Chairman and Vice-Chairman. Both parties will seek convenient times for such discussion.

ARTICLE 10 - UNION MEMBERSHIP

10.01 All employees must pay monthly Union dues after being employed ten (10) days as a condition of employment. All new employees must pay initiation fees after being employed ten (10) days as a condition of employment.

10.02 The Company will deduct the regular monthly Union dues and authorized initiation fees and assessments from the first pay period of each month, and remit the amount by cheque to the Financial Secretary of the Local Union by the end of the same month, accompanied by a listing of the employees and their deductions.

ARTICLE 11 - MANAGEMENT RIGHTS

11.01 It is agreed that the Company has the right to:

- i) direct the work of the employees, maintain order, discipline and efficiency;
- ii) hire, discharge or suspend employees, demote them or transfer for proper cause, assign them to shifts with due regard to seniority, determine the standard amount of work required, lay-off due to lack of work in accordance with other provisions within this Agreement.
- iii) It is further agreed that the Company has the right to govern and control all processes, procurements and methods of manufacturing and work planning.

ARTICLE 12 - NO STRIKE AND LOCK-OUT CLAUSE

- 12.01 The Union agrees that it shall not call Or authorize and that no officer or agent of the Union will counsel or procure, support or encourage an unlawful strike.
- 12.02 The Company agrees not to lock out its employees during the life of this Agreement.

ARTICLE 13 - BULLETIN BOARDS

- 13.01 The Company agrees to provide bulletin boards for posting and displaying Union notices. It is further agreed that all such notices shall first be submitted duly signed by the authorized Union Chairman or his designate to the Production Manager or his designate.

ARTICLE 14 - HEALTH AND SANITATION

- 14.01 The Company shall make reasonable provision for the safety and health of the employees during the hours of their employment. Cleanliness and privacy in washrooms and toilets are to be maintained at all times. Protective equipment, first aid equipment and the service of competent attendants are to be provided by the Company which it is expected the employees will use.
- 14.02 Employees shall cooperate in every way to keep lunch and rest rooms clean and tidy and in good repair.

ARTICLE 15 - INSURANCE PLAN

- 15.01 The Company agrees to pay the prevailing premiums during the life of this Agreement for Weekly Indemnity and Group Life Insurance and O.H.I.P.

15.02 Weekly Indemnity Insurance

- i) Effective the first of the month following date of ratification, the Company will maintain a benefit level of seventy percent (70%) of the employee's base rate times forty (40) hours per week with a maximum benefit of four hundred and fifty dollars (\$450.00) per week or the E.I. maximum, whichever is greater, for a period not exceeding fifty-two (52) weeks.
- ii) The Weekly Indemnity Plan is registered with the Federal Government and any reductions in Employment Insurance Premiums are to be retained by the Company.

15.03 Group Life and Accidental Death and Dismemberment Insurance:

- i) The Group Life and AD&D Insurance coverage will provide a flat benefit amount of \$65,000 for all employees actively at work on August 1, 1992. Employees not actively at work will be covered for \$30,000 life insurance only. This amount will increase to \$65,000 upon their return to active duty. AD&D (new) will be activated upon the employees return to active duty.
- ii) The Company will maintain \$2,000 Group Life Insurance for all employees retiring under the terms of the Company Pension Plan after April 1, 1976 at no cost to the employee. This amount will increase to \$5,000 for employees retiring after January 1, 1995.

15.04 Great-West Life Drug Plan:

- i) The Company agrees to pay the prevailing premiums during the life of the Agreement for the Great-West Life Drug Plan or a drug plan providing the same benefits with \$10.00 - \$15.00 deductible. New employees will

be eligible for coverage after **three** months of continuous employment, or 90 days of **service**.

ii) Semi-Private Hospital Coverage:

The Company agrees to pay the prevailing premiums for a Great-West Life type semi-private hospital coverage plan. New employees will be eligible for coverage after three (3) months continuous employment, or ninety (90) days of service.

ii) Vision Care

Effective January 1, 1990, a Vision Care Plan will be implemented for all employees actively at work. Vision Care expenses incurred by an employee and/or his covered dependents are eligible when recommended by a physician or an optometrist as **follows:**

Frames, lenses and the fitting of prescription glasses, including contact lenses up to a total payment of \$125.00 per family member in any two (2) consecutive calendar years. On ratification payments will be increased to \$150.00 and further increased to \$175.00 and \$200.00 on January 1, 2002 and 2004, respectively.

15.05 Change in Benefits:

- i) Any employee not actively at work on the effective date or dates of the changes in benefits will not be eligible for the increase in benefits until the date of his return to active employment.
- ii) Any changes in benefit level as a result of the contract renewal will take place on the 1st of the month following date of ratification.

15.06 Provided that the employee pays in advance for Insurance Plan or Pension Plan and provided the carriers will extend the Plan without cost to the Company to cover one employee on leave of absence for Union business the Company would agree for a period not exceeding eighteen (18) months.

15.07 **Long Term Disability**

A Long Term Disability Plan for non-industrial accident or illness will be put into effect in accordance with the provisions outlined in Appendix "B".

15.08

The Company will provide a dental plan in accordance with the provisions outlined in Schedule "C".

ARTICLE 16 - GENERAL

16.01 The Company will grant leave without pay to any member elected as delegate to attend Union conventions or other important Union business provided that not more than two from any one department are required to be absent at any one time and provided it does not affect the efficiency of a department.

16.02 i) Leave of absence without pay for legitimate personal reasons, may, at the discretion of management, be granted up to six (6) months without loss of seniority provided that application is made in writing and the reasons stated. An exception to this procedure will only be as follows:

,Employees who are elected or appointed to a position in the IWA Canada will be allowed, on request, a leave of absence of up to 24 months on the basis that it may be renewed annually thereafter.

- ii) Employees when granted Leave of Absence will be required to prepay premiums of various insurances/welfare plans for that period of leave that extends beyond four weeks subject to the terms of various insurance policies. Vacation pay credits may be used for this purpose if available and the employee so desires.

16.03 When death occurs to a member of an employee's immediate family as described in iii) below the employee will be granted a paid leave of absence of not more than three (3) scheduled working days. These three (3) days must be taken within seven (7) calendar days, starting from the day of death.

When death occurs to an employee's wife, husband, son, daughter, stepson, stepdaughter or common-law spouse, the employee will be granted leave of absence with pay, up to five (5) consecutive scheduled working days. These five (5) days must be taken within seven (7) calendar days starting from the day of death.

In both these instances, payment will be made provided:

- i) Pay will be at employee's straight time occupational rate even though one or more of the days of the funeral leave occur on Saturday, Sunday or a paid holiday.

The regular standard occupational rate means the straight time occupational rate of the job which the employee would have worked had the employee not been on funeral leave.

- ii) The employee attends the funeral where physically possible.
- iii) Members of the immediate family are the employee's mother, father, brothers, sisters, stepmother,

stepfather, mother-in-law, father-in-law, brother-in-law, sister-in-law, daughter-in-law, son-in-law, grandparents and grandchildren.

One (1) day of the bereavement leave may be moved to the date of delayed cremation or burial.

- 16.04 The Company is prepared to meet with the Union from time to time ~~to~~ discuss questions that may arise concerning the existing Pension Plan.
- 16.05 Pay statements will be issued for the day shift every second Thursday commencing at 3:00 p.m. For ~~afternoon~~ and ~~night~~ shifts every second Wednesday ~~after~~ 3:00 p.m.
- 16.06 In the event of lateness, pay will be reduced by the amount of time lost.
- 16.07 The Company ~~will~~ make payroll deductions for the employees to a single Credit Union to be chosen by the employees.
- 16.08 An employee who experiences a lost-time industrial accident, accepted by the Workers' Compensation Board, will be paid at his basic rate ~~for~~ the balance of his regular day or shift on which the accident occurred.
- 16.09 The Company agrees to pay ~~the~~ following allowance toward ~~the~~ purchase of protective footwear once a year for all permanent employees.

On ratification		\$ 110.00
January 1, 2002	-	\$ 120.00
January 1, 2004	-	\$ 130.00
January 1, 2005	-	\$ 140.00

The Company will also agree that, where in their opinion an eye hazard exists, to subsidize the cost of safety

prescription glasses up to a maximum of \$65.00, effective August 1, 2000, but such reimbursement not more often than once per twenty-four (24) month period. The safety glasses subsidy will increase to \$70.00, effective January 1, 2002 and further increased to \$75.00, effective January 1, 2004.

- 16.10 Specific smoking areas will be designated.
- 16.11 All signed local letters of intent will form part of the Collective Agreement provided both parties have agreed to the inclusion of each specific letter. Such letters will be placed after the signature page, in the Agreement, and will again be subject to mutual agreement for the inclusion in any subsequent agreement(s).
- 16.12 In taking disciplinary action, local management shall not consider any previous action involving the employee provided that a 12 *month* period has elapsed from the date of the last infraction.
- 16.13 Employees required to serve on Jury Duty or as a subpoenaed witness shall be paid the difference between their basic rate they would have earned and the amount they receive for Jury or Witness Duty. To secure payment, proof of attendance, including amount received from the Court, will be required.
- 16.14 The tool allowance for Mechanics who elect to use their own tools on the job is \$100.00.
- 16.15 The Company will pay medical certification fees by compensating an employee for the fee charged by a physician up to a maximum of twenty dollars (\$20.00) for the completion of a medical certificate of illness or injury, if such certificate is required by the Company to support an employee's claim for benefits under the Weekly Indemnity plan. Payment will be initiated upon production of a formal

receipt from the attending physician

- 16.16 Company to supply uniforms for the maintenance personnel and adhesive mixer.

ARTICLE 17 - PREGNANCY LEAVE

The Employment Standards Act provides for a flexible 17 week unpaid leave of absence for employees having the necessary length of service.

- 17.01 On presentation of a medical certificate, an employee with at least one year of service may be granted Pregnancy Leave at any time within eleven weeks of the expected date of birth. The Company may initiate the leave of absence at an earlier date if, in the judgement of the Company, she cannot manage her normal work load adequately.
- 17.02 The employee must give **two** (2) weeks notice in writing of the date she intends to begin her leave and such notice must **include** a medical certificate indicating her expected date of birth. The two weeks notice **period** is a minimum time. It is agreed that the mutual interest of the Company and the Employee would be better **served** where the employee provides as much advance notice as is possible and practical considering the circumstances.
- 17.03 The employee is entitled to a **fixed** minimum post-natal leave of six weeks **after** the actual date of the birth or ending after no more than seventeen (17) weeks from the beginning of the leave, whichever is the later.
- 17.04 If the employee wishes to return to work less than six (6) **weeks after** the birth, she must provide the Company with a medical certificate stating that she is fit to resume work, along with one (1) week's notice of her intention to return.

- 17.05** An employee who has stated her intention of returning to work after her pregnancy leave, and who does not do so within six weeks after the birth has occurred, shall be terminated. However, post natal leave may be extended beyond six weeks if arrangements satisfactory to the Company are made.
- 17.06** Pregnancy Leave will be without pay and the following will apply:
- a) Service will accrue during the normal pregnancy leave.
 - b) Upon her return to work after pregnancy leave as set out in Item iii) above, the employee will be reinstated in her former position or a comparable one in terms of remuneration in line with her seniority.
- 17.07** Circumstances arising from pregnancy leave that are not covered in this article will be administered under the terms of the Employment Standards Act.

ARTICLE 18 - JOB CLASSIFICATION AND WAGE RATES

- 18.01** The Schedule of Wage rates is attached hereto and forms part of this Agreement.
- 18.02** The starting rate for new employees shall be six (6) cents per hour below the base rate.
- 18.03** It is agreed that foremen and persons excluded from the bargaining unit shall not perform work usually performed by employees in the bargaining unit except in cases of emergency.
- 18.04** A lead hand, when required, will be paid thirty-five (.35¢) cents per hour over highest rate supervised or his/her own, whichever is greater. Lead Hand jobs are not included in

the Job Posting Procedure.

The three (3) employees listed below, who currently (July 17, 2000) hold lead hand positions, will be "grandfathered" in these positions. In the event they post out of this position, the vacancy will not be posted:

Glen Turcotte
Gerard Chaput
Ernie Buske

ARTICLE 19 - AUTOMATION

19.01 The Company will discuss with the Union the effect of such changes on the working conditions of employees and consider ways and means of providing alternate employment opportunities within the Company for employees displaced by those changes.

19.02 In the event that the Company is unable to offer alternate employment opportunities within the Company and employees are laid off as a direct result of technological changes and automation, severance pay will be provided to such eligible employees, as follows:

- i) Regular employees with five (5) or more years of service will be entitled to a severance allowance on the basis of forty (40) hours pay for each year of service at the employee's current hourly rate, up to a maximum of 1,040 hours. One half of the amount so calculated will be paid after the employee has been laid off for a period of two (2) months. The second half of the severance allowance will be paid after the employee has been laid off for four (4) months. It shall be the responsibility of the employee to apply for severance pay.
- ii) If an employee is recalled to work before any

severance pay is due, no severance payment will be made. Any employee who refuses or is not available for recall (except for reasons of sickness or accident) shall forfeit all rights to severance pay and recall.

- iii) Any employee who has received a partial severance payment who is recalled and accepts such recall, prior to receiving final severance payment, shall retain full seniority rights but will be entitled to only the unpaid portion of his severance pay allowance added to any new accumulation of severance pay, commencing on his return to employment, in case of a subsequent lay-off due to technological change and automation.
- iv) An employee who has received full severance pay and who is subsequently rehired will be considered as a new employee in all respects.
- v) Employees eligible for severance pay as provided by Government legislation will receive either Government legislated provision or the company severance pay provision, whichever is greater.

19.03 Recall procedures under this policy will be in accordance with Article 8 of this Agreement.

ARTICLE 20 - PLANT CLOSURE AND SEVERANCE PAY

20.01 In the event of the planned closure of the entire plant, the Company will notify the Union as soon as possible of such plans but in any case not less than two (2) months prior to the closing date.

20.02 Eligible employees with one ~~(10)~~ more years of service, terminated as a result of the plant closure, will receive forty (40) hours pay for each year of service at the employee's current hourly rate to a maximum of one thousand and forty (1,040) hours total severance pay.

20.03 In order to be eligible for Severance pay under this Article. employees must be on payroll at the time of the announcement of plant closure. have one (1) or more years of service, and remain in the employ of the company until the dosing of the plant, or until the employee's services are no longer required. Employees eligible for any early retirement benefits proposed by the Company will be entitled to either ~~the~~ early retirement benefit or the severance pay.

20.04 Employees eligible for severance pay as provided by Government legislation will receive either the Government legislated provision or the Company severance pay, whichever is greater.

ARTICLE 21 - DURATION OF AGREEMENT

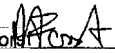
21.01 This Agreement shall remain in force and effect from January 1, 2000 until and including the 31st day of December, 2005 and thereafter for one (1) year. unless written notice of contrary intention is given by either party to the other party.

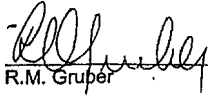
21.02 If no agreement is reached at the expiration of this contract and negotiations are continued, the Agreement shall remain in force up to the time a subsequent agreement is reached.

21.03 Either party may begin negotiations for a new agreement thirty (30) days before expiry date as noted above.

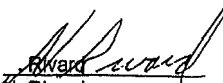
Approved and signed this 18th day of December, Two Thousand and One (2001) at Pembroke, Ontario.

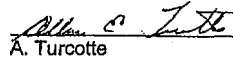
Smurfit-MBI
Pembroke Plant
Pembroke, Ontario

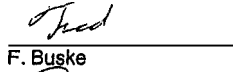

P. Fontana


R.M. Gruber

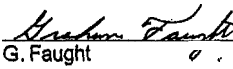
I.W.A. Canada - on its own
behalf and on the behalf
of Local 1WO (Hourly)

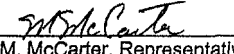

N. Rivard
4th Vice-President.
IWA Canada


A. Turcotte


F. Buske


S. Robinson


G. Faught


M. McCarter, Representative
IWA Canada

APPENDIX 'A'
SCHEDULE OF WAGE RATES

		Jan. 1 <u>2000</u>	Jan. 1 <u>2001</u>	Jan. 1 <u>2002</u>	Jan. 1 <u>2003</u>	Jan. 1 <u>2004</u>	Jan. 1 <u>2005</u>
100	Corrugator Operator	19.60	19.99	20.39	20.80	21.22	21.54
101	Double Backer Operator	18.62	18.99	19.37	19.76	20.16	20.46
102	Cut-off Operator	19.60	19.99	20.39	20.80	21.22	21.54
102A	Ass. Double Cutoff Knife	18.62	18.99	19.37	19.76	20.16	20.46
103	Lift Truck Operator (roll storage)	18.64	19.01	19.39	19.78	20.18	20.48
105	Corrugator Take off	17.99	18.34	18.71	19.08	19.46	19.75
105A	Stacker Operator	18.26	18.63	19.00	19.38	19.77	20.07
106	Printer/Slotter Operator	19.60	19.99	20.39	20.80	21.22	21.54
107	Printer/Slotter 2nd Man	18.77	19.14	19.53	19.92	20.31	20.62
111	Curtain Coater Operator	18.24	18.60	18.98	19.36	19.74	20.04
112	Die Press Operator - Haire	18.60	18.98	19.36	19.74	20.14	20.44
113	Slitter Scorer Operator	18.17	18.53	18.90	19.28	19.67	19.97
114	Partition Scorer Opr.	18.17	18.53	18.90	19.28	19.67	19.97
115	Eccentric Slotter Opr.	17.99	18.35	18.72	19.09	19.47	19.76
116	Stitcher Operator	18.07	18.43	18.80	19.18	19.56	19.85
116A	Taper Operator	17.99	18.35	18.72	19.09	19.47	19.76
117	Stitch/Taper Piler	17.94	18.29	18.66	19.03	19.41	19.70
119	Curtain Coater 2nd Man	17.70	18.06	18.42	18.79	19.16	19.45
121	Partition Assemblers	17.62	17.97	18.33	18.70	19.07	19.36
124	Manual Stitcher Operator	18.24	18.60	18.98	19.36	19.74	20.04
126	Die Press 2nd Man - Haire	18.07	18.43	18.80	19.18	19.56	19.85

**APPENDIX 'A' (Cont.)
SCHEDULE OF WAGE RATES**

		<u>Jan. 1</u> <u>2000</u>	<u>Jan. 1</u> <u>2001</u>	<u>Jan. 1</u> <u>2002</u>	<u>Jan. 1</u> <u>2003</u>	<u>Jan. 1</u> <u>2004</u>	<u>Jan. 1</u> <u>2005</u>
129	Laminator Operator	18.24	18.60	18.98	19.36	19.74	20.04
130A	Misc. Head Bundler	17.78	18.14	18.50	18.87	19.25	19.54
131	Lunchroom Attendant	17.69	18.05	18.41	18.77	19.15	19.44
132	Janitor	17.69	18.05	18.41	18.77	19.15	19.44
133	Baler Operator	18.15	18.51	18.88	19.26	19.65	19.94
134	Shipping Coordinator	19.09	19.47	19.86	20.26	20.67	20.98
135	Shipping Asst. Coord.	18.83	19.20	19.59	19.97	20.37	20.69
136	Shipping Checker (dock)	18.33	18.70	19.07	19.45	19.84	20.14
139	Adhesive Mixer Operator	18.17	18.53	18.90	19.28	19.67	19.97
140	Corrugator Trucker	18.17	18.53	18.90	19.28	19.67	19.97
140A	Press & Fin. Trucker	18.17	18.53	18.90	19.28	19.67	19.97
142	Die Mounting Printer	18.93	19.31	19.69	20.09	20.49	20.80
143	Die Maintenance-Steel Rule	18.22	18.58	18.96	19.33	19.72	20.02
145	Pallet Strapper Operator	18.17	18.53	18.90	19.28	19.67	19.97
146	Pallet Maintenance	18.27	18.64	19.01	19.39	19.78	20.07
148	Engineer 4th Class	18.62	18.99	19.37	19.76	20.16	20.46
149	Factory Mechanic "A"	22.33	22.78	23.24	23.70	24.17	24.53
151	Maintenance Handyman	20.32	20.73	21.14	21.56	22.00	22.33
152	Electrician	22.33	22.78	23.24	23.70	24.17	24.53
154	Head Mechanic	22.77	23.23	23.69	24.16	24.64	25.01
155	Labourer	17.62	17.97	18.33	18.70	19.07	19.36

		Jan. 1 <u>2000</u>	Jan. 1 <u>2001</u>	Jan. 1 <u>2002</u>	Jan. 1 <u>2003</u>	Jan. 1 <u>2004</u>	Jan. 1 <u>2005</u>
157	***Lead Hand		+.35				
158	Slitter Tailer	17.70	18.06	18.42	18.79	19.16	19.45
159	Laminator Tailer	17.63	17.98	18.34	18.71	19.08	19.37
160	Partition Slotter Tailer	17.70	18.06	18.42	18.79	19.16	19.45
161	Rotary Flexo Die Press Operator	19.60	19.99	20.39	20.80	21.22	21.54
162	Rotary Flexo Die Press 2nd Man	18.77	19.15	19.53	19.92	20.32	20.62
163	Flexo Folder Gluer Operator	19.60	19.99	20.39	20.80	21.22	21.54
163A	Large Flexo Operator	19.60	19.99	20.39	20.80	21.22	21.54
164	Flexo Folder Gluer 2nd Man	18.77	19.15	19.53	19.92	20.32	20.62
164A	Large Flexo 2nd Man	18.77	19.15	19.53	19.92	20.32	20.62
165	Flexo Folder Gluer 3rd Man	18.00	18.36	18.73	19.10	19.48	19.77
165A	Large Flexo Feeder	18.17	18.53	18.90	19.28	19.67	19.97
166	Corrugator Helper	18.12	18.48	18.85	19.23	19.61	19.91
170	Rotary Flexo Die Press 3rd Man	18.00	18.36	18.73	19.10	19.48	19.77
171	Litho Laminator Operator	18.83	19.21	19.59	19.98	20.38	20.69
172	Litho Laminator 2nd Man	17.94	18.29	18.66	19.03	19.41	19.70
173	Students	13.67	13.95	14.22	14.51	14.80	15.02

**Lead Hand (Article 18.04) +.35

Wages

The Company will set rates for new jobs or rates applicable to new machines. The Company, where possible, will give the Union thirty (30) days advance notice in writing, to the commencement of the job classifications. After a period of thirty (30) days, any such rate or rates, not acceptable to the Union, may be discussed with Management. Upon agreement of the applicable rate or rates they shall be integrated into the Wage Schedule and payment made retroactive (if necessary) after the thirty (30) day period. If no agreement ~~is~~ reached on the rate, the matter may be referred to the grievance procedure commencing at Step 3 of the procedure.

APPENDIX "B"

LONG TERM DISABILITY PLAN

As of April 1, 1982, a Long Term Disability Plan for non-industrial accident or illness will be put into effect.

Monthly Income Benefit

The indemnity provided for qualified employees shall be 50% of the basic hourly rate of the employee as of March 1st, prior to the onset of disability, multiplied by 2080 and divided by 12. The maximum payment will be \$1600.00 for all claims incurred after January 1, 1998. Effective July 17, 2000, the maximum payment will be increased to \$1700.00 for all claims incurred after this date and further increased to a maximum of \$1900.00 for all claims incurred after January 1, 2004.

For all non-occupational illnesses or accidents commencing after July 13, 1992, the amount of benefit will be amended as follows:

The regular straight ~~time~~ hourly rate shall be the rate of the job which the employee was scheduled to perform on the date of non-occupational illness or accident commenced. For the employee in receipt of Long Term Disability Benefit, the initial hourly rate used will be adjusted on January 1st, of each year by the percentage or amount (~~cents/hour~~) of the negotiated general wage increase until the benefit reaches the maximum monthly payment specified in the labour agreement in force when the non-occupational illness or accident commenced. The maximum monthly payment remains unchanged for the entire disability period.

The 50% formula remains the same.

Co-Ordination of Benefits

The amount of benefit shall be reduced by any payments made under any government plans (federal or provincial), Workers' Compensation payments, any other group or commercial disability plans or any other Company benefits or pension plan.

Benefit Period

The duration of the benefit ~~period~~ will equal the number of months of continuous service of the employee claimant up to the date he commenced to draw benefits under the Weekly Indemnity Plan, or until retirement under the Company Pension Plan, or age 65, (whichever comes first). ~~One-thirtieth (1/30)~~ of the Monthly Income Benefit will account for each day of any period not constituting a full month. The Monthly Income Benefit shall not commence during a period of lay-off or strike, until termination of such lay-off or strike.

An employee drawing Long Term Disability Benefits will accumulate pension service credit under the Company Pension Plan. The pension benefit will be based on earnings* prior to the onset of the

weekly indemnity payments.

* As calculated under Pension Plan Formula

Definition of Disability

An employee is eligible for Long Term Disability Benefits when, after April 1, 1982, he has completed fifty-two (52) weeks of Weekly Indemnity Payments and continues to be incapacitated. He will be considered to be disabled if he is incapable, due to non-industrial accident or sickness, of working at his regular occupation for a period of up to fifty-two (52) weeks; and thereafter for the balance of his qualifying period, is incapable of performing any work for which he is qualified by education, training or experience.

Eligibility for coverage will be at the first of the month following three (3) months of continuous employment or ninety (90) days of service. An eligible employee is entitled to coverage if actively at work on the effective date, otherwise on return to active work.

Exclusions

Exclusions from entitlement to benefit are: self-inflicted injury, war, riot and other exclusions normal to long term disability insurance policies.

Premium Payment

The premium for this long term disability policy will be paid by the Company. During the life of this Agreement should either the Federal or Provincial Governments introduce legislation to provide benefits already covered by this Plan, the Company will have the right to fully integrate the benefits

APPENDIX "C"

DENTAL CARE PLAN

The Company will provide a dental plan on the following basis for all employees:

- i) **Diagnostic Services**

All necessary procedures to assist the dentist evaluating the existing conditions to determine the required dental treatment, including:

 - Oral Examination
 - Consultations
 - X-Rays (complete mouth x-rays will be covered once in a two year period)
- ii) **Preventative Services**

All necessary procedures to prevent the occurrence of oral disease, including:

 - Cleaning and Scaling
 - Topical application of fluoride
 - Space maintainers
- iii) **Surgical Services**

All necessary procedures for extractions and other surgical procedures normally performed by a dentist.
- iv) All necessary procedures for filling teeth with amalgams, synthetic porcelain, and stainless steel crowns.
- v) **Endodontics**

All necessary procedures required for pulpal therapy and root

canal filling.

vi) Periodontics

All necessary procedures for the treatment of tissues supporting the teeth.

vii) Prosthetic Repairs

All necessary procedures required to repair or relines fixed or removable appliances.

viii) Prosthetic Appliances and Crown & Bridge Procedures

a) Crowns and Bridges:

Gold inlays or onlays will be provided as a filling material only when teeth, in the professional opinion of a dentist, cannot be restored with any of the above materials. Gold foil will be provided only in cases of repair to pre-existing gold restoration.

b) Partial and/or complete dentures, but not more than once in five years.

Co-Insurance - Deductibles

\$25.00 individual and \$50.00 family deductible per calendar year. With respect to benefit i) to vii), the Plan will provide reimbursement of 100% of eligible expenses.

Benefit viii) will be subject to 50% co-insurance.

Maximum annual benefit per individual is \$1,000.00. Effective January 1st of each year, the dental care plan will be payable on the basis of a one (1) year time lag on the Ontario Dental Association Schedule of Fees.

The Dental Plan shall incorporate orthodontic benefits on the basis of no deductible at 50% cost coverage with a lifetime maximum benefit of \$1,200.00. Effective January 1, 2001 for orthodontic claims commenced after January 1, 2001, the maximum lifetime benefit will be increased to \$1,600.00. The Company will pay the premium cost for this benefit.

Coverage

In order to be eligible for coverage, employees must have completed four (4) months of continuous service. Employees must be actively at work on the date the Plan comes into effect. If not actively at work, coverage will commence when the employee returns to full-time work.

Lay-off: Benefits will cease upon lay-off. In the event that an employee has a course of treatment approved by the insurance company prior to the lay-off, that course of treatment will be covered under the Plan.

The above is a summary of the features of the Dental Plan. In the event of any conflict between the information in this summary and the provisions of the Group Dental Policy, the policy will prevail.

APPENDIX "D"

PENSION PLAN

The terms and conditions of the Pension Plan applicable to employees represented by IWA - Canada Local 1000 at the Pembroke plant are described in Text C of the Pension Plan for Unionized Employees of Smurfit-MBI (hereinafter referred to as the "Plan"), which is a pension plan registered with the appropriate federal and provincial government authorities.

The main provisions of Text C of the Plan, as amended as at January 1, 2000, are summarized in the following paragraphs. It is agreed and

understood that any plan change introduced through the present collective agreement is subject to the approval of the government authorities responsible for the supervision of the plan.

It is also understood that the Plan, with amendments as agreed in the 2000 negotiations, shall not be subject to further modifications for the duration of the labor agreement reached with effect from January 1, 2000.

I. Eligibility and Participation in the Plan

- a) An employee hired after December 1, 1979 must, as a condition of employment, become a member of the Plan on the first day of the month next following *his* completion of twenty-four (24) months of continuous employment with the Company.
- b) An employee hired before December 1, 1979, may become a member of the Plan on the first day of any month; however, an employee who elects to participate in the Plan may not discontinue his participation at a later date.

2. Employee Contributions

- a) Each member must contribute to the Plan an amount equal to 4.7% of the portion of his earnings on which he makes contributions to the Canada Pension Plan, plus 6.5% of the remaining portion of his earnings.

For purposes of this paragraph, "earnings" means all remuneration received for service with the Company, including basic earnings, overtime, regular incentives and special bonuses, but excluding taxable benefits, special payments or indemnities and reimbursement of expenses.

3. Normal Retirement Date

The normal retirement date of a member is the first day of the month coincident with or immediately following his attainment of age 65.

4. Pension at Normal Retirement Date

- a) The annual pension payable to a member who retires on his normal retirement date is equal to the sum of
- i) \$2.00 for every \$4.00 the member has contributed to the Plan before January 1, 1986, plus
 - ii) Effective January 1, 1989, 50% of the pension credits earned for service before January 1, 1986, plus
 - iii) Effective January 1, 1995, 25% of the pension credits earned for service before January 1, 1986, plus
 - iv) The sum of:
 - 1) Seven eighths of one percent (7/8%) of the portion of his Final Average Earnings up to the Final MPE, multiplied by his number of years of Credited Service after January 1, 1986, plus
 - 2) One and one-half percent (1-1/2%) of the portion of his Final Average Earnings in excess of the Final MPE, multiplied by his number of years of Credited Service after January 1, 1986.

- b) Notwithstanding the above, the annual pension payable to a member who retires during the period from January 1, 2000 to December 31, 2005, with respect to his Credited Service after January 1, 1989, shall at least be equal to:
- i) 1.65% of the member's Final Average Earnings times his years of Credited Service after January 1, 1989, ~~less~~
 - ii) 1/35 of the C/QPP Pension times his years of Credited Service after January 1, 1989, up to a maximum of 21 years.

Effective January 1, 2001, the 21 year maximum mentioned in 4. b) ii) above decreases to 7 years for members retiring on or after that date. Effective December 31, 2005, article 4. b) ii) ceases to apply for members retiring on ~~or~~ after that date.

For purposes of paragraphs a) and b), the following terms are defined as follows:

"Final Average Earnings" means the average of the member's earnings during the five calendar years, within the ten calendar years of continuous employment preceding his retirement, during which such earnings were the highest; for purposes of this definition, "earnings" are those on which contributions have been deducted.

In the case of an employee who was absent from work for one or more months during one of the years considered when calculating Final Average Earnings, the earnings shall be annualized; this provision shall apply only if the employee has worked for at least three months during the year under consideration.

Early Retirement

Memb _____

Age at early retirement	At least 20 years of continuous employment	Less than 20 years of continuous employment
64	100%	94%
63	100%	88%
62	100%	82%
61	100%	76%
60	100%	70%
59	100%	64%
58	100%	58%
57	94%	52%
56	88%	46%
55	82%	40%

b) A member who elects early retirement after having completed at least 20 years of continuous employment shall receive a bridging

supplement commencing on his early retirement date and ending on the earlier of the first day of the month following his attainment of age 65 or the first day of the month following the date of his death. The amount of the bridging supplement shall be calculated as follows:

- i) For a member who retires on or after attainment of age 60, the bridging supplement shall be equal to \$15.00 per month times the number of years of allowable service not exceeding 30, with proportional allowance for completed months.

The amount of \$15.00 referred to above increases to \$16.00 in the case of a member who retires on or after January 1, 2001.

- ii) For a member who retires before attainment of age 60, the bridging supplement shall be equal to \$30.00 per month times the number of years of allowable service not exceeding 30, with proportional allowance for completed months; as of the first day of the month following his 60th birthday, the bridging supplement shall reduce to \$15.00 per month times such service.

The amount of \$30.00 referred to above increases to \$31.00, in the case of a member who retires on or after January 1, 2001. It further increases to \$32.00, in the case of a member who retires on or after January 1, 2002. It further increases to \$33.00 in the case of a member who retires on or after January 1, 2005. Furthermore, the amount of \$15.00 referred to above, increases to \$16.00, in the case of a member who retires on or after January 1, 2001.

- iii) For a member who retires before attainment of age 58, the bridging supplement is equal

to a percentage of ~~the~~ amounts ~~determined~~
in b) ii) above; the percentage is equal to
~~100%~~ less 8% for each year prior to age 58

For purposes of this paragraph b), the number of years of allowable service is equal to the years of credited service in respect of which a pension is payable under the terms of the Plan.

6. Forms of Pension

a) Normal form of pension

Under the ~~normal~~ form, the pension is payable monthly for as long as the member lives ~~after retirement~~, with the guarantee that should he die ~~before~~ he has received 60 monthly payments, the payments shall continue to be made to his designated beneficiary until 60 monthly payments in all shall have ~~been~~ made.

b) Automatic form of pension:

A member ~~who~~ has a spouse and who is not living separate and ~~apart from~~ his or her spouse on the date of his retirement shall be ~~deemed~~ to have elected a ~~joint~~ and survivorship pension providing for the continuation of at least 60% of his pension to his spouse after his death, unless both ~~the~~ member and his spouse sign a form waiving the election of such option. The amount of the pension payable under this automatic form of pension shall be adjusted so as to represent the actuarial equivalent value of the pension payable under the normal form of pension described in paragraph a) above.

c) Optional form of pension:

A member who does not have a spouse or who is living separate and apart from his or her spouse on the date of his retirement or a member who has a spouse on the date of his retirement but has waived, jointly with his spouse, the automatic form of pension described in paragraph b) above, may elect to receive his pension under one of the following optional forms of pension.

- i) a life pension with a guarantee of 10 years;
- ii) a life pension continuing at the rate of 50% or 100% to his spouse;
- iii) a life pension integrated with the Old Age Security pension.

The amount of the pension payable to a member who elects one of the optional forms of pension described above shall be adjusted to represent the actuarial equivalent value of the pension payable under the normal form. The election of an optional form of pension must be in writing, on the form prescribed by the Company, and must be filed with the Company at least two months before commencement of the pension payments.

7. Termination of Employment

A member who terminates his employment prior to retirement shall be entitled to the following benefits:

- a) If the member has completed less than 2 years of membership in the Plan as at the date of his termination of employment, he shall receive a refund of his accumulated contributions with interest to the date of his termination.

b) If the member has completed at least 2 years of membership in the Plan as at the date of his termination of employment, he shall receive a refund of his contributions made before January 1, 1987, with credited interest, and he shall also be entitled to a deferred pension commencing on his normal retirement date, equal to his pension accrued in respect of service on or after January 1, 1987, as determined in accordance with the formulas described in paragraph 4. a) above. However, if the member has completed at least five (5) years of continuous employment with the Company, he may elect to receive, in lieu of the refund of his contributions made before January 1, 1987, a deferred pension commencing on his normal retirement date equal to:

i. the pension which is of actuarial equivalent value to the member's contributions made prior to January 1, 1987, with credited interest, plus

ii. a percentage of the excess of his pension for service prior to January 1, 1987 over the amount in i. above, such percentage being determined in accordance with the following table:

<u>Years of Service</u>	<u>Percentage</u>
5	50%
6	60%
7	70%
8	80%
9	90%
10 or more	100%

c) If the member has completed at least 10 years of continuous employment and has attained the age of

45 as at his date of termination of employment, he shall be entitled to a deferred pension commencing on his normal retirement date; the pension accrued is calculated as at the date of termination of employment in accordance with the formulas described in paragraph 4. a) above.

A member who terminates his employment before age 55 and who is entitled to a deferred pension, may elect to transfer the commuted value of such pension to a locked-in LIRA. Furthermore, the portion, if any, by which the employee contributions made after January 1, 1987, accumulated with interest, exceed 50% of the commuted value of the vested pension in respect of service after January 1, 1987, shall be refunded to the member.

8. Death Benefits

- a) If a member dies before the commencement of his pension, his designated beneficiary (or his estate, if there is no designated beneficiary), shall receive a refund of his contributions with credited interest. However, if the member had completed at least two years of membership in the Plan at the date of his death, the refund payable in respect of contributions made on or after January 1, 1987, shall be at least equal to the commuted value of the pension accrued in respect of such service plus the portion, if any, by which the contributions made by the member after January 1, 1987, with interest, exceed 50% of such commuted value; the recipient of such refund shall be the spouse of the member or, if there is no spouse, his designated beneficiary, or, if there is no designated beneficiary, his estate.
- b) If a member dies after the commencement of his pension, the benefits payable, if any, shall be

determined in accordance with the form of pension elected by the member prior to his retirement.

It is understood that this Appendix is only a summary of the main provisions of the Plan and that the actual administration of the benefits payable shall, at all times, be governed by the official text of the Plan.

This Appendix "D" is included in the Labor Agreement.

LETTERS OF UNDERSTANDING

A)

Monday, September 10 2001

Mr. Allan Turcotte
Chairman
IWA Canada
Local 1000
Pembroke, Ontario

Dear Mr. Turcotte ,

This will confirm the understanding reached by the parties concerning the Section 4 Pension at Normal Retirement Date. It is the employer's intent that the temporary formula provided for at Section 4 will extend beyond the date of December 31 2005 to any employee that would retire while negotiations to renew the current collective agreement are taking place and that no strike or lockout has taken place.

Peter Forst
Production Manager

B)

Mr. Allan Turcotte :

Based on the mutual agreement arrived at the November 01 meeting following jobs require only minimum training. Senior person having the skills and ability to be trained will be awarded the job .

105 , 117 , 119 , 121 , 126 , 130A , 131 , 132 , 140 * , 140A * , 146 * , 158 , 159 , 160 , 162 , 165 , 165A , 170 and 172 .

• These three jobs require fork lift license and company will offer training as soon as possible while the competent person performs this job .

Peter Forst
Production manager

C)

To further explain company procedures we apply for working overtime, please see below:

Friday Night Overtime - All of the midnight crew are asked to work. Should a posted job, eg. D/C Operator refuse, we then ask the day shift person on the job, then the afternoon shift person on the job, if we are still unsuccessful, we then will ask spares. If still unsuccessful, we will then ask people we know who can perform the job, starting by plant seniority.

For Misc., once again we go to the people who are working in Misc. on midnight shift first, if unsuccessful, day shift, again if

unsuccessful, we proceed to ask people in Misc. on afternoon shift. If still unsuccessful, we would then go by plant seniority.

If overtime is req'd on Saturday, the above rules would apply, we would ask day craws, afternoon crews, then midnight. (People on the job for that week) spares would be asked, then people who know the job by plant seniority.

Should overtime be req'd on Sunday, we would ask people who are on days the following Monday, then proceed to afternoons and midnights, we would ask permanents and spares off the job, then proceed by plant seniority.

Former Union Committee agreed that if I have 2 people on vacation Friday afternoon shift and spares and temps are working midnights, to offer the overtime to the most senior man on the job.

If overtime required and a permanent is off job, we would ask permanent off job before seniority. (this by former Union Committee)

The only way we would call back a person on vacation for that week to work overtime is if we cannot find anyone to work who can do the job.

NOTE: If a person works on a number of different jobs that week, he will be considered for overtime (should it be req'd on the job(s) he has done that week) before seniority applies. Eg. 2 days trucking, 3 days operating die press.

If for convenience of the company, a person is moved from his posted job, that person would be asked for the overtime before seniority.

Overtime will be posted no later than Friday at 11 a.m. for Friday midnight, Saturday and Sunday.

Should a person who comes in on afternoon shift and approach me after day shift has gone home between 3 p.m. and 4 p.m. if I cannot reach the day shift employee, it is understood that the day shift employee will be permitted to work the overtime wherever we decide to designate the work.

As agreed with Union Committee. the overtime rules above will continue to function as is. The only change is, if a student is asked to work overtime on the weekend and agrees, his name will be put on the list as working. However, should any full-time person in the plant want to work, regardless of job seniority or shift, they will have the right to bump the student from overtime.

Should a person agree to work overtime, and then not show up for the said overtime, the supervisor or leadhand will make 1 phone call to the next person in line for this job. If they are unsuccessful in reaching the next person or that person refuses, the company has the right to use any employee that can do the job.

D)

Agreement between Maintenance Department concerning replacement on shifts.

It is agreed that the Maintenance man who is on this 2nd week of days will be moved to cover one day vacations and 1 day sick leaves.

It is also agreed that if plant is working overtime or overtime is required in the Maintenance Dept. the Maintenance man on his 1st week of days will be the 1st eligible man to be asked. If he refuses, the other man on days will be asked, the afternoons and finally midnights.

Exceptions to above may be project assigned duties.

LETTER OF INTENT

Mr. A. Turcotte
Chairman
IWA Canada
Local 1-1000
Pembroke, Ontario

RE: ARTICLE XIV - INSURANCE PLAN

Dear Mr. Turcotte:

Group Insurance covered by this Article will be administered as follows during the January 1, 2000 - December 31, 2005 Agreement, between Smurfit-MBI, Pembroke Plant and IWA Canada, Local 1000.

Employees may participate in the following Group Insurance subject to the policy participation clauses.

1. O.H.I.P. - New employees will be enrolled after 14 days of work. The Company will pay the prevailing premiums during the life of this Agreement.
2. Great-West Life Insurance - Group Life and Weekly Indemnity - New Employees are eligible to participate after 3 months of continuous employment or 90 days of service.

An employee who is absent from work due to a bona-fide sickness or compensable injury may continue to participate in these group insurances. The Company will continue to pay the prevailing premiums at the start of sickness or injury for the period of the sickness or injury not exceeding 12 months.

An employee who has been participating in these group insurances may upon lay-off continue to participate in these group insurances with the exception of Weekly Indemnity Insurance with the following formula applying in each lay-off instance:

1. A permanent employee who has worked less than twelve (12) months would have continuing coverage for one (1) month after the month in which he is laid off.
2. A permanent employee who has worked more than twelve (12) months, but less than thirty-six (36) months, would have continuing coverage for three (3) months after the month in which he is laid off.
3. A permanent employee whose service exceeds thirty-six (36) months would have continuing coverage for six (6) months after the month in which he is laid off.
4. Continuing coverage as outlined in Items 1, 2 and 3, is subject to the following:

Employees who have continuing coverage will forfeit the coverage for any month they accept employment elsewhere in excess of that allowed by the E.I. This does not affect any months of continuing coverage wherein the employee does not work in excess of that allowed by E.I.

Employees will also forfeit continuing coverage if they do not return to work on recall or if they otherwise disqualify themselves.

An employee who has been on lay-off in excess of the above periods or who did not elect to participate in the Group Insurances during lay-off will, when recalled, be considered for group insurance purposes, a new employee.

All employees both male and female, are now eligible for all insurance coverage.

Would you please acknowledge the above by returning a signed copy of this letter.

Yours very truly,

Smurfit-MBI
Pembroke Plant

P. Forst
Production Manager

63