

COLLECTIVE AGREEMENT

Between

DOMTAR INC., a Corporation incorporated (by continuance) under the laws of Canada and having its head office located at **395 de Maisonneuve Boulevard West, Montréal, Québec**, herein acting with respect only to its Domtar Gypsum location in the **Town of Haldimand, Ontario**, hereinafter referred to as "The Company".

and

UNITED STEELWORKERS OF AMERICA, AFL-CIO-CLC, and its Local No. 14994, hereinafter referred to as "The Union".

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ARTICLE 2

Recognition

2.01 The term "employee" as used herein shall include all employees at the Company's Caledonia location, save and except supervisors, persons above the rank of supervisor, office staff, security staff, quality control supervisors and employees in the Technical Section.

For the purposes of this agreement, the term "location" shall mean the Company's Caledonia location including all of its units.

2.02 The Company recognizes the Union, during the term of this Collective Agreement or any renewal thereof, as the exclusive bargaining agent for its employees for the purpose of collective bargaining with respect to hours of employment, rates of pay and all other conditions of employment defined in this Agreement.

2.03 The Company and the Union agree that there shall be no discrimination, coercion, interference or restraint by either party or by representatives of either party, against any employee because of membership or non-membership in the Union. The Union agrees that there shall be no solicitation or promotional Union activity on Company time or on Company premises except as herein provided.

The Company and the Union agree that there shall be no discrimination, interference, restraint or coercion by either party because of race, creed, colour, sex or age.

2.04 Company Non-Bargaining Unit employees shall not perform work normally done by Bargaining Unit employees except that this shall not apply when they are engaged in:

- a) training employees as defined in the training plan established by the MIC
- b) preventing major product losses or damage to equipment or property.
- c) performing experimental work
- d) assuring the safety of any person

If it is found that a supervisor has performed bargaining unit work, the Company will pay into the Humanity Fund the equivalent of a minimum of four (4) hours at the straight time class 5 rate, or the actual time worked, whichever is greater.

2.05 The Company and the Union are committed to the productive and cost effective utilization of Bargaining Unit employees so as to minimize the requirement for the contracting out of work. The parties have agreed to place the mandate of contracting out within

the MIC as established in Article 1.

Basic Concept

In determining whether work should be contracted out, the guiding principle shall be that work the bargaining unit employees can do or can be trained to do in a reasonable period of time, shall be performed by the employees.

In order to give effect to the Basic Concept, the Parties have agreed to review information with respect to the current and any future need for contract work. In assessing this information, the committee will be obliged to consider the following:

- a) Location of the contract work as well as whether such work will be contracted out inside or outside the Caledonia location.
- b) The type of contract work:
 - i) service
 - ii) maintenance
 - iii) major rebuild
 - iv) new construction
- c) Trades or occupation to be involved.
- d) Estimated duration of work.
- e) Anticipated utilization of Bargaining Unit employees either in conjunction with or peripheral to the contract work to be performed.
- f) Description of work.
- g) Affection operations if work not completed in a timely fashion.
- h) Economic and financial rationale.

In order to underscore their commitment to minimize the utilization of contractors, the Parties agree as follows:

1. The Parties' primary objective shall be to minimize contract work through the use of the bargaining unit workforce.
2.
 - a) The Company will not contract out work that will result in the discharge or lay-off, or prevent the recall of a laid-off employee.
 - b) Any reduction in the number of bargaining unit employees at Domtar Caledonia as result of attrition will not be replaced through contracting out.
 - c) In the event that an employee is laid-off work in accordance with the provisions of the Collective Agreement, the Company will not contract out, subsequent to his lay-off, and during his period of entitlement to recall, the work that such former employee previously performed, is qualified to perform or can be trained in a reasonable period of time to perform.

3. None of the provisions of this item commit the Company to any capital expenditure other than as it deems necessary (i.e. buildings, machinery, mobile equipment).

4. In instances where the consistent practice has been to have the work performed by contractors, the Committee may review the situations and recommend change.

5. Cost considerations will be a factor in reviewing contracting out.

The right of the Company to contract out work will be modified to the extent that work normally performed by its employees, as distinct from major installation and construction work, will continue to be done in this manner providing skilled employees and the necessary equipment and tools are available to do the work within the required time schedule.

Before a contractor is called for work with a known duration of more than 32 hours and Donnar has the appropriate equipment available, the work will be offered to the senior qualified employee on lay-off.

The Company will provide the MITC with a list of contractors hired to perform work at the Caledonia location, and the type of work being performed, at scheduled monthly meetings.

2.06 A student hired on a temporary basis for vacation relief is not subject to the following provisions of the Collective Agreement:

- a) seniority
- b) lay-off and recall from lay-off
- c) job postings
- d) transfers
- e) employee group insurance
- f) pension plan
- g) apprenticeship program

It is understood that no full time employees will be subject to lay-off, until all students have been laid-off, nor shall they be hired while full time employees are on lay-off.

ARTICLE 3

Union Security

3.01 The Company agrees to deduct once each month from the earnings of each employee, during the term of this Collective Agreement, an amount of money equal to the monthly Union dues. The Company agrees to deduct the Union initiation fee. This

agreement is conditional upon the receipt by the Company of a voluntary, written assignment of wages for this purpose from each employee. The form of the assignment shall be approved by the Company and the amount of current monthly Union Dues shall be certified to the Company by Union letter in form satisfactory to the Company.

3.02 All employees who, upon the effective date of this Collective Agreement, are members of the Union or who subsequently become members of the Union shall, as a condition of employment, maintain their membership in the Union during the term of this Collective Agreement. Employees hired after the signing date of this Collective Agreement shall become members of the Union within forty-five (45) days of their hiring date, as a condition of employment. The expulsion of an employee from membership in the Union shall not be deemed cause for dismissal from the service of the Company, except in case of non-payment of Union Dues.

3.03 The Company shall remit to the Union once a month the amount of money equal to the dues deducted, with a statement of the names of the employees for whom the deductions were made and the amount of each deduction.

3.04 The Union agrees to indemnify and save harmless the Company from any suit, action or claim of an employee which may arise, as a result of, or arising from the undertaking of the Company to deduct as stipulated above.

3.05 The Company shall introduce each new employee to his Union Steward during his probationary period.

ARTICLE 4 Management Rights

4.01 The right of the Company to manage its enterprise and to direct employees is hereby reserved in each and every detail except as such right shall be specifically abrogated by this Collective Agreement. The Company agrees that these functions shall be exercised in a manner consistent with terms of this Collective Agreement.

ARTICLE 5
Union Representation

5.01 The Company agrees to recognize a Negotiating **Committee**, not to exceed five (5) employees, selected by the Union, and a United Steelworkers of America Representative during the negotiation of a Collective Agreement.

5.02 The Company agrees to recognize a Grievance **Committee**, not to exceed four (4) employees, selected by the Union and, at the election of the Grievance **Committee**, a United Steelworkers of America Representative at Step No. 3 of the Grievance Procedure. Members of the Grievance **Committee** shall not leave their regular work without receiving permission from their supervisor and, will, upon resuming their regular work, report to their supervisor. In addition one Union **Steward** as selected by the Union, may attend a third stage grievance meeting without compensation for time lost.

5.03 Recognition by the Company of the **Committee** Members referred to above shall be conditional upon advance notification by the Union of the names of the **Committee** Members. All Members of **Committees** shall be permanent employees who have completed the probationary period.

The Union shall supply the **Company** with an updated list of all **committee members**, if requested by the Company.

5.04

a) The Company shall pay employee **Committee** members their appropriate rate for the time spent during Third Step Grievance **Committee** Meetings.

b) The Company shall pay employee **Committee** members their appropriate rate for the time spent during CWS **Committee** Meetings.

c) The Company shall pay employee **Committee members** eight (8) hours or twelve (12) hours, depending on their normal schedule of work, at their straight time rate for attendance at Arbitration Hearings, normally scheduled MIC meetings and during negotiation of a Collective Agreement. Other than normally scheduled MIC meetings, will be paid time spent at regular straight time rate.

d) The Company shall pay employee **Committee** members eight (8) hours at their straight time rate or time spent at appropriate rate, whichever is greater, for their attendance at arbitration hearings, normally scheduled MIC meetings and negotiations on their scheduled day off.

.) In order to improve communications and facilitate solutions of mutual problems, the Company will grant the Union President, or his designate, three (3) days with pay in each week at his posted straight time rate plus any premiums and incentives agreed upon. Some of the duties may include issues arising from the MIC meetings.

5.05 The Company agrees to recognize one (1) Union Steward for each of its Departments on each work shift, in conformity with the terms of this Collective Agreement.

ARTICLE 6 Union Notices

6.01 Union Notices, signed by an authorized Union Officer, may be posted, after approval by the Company, on designated Bulletin Boards.

ARTICLE 7 seniority

7.01 Seniority shall be the total service of an employee with the Company, accumulated while the employee is actually at work and during such periods of absence as are defined herein.

7.02 A new employee shall be on probation for a period of 720 hours worked; when he has concluded his probationary period, he shall be placed on the seniority list and shall receive credit for the probationary period. A probationary employee laid off and subsequently rehired, shall accumulate seniority based on time worked during any twelve (12) month period from first hiring in order to establish status as a permanent employee.

7.03 An employee shall cease to have seniority rights and his employee status with the Company shall be terminated for all purposes when he:

- a) leaves the Company voluntarily;
- b) is discharged for just cause;
- c) is absent from work for more than two (2) consecutive working days without satisfactory explanation.
- d) is laid-off for a period exceeding his accumulated seniority at the time of layoff, with a minimum of twelve (12) months and a maximum of thirty-six (36) months;
- e) is absent from work beyond the period of any leave of absence granted by the Company, without justifiable cause. Employees absent from work due to sickness and accident shall

- automatically ~~be~~ considered to ~~be~~ on leave of absence, providing the Company ~~may require a~~ doctor's certificate confirming such sickness and accident and a further certificate that the employee is able to ~~return to work~~,
- f) fails to ~~return to work~~ at the time ~~specified by~~ the Company, by oral notice ~~or~~ telephone ~~confirmed by registered~~ letter to his last ~~address recorded~~ with the Company. The Company is prepared to consider justifiable cause, other than ~~failure to report~~ change of address, in the administration of ~~this~~ Clause, provided that ~~an employee shall~~ notify the Company of his intention to ~~return to work~~ within two (2) working days of the receipt of such ~~registered letter~~,
- g) reaches the normal retirement date (age 65) whether or not he is a member of the pension plan.

7.04

- a) An employee who leaves the Bargaining Unit to accept another position with the Company shall stop accumulating seniority as of the date of his transfer and shall forfeit accumulated seniority unless he returns to the Bargaining Unit within three (3) months of such transfer except as noted below.
- b) An employee who transfers out of the Bargaining Unit, as above, and who subsequently returns to the Bargaining Unit within three (3) months shall not be permitted to transfer out of the Bargaining Unit again without forfeiting his seniority.

7.05

- a) An employee, who has completed his probationary period will continue to accumulate his seniority during absences due to sickness, accident or authorized leave of absence equal to his accumulated seniority at the time the absence began but not exceeding thirty-six (36) months.
- b) An employee, who has completed his probationary period will continue to accumulate his seniority during lay-off not exceeding thirty-six (36) consecutive months from the date of the lay-off.
- c) An employee authorized to take a maternity and/or parental leave of absence in accordance with Article 16.06 of the Collective Agreement will continue to accumulate seniority during the length of absence.

- 7.06 Seniority shall be administered on a Caledonia location bases.

7.07 For the purpose of this Collective Agreement there shall be the following units:

1. **Mining**
 - production department
 - maintenance department
2. **Manufacturing West**
 - plaster mill department
 - wallboard manufacturing department
 - laminating/packhouse department
 - quality control department
 - maintenance department
 - shipping department
3. **Manufacturing East**
 - wallboard manufacturing department
 - quality control department
 - maintenance department
 - shipping department
4. **Yard Operations**
common to mine and plants

7.08 The Company will post **adjusted seniority** lists at least every six months showing the seniority standing of all employees in the bargaining unit. A copy of such seniority list shall be provided to the Local Union.

7.09 An employee transferred temporarily by the Company from one position to another shall retain his seniority in his original position.

At any time during the life of this Collective Agreement the Company may post Seniority Lists.

ARTICLE 8

Lay-off and Recall From Lay-off

8.01 The procedure for lay-off and recall from lay-off shall be as follows:

- a) Temporary lay-offs shall mean lay-offs of **seven (7)** calendar days or less. Indefinite lay-offs mean lay-offs of **more than seven (7)** calendar days:

- b) The **seniority** provisions of this Collective Agreement shall not be applicable to lay-offs of one-half (1/2) ~~shift~~ or less;
- c) The **seniority** provisions of this Article shall not **operate** in such a **manner** as to **permit** any employeetowork a double shift because of a temporary lay-off;
- d) Except **as** noted in subsection (e) below, when a **temporary** lay-off **occurs** in any department the junior employees in **that** department shall **be** laid off first, provided that those employees **who are retained** are willing and able, with **training**, as prescribed by the MTC, to do the jobs available;
- (e) Senior employees **who are** subject to a **temporary** lay-off for a **period** of more than one-half (1/2) shift may **displace** employees with less seniority, provided **that they are willing and able, with training as prescribed by the MTC, to do the jobs.**
- (f) When an **indefinite** lay-off occurs in any department, the most junior employee in **that** department **will go out of the department** and the most junior employee in **the location** shall be laid off first, provided **that those employees who are retained are willing and able, with training, as prescribed by the MTC, to do the jobs available;**
- (g) If an **indefinite** lay-off happens to be forty-five (45) calendar days or less, because of **unexpected** pick-up in business, **then** all employees **recalled** will **return** to the job they were doing prior **to** the lay-off;
- (h) **When work** in a department picks up to the point where employee(s) must be **recalled to work**, after lay-offs **in excess** of forty-five (45) calendar days, the openings in **the department shall & posted** in **the** location as they occur.

8.02 The Company shall give the Union Committee **as much notice** as possible (at least twenty-four (24) hours) of an indefinite lay-off and **shall** submit a list of **those** employees who shall **be** laid off.

8.03 Following a lay-off period an employee shall be recalled orally or by telephone. In **the** event **the** Company is not **successful** in contacting the employee orally or by telephone, **he** shall be **recalled** by registered letter to **the** last address recorded by the Company. A copy of **the registered** letter will be forwarded to the Recording Secretary of the Union. In each instance of recall, **with the exception** of **recognized** trades, the last employee laid off shall **be** the first

recalled and assigned work he can perform with training, as prescribed by the M.I.C.

8.04 For the purpose of lay-off, the Union Resident, the Vice Resident, the Financial Secretary, the Recording Secretary and the Treasurer shall head the seniority list provided he is qualified to perform the work available with training as prescribed by the M.I.C.

ARTICLE 9

Job posting

9.01 All vacancies of permanent jobs, and new positions within the Bargaining Unit with the exception of Class 1-Probationary Employees, shall be posted in the location for a period of five (5) consecutive working days to give all employees who are interested an opportunity to apply for such vacancies or positions.

An employee who will be absent due to vacation, leave of absence or certified illness, not exceeding fifteen (15) calendar days may record, prior to his absence, his desire to be considered for job postings on a form provided in the Personnel Department. All such applications shall be in writing and addressed to the Personnel Department.

The Company reserves the right to temporarily fill the vacancy or new position for fifteen (15) working days from the closing of the posting, pending permanent appointment.

For the purpose of this collective agreement, a successful applicant shall mean any employee who becomes eligible for a trial period.

If, at any time within the trial period of fifteen (15) consecutive working days, the successful applicant for a job posting proves unsatisfactory, he shall be returned to his former position, and a second successful applicant shall be selected from the original applicants.

The trial period for Maintenance employees shall be thirty (30) consecutive working days.

All employees new to the mine shall be subject to a 10 working days orientation period prior to commencing the 15 working days trial period mentioned above.

If the successful applicant for a posting is not placed for the convenience of the Company in the new position by the sixteenth (16th) day after receiving said position, the employee will receive the rate of

pay for the new position or the **rate** of pay for **his** original position, whichever is **greater**.

If the successful applicant desires to revert to **his** former position he must do **so** within five (5) working days of **starting his** trial period on the actual posted job.

If a successful applicant is **refused** the job or an extension of the **trial period** is **required**, a letter to this effect will be sent to the Union by the Company within **three (3)** working days of said **refusal** or **extension**.

9.02 Temporary vacancies will be posted immediately if it is **known** that the vacancy will exist for more than fifteen (15) working days. When the length of such vacancy is not **known**, the job shall be posted as soon as it is learned that the vacancy will exist for more than fifteen (15) working days, or on the sixteenth (16th) working day in any event. The successful applicant shall revert to his former position, upon expiration of the temporary vacancy.

Vacancies resulting from a reduction in operations or lay-off will not be filled by temporary posting(s), but will be reposted as permanent after 45 days, if the positions are required.

A vacancy which is posted as a Temporary Vacancy and continues in existence for a period in excess of twelve consecutive months shall at the conclusion of that time become permanent and reposted.

If during the period of one year the temporary job becomes permanent, the permanent job will be reposted as permanent.

An employee holding a position temporarily cannot apply to another temporary posting.

A position left temporarily vacant because its incumbent has been temporarily assigned or posted to another position will not have to be posted to be filled again.

9.03 If no employee makes application for a job posting, the Company reserves the right to assign an employee to the posted job from one of the following:

- Probationary Employees
- Unposted Employees, or
- New Hires

9.04

(a) The Company will consider the following factors in selecting an applicant as the result of job posting:

- i) seniority
- ii) skills and ability to perform the work.
- iii) physical fitness

(b) The Company retains the right to establish qualifications for the selection of successful applicants in the following instances:

- i) all recognized trades, Mine Trainer and Process and Quality;
- ii) any temporary position;
- iii) any newly created job, where specialized skills are necessary.

Where a choice must be made between two (2) or more applicants, having approximately the same qualifications, the applicant with the greatest seniority shall be given the job.

9.05

(a) Every employee will be allowed to be a successful applicant, without penalty, 4 times during a calendar year. Any time thereafter, an employee who is a successful applicant for a permanent job posting will not be permitted to apply for another vacancy until at least three (3) months after the effective date of his last posting.

Exceptions to the foregoing shall be:

- i) An employee may apply for a higher rated permanent vacancy
 - or
 - ii) An employee whose job is eliminated may bid on a subsequent vacancy
 - or
 - iii) An employee may apply to bid on a fixed day shift job
- (b) An employee who is holding a temporary posting may bid on a permanent vacancy at any time. If employee becomes successful applicant on a permanent posting, he will be put on a trial period within 15 days and if he is accepted on the permanent posting, he will have to forfeit the permanent posting he previously held.
- (c) An employee may hold only one permanent and one temporary job posting at any one time.
- (d) An employee assigned to a posting will be allowed to post at any time.

- (e) In the event that an employee is the successful applicant on multiple postings within the same posting period, he will have to state his first choice, withdraw from the others, and this will be counted as one opportunity with regards to 9.05 (a) above.

9.06 Nothing in this Collective Agreement shall restrict the right of the Company to hire new employees in order to maintain an efficient work force. This shall not affect recall rights or job posting rights contained in this Collective Agreement.

ARTICLE 10 Transfers

10.01 An employee transferred to a higher-rated job shall receive the higher-rate for all time worked on the higher-rated job. An employee transferred to a lower-rated job for a period of two (2) days or less shall receive his regular rate. However, if an employee is transferred to a lower-rated job for the convenience of the Company, and not for lack of work on his own job, his rate shall not be changed.

10.02 An employee who shall be permanently transferred to a lower-rated job as a result of termination of his regular job, due to automation or mechanization, shall retain the rate of his regular job for three (3) calendar months, after which he shall be paid the rate of the job to which he was transferred.

The Company must provide six (6) calendar months notice to the employee and the Union when said job is to be terminated.

ARTICLE 11 Standard Hourly Wage Scale

11.01 The Company agrees to pay and the Union agrees to accept during the term of this Collective Agreement the schedule of wages included in Appendix "A".

11.02 Job Evaluation

- (a) New or changed jobs shall be subject to the provisions contained in the Procedures Manual for the Administration of the Job Evaluation Program, under Article 6, Maintaining the Job Descriptions and Classifications.

Out-of-Line-Differentials

- (b) Employees who are declared to have an "out-of-line-differential" shall continue to retain such "out-of-line-differential" until one or more of the following occurs:

- i) the provisions contained in the Procedures Manual for the Administration of the Job Evaluation Program, under Article 5.03, Applying the Job Description and Classification, with regards to increment increases.
 - ii) An employee is a successful candidate as a result of bidding on a posted job vacancy.
 - iii) An employee is discharged and the discharge is not reversed as a result of grievance and/or arbitration procedures.
 - iv) An employee retires in accordance with the Domtar Pension Plan.
 - v) An employee is laid-off and not recalled prior to the termination of his recall rights.
 - vi) An employee voluntarily terminates his employment with the Company.
- (c) New employees shall be paid in accordance with the evaluated rate.
 - (d) Regular employees except those with an "out-of-line differential" shall be paid in accordance with the evaluated rate.
 - (e) With specific reference to job restructuring, it is not the parties intention to interfere in any way with the traditional day to day activities of the Co-operative Wage Study (CWS) program and related procedures. When the parties decide to investigate the possibility of job restructuring, the MIC committee will assign the CWS committee to research the feasibility of the job restructuring. The CWS committee will submit a report of their research with job description to the MIC committee, The MIC committee will review the report and, if the parties mutually agree to proceed, a process for implementation will be designed by the MIC committee.

11.03 Leaders

- (a) A leader shall be a member of the bargaining unit for all purposes and the duties and responsibilities of a Leader shall be generally described as follows:
 - i) the direction of a group of employees in the performance of work assignments under the overall direction of his supervisor and the performance of part of the work himself;

to supervisor at end of work assignment.

(b)

12.01 For the purpose of this Collective Agreement a day shall mean the 24 hours period commencing at the start of the regular scheduled shift.

- (a) Employees on 8 hour shifts:
The week shall normally begin at 7:00 a.m. on Monday
- (b) Employees on fixed 11:00 p.m. to 7:00 a.m. shift:
The week shall normally begin at 11:00 p.m. on Sunday
- (c) Employees on 12 hour shifts:
The week shall normally begin at 7:00 a.m. on Sunday

On 12 hour shift schedule, shifts will normally change at 7:00 a.m. and 7:00 p.m. and whenever possible, rotate in sequence.

It is understood the twenty (20) shift schedule contained in Appendix "B" of the Collective Agreement in effect from April 1, 1985 until March 31, 1988 is rescinded and will not be reinstated.

The Company will not implement any deviation to the present twelve (12) hour shift pattern before a thirty (30) day notice to the Union has passed, during which time the Union will be consulted.

A change to the shift pattern caused by a reduction in the work force due to lack of work will not be the subject of the above notice consultation.

.02 It is **agreed** that the Company may vary the **starting time** of shifts on the following **basis**: **One (1) shift operation**-the **starting time** may be scheduled up to a **maximum** of **two (2) hours** after the **normal starting time**. **Two (2) and Three (3) shift operation**-the **starting time** may be scheduled up to a **maximum** of **one and one-half (1-1/2) hours** after **normal** starting time and/or **one (1) hour** before the **normal starting time**.

12.03 The **normal work-week** of an employee shall be **five (5) days** of **eight (8) hours** each, for a total of **forty (40) hours**, with **two (2) consecutive days off**. **All hours** in excess of the **normal work week (40)** will be **voluntary**. In order to implement **this undertaking**, the **Union agrees** that the Company may **operate the plant, or any part thereof, up to and including Seven (7) days per week**.

An employee who is **required** to work on **Sunday** at his **straight time rate** shall be paid an allowance of **\$1.70** per hour for all **hours so worked**:

Sunday premium when applicable shall be paid for **hours worked** between **7:00 a.m., Sunday and 7:00 a.m., Monday**.

If work is **scheduled** in a department for **five (5) days** or less, **then Saturday and Sunday** shall be included among the days for which **no work** is scheduled.

When the **seven day schedule** provides for **more than one day off**, **then days off** shall be consecutive for employees on the **seven (7) day schedule**.

The Company **agrees to post** the **Weekend Work Schedule** not later than **2:00 p.m., on Wednesday**.

12.04 **Hours worked in excess** of **eight (8) hours per day** or **forty (40) hours per week** will be classed as **overtime** and will be **paid** for at the **rate of time and one-half the regular straight time rate**.

Work on **scheduled days off** will be **paid at time and one-half provided**:

- (a) **the employee has worked their scheduled 36 or 48 hour week.**
- or
- (b) **The employee works on a scheduled day off without a prior notification of a pending lay off which results in a reduction to their regular scheduled hours.**

Employees on 12 hour shift schedule required to work in excess of 12 hours a day shall be paid at the rate of double their regular straight time hourly rate. However, when extra hours are worked through special (personal) arrangements between an employee and his relief and with the approval of his immediate supervisor, such hours shall be worked at straight time.

On the 12 hour shift schedule which works on a 2 week cycle (7 days a week), employees will receive a 36 hours pay on one week and a 48 hours pay on the second week.

On the 12 hour shift schedule which works on a 3 week cycle (5 days a week), employees will receive two consecutive 36 hours pay, followed by one 48 hours pay the third week.

The 48 hour pay shall be paid as 44 hours straight time and 4 hours overtime rate (time and one-half). If an employee misses time in the 48 hour week, the time deducted is from the overtime allowance first. Hours worked in excess of 36 hours per week for the 3-shift (36 hours) weeks and 44 hours per week for the 4-shift (48 hours) week will be paid at the rate of time and one-half. Work on scheduled days off will be paid at time and one-half, providing the employee has worked his scheduled 36 or 48 hour week.

12.05 If an employee is required to work two (2) consecutive shifts in one day, he shall be paid at a rate of time and one-half his regular rate for the first four (4) hours of the second shift, and a rate of double his regular rate thereafter.

12.06 If an employee works overtime on a time and one-half shift, he shall be paid at the rate of double time the regular straight time rate. Under no circumstances shall overtime rate exceed double the regular rate.

12.07 Employees reporting for work, who have not been advised not to report, shall receive no less than four (4) hours pay at their regular rate.

The provisions of this article shall not apply to employees returning from vacation, leave of absence, sickness, lay-off, as it is the employee's responsibility to find out when and where they should report for work.

For the purpose of employees on vacation only, inquiries with regards to the shift schedule may be directed to the Human Resources Department Monday to Friday, during office hours (8:30 a.m. to 4:30 p.m.).

12.08 An employee called in for emergency work shall receive a minimum of four (4) hours pay at his regular rate, or the number of hours worked at time and one-half, or the going rate of the unit on the shift worked, whichever is the greater.

12.09 Hours paid shall be deemed to be hours worked for the computation of overtime, provided the employee would have worked on that day.

12.10 For the purpose of computing overtime; the week in which a paid holiday occurs shall be considered a thirty two (32) hour week. Hours worked in excess of thirty two (32) hours shall be paid for at the overtime rate. When two plant holidays are observed in the same week, the work week shall be reduced to 24 hours for the computation of overtime. Hours worked on a plant holiday will not be considered as part of the thirty two (32) hours or twenty-four (24) hour week for the purpose of computing overtime.

12.11 Nothing in this Collective Agreement shall be construed as a guarantee by the Company to provide work, except as noted in article 12.07 above.

12.12 An employee required to change his shift by the Company shall not be penalized by loss of normal weekly hours as a direct result of the shift change.

12.13 An employee shall not be laid-off in order to equalize overtime.

12.14 Meal Allowance

When an employee is notified after the start of his shift that he is required to work overtime continuous with that shift, he shall be paid a meal allowance of six dollars (\$6.00) provided he works more than two (2) hours of such overtime. For each consecutive four (4) hours of overtime he shall receive an additional meal allowance.

The eight and one-half (8-1/2) hours shift will be eliminated.

ARTICLE 13

Premiums

13.01 Shift Differential

- a) A shift differential in the following amounts shall be paid to regular shift workers for each hour worked on the following shifts:

Afternoon: \$0.45
Night: \$0.60

b) The amount of the hourly shift differential to be paid to employees working the night shift on the twelve (12) hour continuous work schedule shall be based on the following formula:

$$\frac{(8 \text{ X Aft. Shift Dif.}) + (8 \text{ X Night Shift Dif.})}{12}$$

c) Shift differentials shall not apply in the calculation of overtime, plant holiday pay or vacation pay. Overtime rates shall not be applied to shift differential.

ARTICLE 14 Vacation with Pay

14.01 Vacation Pay shall be the greater of 4, 6, 8, 10 or 12% or the corresponding weeks pay whichever is applicable from July 1 of the preceding year to June 30 of the current year. A full years employment for determining entitlement to the greater of shall be not less than 1500 hours.

An employee who is absent from work as a result of an illness or injury and is receiving weekly indemnity payments shall be excused from the 1500 hour work requirement and time lost during such absence shall not be deducted from total hours worked in the vacation year.

For employees on the 12 hour shift schedule, each week of vacation entitlement will be paid for on the basis of forty (40) times the employee's rate at the time the vacation is taken or 2% of the gross earnings for the previous year, whichever is greater, provided the 1500 hour provision is met. Each week of vacation will start at 7:00 a.m. Sunday of the week selected.

14.02 Vacation entitlement will be based on the employee's anniversary date.

An employee whose length of service entitles him to an improvement in his vacation benefits shall be entitled to the same, effective following his anniversary date, irrespective of the time of year his anniversary falls.

14.03 Employees covered by this Collective Agreement shall be granted a vacation with pay as follows:

One (1) year of continuous service-Two (2) weeks.
Four (4) years of continuous service-Three (3) weeks.
Nine (9) years of continuous service-Four (4) weeks.
Eighteen (18) years of continuous service-Five (5) weeks.
Twenty Five (25) years of continuous service-Six (6) weeks.

Employees who have entitlement to three (3) or Four (4) weeks vacation shall take such third or fourth week at the discretion of the Company and in line with production requirements.

Employees who are entitled to five (5) or six (6) weeks of vacation may ~~be~~ ~~three (3) weeks~~ of vacation in consecutive weeks.

14.04 The Company agrees to schedule vacations during the months of May, June, July, August ~~September~~ and October.

In the production departments of both the East plant and #3 Mine, there will be no more than 2 employees off on vacation per shift, per week, excluding any request for one day vacation.

In the mechanical department of #3 Mine, there will be no more than 3 employees off on vacation per week, excluding any request for one day vacation.

In the electrical department of #3 Mine, there will be no more than 1 employee off on vacation per week, excluding any request for one day vacation.

In the shipping department of the East plant, there will be no more than 2 employees off on vacation per shift, per week, including any request for one day vacation.

In the yard department, there will be no more than 1 employee off on vacation per week, including any request for one day vacation.

In the mechanical department of the East plant, there will be no more than 2 employees off on vacation per week, excluding any request for one day vacation.

In the electrical department of the East plant, there will be no more than 1 employee off on vacation per week, excluding any request for one day vacation.

In the quality control department of the East plant, there will be no more than 1 employee off on vacation per week, excluding any request for one day vacation.

14.05 An employee who is on vacation when plant a holiday occurs shall receive payment for the holiday, in addition to his vacation pay in lieu of an additional day off.

14.06 An employee who leaves the employ of the Company for any reason shall receive, at the time of termination of his employment, his accrued vacation pay.

14.07 Vacations must be taken in the year they fall due and shall not be cumulative.

14.08 By February 15 the Company will provide each employee with an opportunity for vacation selection in accordance with seniority. An employee who chooses not to take advantage of his/her opportunity to select vacation on the basis of seniority will not be permitted to select vacation until all other employees have had their opportunity to select vacation. In any case all requests for vacation will be granted on a first come, first serve basis after every employee has had an opportunity to select vacation in accordance with seniority.

14.09 Subject to operational requirements, employees with 4 or more weeks of vacation entitlement may request up to 40 hours of their entitlement, in one day increments, provided the request is made to their immediate supervisor prior to the weekly schedule (which includes the day(s) requested) being posted on Wednesday at 2:00 p.m.

Employees on 12-hour shifts may request the remaining 4 hours of entitlement as time off following the procedure outlined above.

Such leave will not be unreasonably denied.

14.10 An employee in the year of their retirement shall receive two weeks vacation in addition to their current entitlement to be taken in the year of their retirement.

ARTICLE 15 Plant Holidays

15.01 An employee who has forty-five (45) days service with the Company and who has worked his last authorized shift prior to the holiday and his next authorized shift subsequent to the holiday, shall receive eight (8) hours pay at his regular rate for the following holidays:

New Year's Day	Labour Day
2nd Monday in February	Thanksgiving Day

Good Friday
Victoria Day
Canada Day
Civic Holiday

December 24th
Christmas Day
Boxing Day
The last work day preceding
New Year's Day.

Employees ~~who are~~ absent on either of the ~~above mentioned shifts~~ for reasons other than personal convenience, satisfactory to the Company, shall receive payment for the plant holiday.

15.02 An employee who works on one of the above plant holidays will be paid at the rate of double the regular rate, plus holiday pay if the conditions in Section 1 above have been met.

15.03 Canada Day, Labour Day, Christmas Eve, Christmas Day, New Year's Eve and New Year's Day shall be designated as nonproduction days. However, on a voluntary basis, employees may be canvassed to work on those days.

The Company reserves the right to schedule maintenance on those days.

ARTICLE 16

Leave of Absence

16.01 An employee elected by the Union as a delegate to a Union Convention may be granted reasonable leave of absence to attend such convention, without pay and without loss of seniority, provided the Company received adequate notice of intended absence. Such leave shall not be unreasonably denied.

16.02 An employee who accepts a full-time position with the Union may hold, but not accumulate, seniority with the Company for a period not to exceed five (5) years from the date he leaves the employ of the Company, and provided that he renews his application for leave of absence every twelve (12) months. Such leave shall not be unreasonably denied.

16.03 The negotiating or grievance committee may request leave of absence to conduct union business. Such leave of absence if granted will be without pay and without loss of seniority and shall not be unreasonably denied, providing adequate notice is given.

16.04 An employee requesting a leave of absence shall apply to his supervisor. Such leave of absence shall be authorized in writing but shall not exceed three (3) months. Such leave shall not be unreasonably denied. An employee must have exhausted his vacation entitlement.

ment for the year before he can be granted a leave of absence.

Provided however, that if a situation arises which prevents the employee on leave returning at the end of the leave granted, he may apply for an extension.

A copy of the authorized leave letter will be forwarded to the secretary of the local Union.

16.05 An employee who is granted a leave of absence under this provision for the day before, or the day after a holiday, shall be considered as having worked such day for the payment of the holiday.

16.06 An employee requesting a maternity and/or parental leave of absence must do so in accordance with the appropriate provisions of the Ontario Employment Standards Act.

ARTICLE 17

Grievance Procedure and Arbitration

17.01 It is the mutual desire of the parties hereto that grievances of employees shall be adjusted as quickly as possible. For purposes of application of this Article, a grievance shall mean any difference between the parties arising from the interpretation, application, administration or alleged violation of this Collective Agreement.

Step One:

If an employee, or group of employees, has a grievance, he, or a representative from the group may present the grievance orally with or without a steward, to the immediate supervisor, within seven (7) working days from the date of the event giving rise to the grievance. Upon the request of either party, the Steward may attend the presentation of the oral grievance and the Steward's attendance shall be solely for the purpose of assisting the grievor in the presentation of the grievance. Before leaving his assigned work, the Steward must first obtain permission from his supervisor and will report to his supervisor immediately after presentation of the grievance.

The supervisor will give his answer orally within five (5) working days from the time of receipt of the grievance. Failing satisfactory settlement, then Step Two.

Step Two:

The grievance may be submitted in writing by a Steward and signed by the employee or employees concerned, to the next level of supervision within five (5) working days of receipt of the oral reply at Step One.

The recipient of the grievance will reply in writing within five (5) working days of receipt of the written grievance. Failing satisfactory settlement, then Step Three.

Step Three:

The grievance may be referred to the most senior management representative of the unit, or his designate, in writing within five (5) full working days after the decision has been given at Step Two. The management representative mentioned above shall meet with the Grievance Committee and a United Steelworkers Representative, on the second Friday of each calendar month and shall render a decision in writing on the grievance within (7) working days of the hearing of the grievance. Failing satisfactory settlement, then Step Four.

Step Four:

The grievance and any question as to whether a matter is arbitrable, or upon failure of the most senior management representative of the unit, or his designate, to meet with the Grievance Committee within the time allotted, unless such time has been extended by mutual agreement, such difference or question may be taken to arbitration as provided herein. If either party does not serve written notice on the other party of its desire to submit the matter to arbitration within twenty-one (21) working days after the decision in Step Three was given, the matter shall be deemed settled.

17.02 Any grievance arising directly between the Union and the Company may be submitted in writing by either party at Step Three.

17.03 Saturdays, Sundays and holidays will not be counted in determining the time within which any action is to be taken or completed in each of the steps of the Grievance and Arbitration procedures.

17.04 Any and all the limits fixed by this Article may at any time be extended by written agreement between the Company and the Union.

17.05 All decisions arrived at between the Company and the Representatives of the Union shall be final and binding upon the Company and the employee or employees concerned.

17.06 Any adjustment arising out of the settlement of an employee's grievance or the grievance of a group of employees under the Grievance or Arbitration Procedures shall not be made retroactive beyond the date it was presented thereunder.

17.07 When either Party requests that any grievance be submitted to Arbitration, it shall make such request in writing addressed to the other Party of this Collective Agreement. The grievance shall be

submitted to a single Arbitrator chosen by the parties. Should the parties not be able to agree on an Arbitrator within thirty (30) days from the date the grievance was first referred to Arbitration, then the party requesting the Arbitration shall request the Minister of Labour for the Province of Ontario to appoint an Arbitrator.

17.08 No matter may be submitted to Arbitration which has not been properly carried through all previous steps of the grievance procedure.

17.09 The Arbitrator shall not be authorized to make any decision which will add to, subtract from, alter, modify, or amend any part of this Collective Agreement.

17.10 The decision of the Arbitrator will be final and binding upon the Parties hereto.

17.11 Each of the Parties hereto will bear equally the expenses of the Arbitrator.

ARTICLE 18
No Strikes or Lockouts

18.01 The Union agrees that there shall be no strike, stoppage, slow-down or restriction of output during the term of this Collective Agreement.

18.02 The Company agrees that there shall be no lockout during the term of this Collective Agreement.

18.03 The Union agrees that during any general suspension of work, at any time and regardless of cause, the Company's property shall be protected and the Company equipment shall be left in good condition by the employees.

ARTICLE 19
Safety and Health

19.01 It is the responsibility of each employee, no matter in what capacity he may function, to perform his duties with the greatest care to avoid injury to himself and those working with him.

It is the responsibility of the Company to:

- a) Take all reasonable measures to maintain safe and healthy working conditions;
- b) Comply with all relevant government legislation.

ii) To this end the Company and the Union will cooperate to the fullest extent in the development and promotion of programmes designed to prevent accidents such as but not restricted to:

- a) Establishment of safe and efficient job procedures.
- b) Safety education and training.
- c) Plant inspection and accident investigation,

iii) The Company and the Union shall give their full support to the Joint Safety and Health Committee so that it may function at its full potential in an atmosphere of cooperation. The Committee's principal functions shall be as follows:

- a) Assist management in the development, implementation and promotion of safety awareness and the safety programmes.
- b) Investigate accidents, report their findings and make appropriate recommendations to Management.
- c) Inspect all plant facilities once a month paying particular attention to housekeeping, unsafe acts, unsafe conditions and report their findings and recommendations to the Management.
- d) The committee shall meet once a month.

iv) Minutes of the Joint Safety and Health Committee meetings will be maintained and distributed to each member of the Safety Committee as soon as is practical following the safety meeting.

v) Preparation time and lunch periods.

Union and Company co-chairpersons will meet 3-4 days prior to the meeting to;

- a) set the agenda
- b) agree on reasonable amount of preparation time needed. One hour will be used as a guideline but there is flexibility depending on the number and seriousness of agenda items,
- c) agree on lunch arrangements

A private meeting room will be made available for the Union Health and Safety Committee members for preparation time. Preparation time on site will be paid for at appropriate rates. Preparation time off site will not be paid time.

The Company is willing to provide lunch on site and the 1/2 hour lunch period will be paid time. If lunch is off site, it is unpaid time and

will be approximately 1-1/4 hour.

19.02 The Union and the employees agree to co-operate with the Company in the observance of all safety rules promulgated from to time.

19.03 An employee who sustains an injury while performing his regular duties and as a result requires medical attention and therefore loses time at work shall not suffer a loss of earnings for the remainder of the shift in which the injury occurred provided the absence reported to his supervisor and the employee seeks prompt medical attention.

19.04 The Company will contribute seventy (\$70.00) dollars each calendar year, per employee towards the purchase of safety shoes provided that:

- i) The employee produces a receipt indicating that the employee has purchased safety shoes.
- ii) The employee has served his probationary period and
- iii) The employee wears his safety shoes during working hours.

19.05 The Company shall provide employees in the mines and maintenance departments and employees working as Mixer Operators with two (2) pairs of laundered coveralls each week.

19.06 Results of medical tests, when provided to the Company, will be communicated to the employee and the findings will be made available to the employee's family physician if so requested.

19.07 Employee Assistance Program

The Company is actively involved in the development of an Employee Assistance Program aimed at problem areas such as but not restricted to alcoholism, drug abuse and mental illness. In the development and evolution of this program, the Company is working jointly with the Local Union who are actively participating and making meaningful contributions to the furtherance of these efforts. It is the intention of the Company to continue and accelerate its efforts in this direction and to work jointly with the Local Union towards the fulfilment of these objectives.

19.08 Program for the rehabilitation of the disabled employees

The Company and the Union agree to the establishment of a Program for the rehabilitation of disabled employees. The objective of the program is to assist in the rehabilitation by providing meaningful work opportunities within the capability level of the disabled employee. The work must be productive and the result of the work must have value.

The disability has to be medically certified. It can be temporary or permanent in nature and a result of occupational or non occupational injury or illness. To help with the administration of the program, the parties will mutually agree on a rehabilitation specialist. Every case will be assessed on an individual basis.

The Company and the Union agree that employees will be placed in the rehabilitation program, within the employee's capacity level, as soon as suitable work is available. Once an employee enters the program, it is expected that he will comply with the rehabilitation program, including periodic medical assessments.

The Company and the Union agree that this article is not structured to facilitate the placement of employees at the time of initial injury. As much as possible, employees will be returned to their pre-injury/pre-illness job, provided reasonable accommodation can be made. If this is not possible, the employee will be offered another work opportunity, if suitable work is available in the location. It is further agreed that an employee under consideration for assignment within this program is not eligible to displace any employee from any occupation. If a displaced employee is provided training on a job in an established line of sequence, he will not be eligible to apply for any permanent or temporary posted vacancies on such job while other more senior employees have applied for and are awaiting training on such a job.

At the monthly meetings, the MIC will review placement and progress of employees, and discuss any outstanding issues. In all instances, the information provided to the MIC with regards to the status of the employee will protect the employee's confidentiality.

Pregnancy accommodation

A pregnant worker who provides the Company with a medical certificate attesting that her working conditions may be physically dangerous to her unborn child, or to herself by reason of her pregnancy, may request to be accommodated under this program.

ARTICLE 20
Discharge Cases

20.01 The Company will notify the Union Committee, giving written reason for the discharge of an employee; however, the discharge of a probationary employee shall not be subject to grievance.

20.02 A claim by a permanent employee that he has been unjustly discharged shall be treated as a grievance and may be taken to arbitration, if necessary, if a written statement of such grievance is lodged by the Union with the Company within five (5) days after receipt of written reason for discharge takes place. Subsequent processing of this special grievance, if necessary, will commence at Step No. 3 of the Grievance Procedure.

20.03 Such special grievance may be settled under the Grievance Procedure or under the Arbitration procedure by:

- a) Confirming the Company's action in dismissing the employee; or
- b) Reinstating the employee with full compensation for time lost in which event there shall be no loss of seniority; or
- c) Any other arrangement which may be deemed just and equitable under all circumstances.

20.04 Any notice of disciplinary action, which is intended to form part of any employee's employment records, shall be given in writing with a copy to the Union; and all such notices shall be withdrawn from the employee's file after a period of one (1) full year of work, without discipline, from the date of completion of the last disciplinary action.

ARTICLE 21
Bereavement Leave

- 21.01 a) An employee who suffers the death of a spouse, child, parent, mother-in-law, father-in-law, brother or sister shall be allowed bereavement leave of three (3) days at his regular straight time rate, providing the employee attends the funeral, except for circumstances beyond his control.
- b) An employee who suffers the death of a spouse, son or daughter shall be granted up to an additional two (2) days bereavement leave at his regular straight time providing the days would otherwise have been consecutive regular

working days for the employee.

- c) An employee who suffers the death of a brother-in-law, sister-in-law, a grandparent or grandchild shall be allowed bereavement leave of one (1) day-the day of the funeral-at his regular straight time rate.
- d) An employee eligible for bereavement leave which occurs during his vacation shall be entitled to have that portion of his vacation re-scheduled.

21.02 Employees on the 12 hour shift schedule who are eligible for bereavement leave shall be paid at the rate of 12 hours straight time rate for each day lost.

ARTICLE 22

Employee Group insurance

22.01 The employee Group Insurance Plan shall consist of:
Life Insurance: \$25,000
A.D. & D.: \$15,000
Weekly Indemnity: 1-4-52 Plan

The Weekly Indemnity plan shall be 66-2/3% of basic weekly earnings with a maximum subject to that which is determined under Section 61 of the U.I.C. Act, or effective April 4, 1993, a maximum of \$425.00 per week, whichever is greater, with compulsory participation in order to qualify for the full Unemployment Insurance rebate.

Medical reports or authorizations requested by Domtar shall be paid for by Domtar up to a maximum of \$30.00 per calendar year per employee.

For those employees earning less than the maximum, the percentage (%) benefit will be applied to gross earnings (average of the last 20 weeks insurable earnings) or 40 hours X regular rate of pay, whichever is greater, but in no case will the benefit exceed the maximum.

Note: These changes will take place only for those employees who are actively at work as of the effective date and for all other employees as of the first full day of active employment thereafter.

If during the life of this Collective Agreement, federal or provincial governments shall introduce legislation or amendments to existing legislation to provide benefits already covered by this plan, the Company shall have the right to full integration of both benefits and

costs.

The Company will contribute the amount needed to maintain the actual level of benefits but will not be required to contribute a greater amount than presently outlined in this Collective Agreement.

Any savings arising out of such integration shall be allocated in accordance with the cost sharing agreements in force at the effective date thereof, and shall be used to reduce employee cost if applicable.

Group Insurance Benefits will be administered in accordance with the terms and conditions of the Group Insurance Policy.

- O.H.I.P. Major Medical
- \$15,000 Maximum
 - \$25.00 Deductible
 - 20/80 Co-Insurance
 - Prescription paid at 100% after deductible is satisfied.

The Company shall pay 100% of the monthly premium rate of the OHIP Major Medical Plan.

22.02 Long Term Disability Plan

A Long Term Disability Plan, hereinafter referred to as "L.T.D." plan shall be instituted by the Company.

The Company shall pay 100% of the monthly premium rate of the L.T.D. Plan.

The L.T.D. Plan shall be administered in accordance with the terms of the insurance policy and without limiting the generalities of the said terms, shall contain the following governing provisions:

1. ELIGIBILITY

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.

2. EFFECTIVE DATE OF COVERAGE

An eligible employee is entitled to benefits provided he is actively at work on the first day the L.T.D. Plan becomes effective.

If an employee is not actively at work on the effective date of the plan or any amendments thereto, coverage will commence

- (a) ~~two (2) weeks~~ after the employee returns to work full time, if absence is due to a disability for which the employee is receiving Weekly Indemnity Benefits.
- (b) on the ~~date the~~ employee returns to work full ~~time~~, if absence is for reasons other than a disability for which the employee is receiving Weekly Indemnity Benefits.

3. QUALIFYING PERIOD

After 52 consecutive weeks of Weekly indemnity,

4. DEFINITION OF DISABILITY

Wholly and continuously disabled by non-occupational disease or accidental bodily injury from performing any and every duty of any occupation inside or outside the Company for which he is reasonably fitted by education, training, or experience, and with the employee under continuing medical supervision and treatment considered satisfactory by the insurance company.

5. AMOUNT OF BENEFIT

50% of regular straight-time hourly rate multiplied by 2080 and divided by 12 up to a maximum monthly payment of \$1250.00. The regular straight-time hourly rate shall be the classified rate of the employee used to determine the employee's W.I. Benefit.

The amount of benefit shall be reduced by any payments made under a government plan provided disability benefits (except increases in such amounts occurring 12 months or more after disablement), or any other non-private disability income plan.

6. DURATION OF BENEFITS

Benefits shall cease upon the earliest of the following events:

- a) on the date that the employee ceases to be disabled; or (*Note: if there is a recurrence of the same disability within 6 months of return to work, a new qualifying period will not be required.*)
- b) The last day of the month following 5 years of benefit payments.
- c) On retirement under the Domtar Pension Plan.
- d) The last day of the month during which the employee attains

his 65th birthday, if not on the first of the month.

e) **on death**

7. PARTICIPATION IN GROUP INSURANCE

An employee drawing L.T.D. Plan benefits, who **was** a participant in the group life insurance plan at the commencement of his disability **will** continue to enjoy group insurance coverage in the amount he was insured for at the time of disability at no cost to him.

8. MODIFICATIONS TO GROUP INSURANCE PLAN AND PENSION PLAN

- a) The present provisions with respect to lump sum or installment payments of group life insurance shall be amended **so** that payments **will** only **become** payable if the employee qualifies for such payment **after** expiry of his L.T.D. benefit **period**.
- b) The **present** provisions with respect to disability pension payments shall **be** amended **so** that they will only become payable if the employee qualifies for such payment after expiry of his L.T.D. benefit period.

9. EXCLUSIONS

- a) Benefits under L.T.D. Plan will not be payable for claims resulting from self-inflicted injury, war or riot.
- b) An employee on L.T.D. shall not accumulate **credit** for vacation or holidays.
- c) Weekly Indemnity and Long Term Disability Plans will **be** suspended during the currency of any lay-off, strike or lock-out, **except** for employees **already** drawing benefits at the **start** of the strike, lock-out or lay-off.

22.03 DENTAL PLAN

The Company will provide a dental plan with participation compulsory for all employees covered by the bargaining unit on the following basis;

Module 1

The plan provides employees and their eligible dependants with reimbursement of 80% of the cost of the following expenses:

Diagnostic, Preventive Therapy, Oral Surgery, Minor Restorative Dentistry, Repairs of an existing appliance, Endodontics and Periodontics. (Details contained in employee booklet)

Module 2

Effective June 1, 1988, the plan also provides employees and their eligible dependants with reimbursement of 50% of the cost of the following expenses:

- a) Crowns and inlays, including gold and porcelain veneer fillings where other material is not suitable.
- b) The creation of an appliance [fixed bridgework, movable partial or complete dentures).
- c) The replacement of an existing appliance (fixed bridgework, removable partial or complete dentures) only under the following circumstances:

If the existing appliance is at least three (3) years old and cannot be made serviceable.

If the existing appliance is temporary and is replaced with a permanent bridge or denture and takes place within twelve (12) months of when the temporary appliance was installed.

- d) Services of a licensed Denturist when practising within the scope of his license.

Module 3

Effective June 1st, 1988, Module 3 will be implemented, it provides

- i) orthodontic treatment
- ii) there is no deductible
- iii) 50/50 co-insured
- iv) \$1250.00 maximum lifetime benefit per individual

The only treatment eligible is necessary dental treatment which has its objective the correction of malocclusion of the teeth, including services and supplies rendered for full mouth reconstruction for a vertical dimension condition or for a correction of temporomandibular joint dysfunction.

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.

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 continuous service.

No employees shall be covered for dental insurance when laid off except those for whom a course of treatment has been prescribed and has commenced prior to such lay-off. Benefits will in no case continue longer than ninety days from the date of lay-off.

Cost Sharing

Effective June 1st, 1988, the Company will pay 100% of the premium cost for Module 1 and 2, and 50% of Module 3.

Coordination of Benefits

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 coordination of Benefits provision. The payments from all sources will not exceed the total of actual expenses incurred.

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 Collective 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 premium savings shall accrue to the Company and employees in accordance with the cost sharing in effect.

Administration

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.

22.04 Group Optical Insurance Plan

Effective the first day of the month following the month in which the Collective Agreement commences, the Company will pay the premiums for a group optical insurance plan which will provide seventy-five dollars (\$75.00) coverage in each two (2) year period for each employee, the spouse of the employee and all unmarried, unemployed children up to the age of 18 attending school.

ARTICLE 23 Jury Duty

23.01 An employee who serves as a Juror or is subpoenaed as a crown witness shall be paid the difference between the pay received for such duty and his regular pay, subject to the following conditions:

- a) The employee has completed his probationary period.
- b) The days eligible for such payment shall be maximum of five (5) scheduled working days per week at his regular straight time rate for the duration of the jury duty.
- c) The employee must work his regular schedule when not required for actual jury duty.

23.02 Employee on 12 hour shift schedule absent from work under the conditions laid down above shall be paid the difference between Jury Duty fees and his normal regular straight time hourly rate for 12 hours per day.

ARTICLE 24 Pension Plan

24.01 The Company Pension Plan is available to employees in accordance with the terms and conditions of said plan.

24.02 The Pension Plan forms part of this Collective Agreement and will be administered in accordance with the terms of the plan.

ARTICLE 25
Apprenticeship Program

25.01 Purpose

The purpose of the program is to provide a means of training and developing tradesmen of the highest calibre for Domtar Inc., Domtar Gypsum, Town of Haldimand, Ontario and further to provide an environment and an incentive which will assist employees to achieve their maximum potential.

The program is recognized as requiring the active participation of the Company and the Union, the Employee, and various levels of Government.

25.02 Coverage

The program will cover trades designated as necessary or advisable by the Mutual Interest Committee.

The number of Apprentices required for each trade and number of Apprentices at each level within each trade shall be determined from time to time by the MIC. However, once an employee is accepted in the plan, he will be allowed to progress through the full Apprenticeship subject to the provisions of this program and terms of the Collective Agreement.

25.03 General

a) Qualifications for entry in the program shall be reviewed by the Joint Union-Management Committee. This Committee will be comprised of two (2) Union and two (2) Management representatives. The Personnel Superintendent will act as coordinator. The purpose of the Committee will be to develop and supervise the procedures required to carry out the intent of the Program as agreed to. Any interview or examinations in relation to an employee's entry into the Apprenticeship Program will be done on Company time with no loss of pay. Any preliminary tests conducted by the Company shall only be in relation to the Employee's aptitude for his particular trade. The Union may have a Representative to peruse the content of the type of tests used.

b) All employees shall enter into the apprenticeship Program at the entry level and the Apprenticeship Branch of the Ontario Ministry of Skills Development shall determine at what level an applicant fits into the Apprenticeship Program and that is the level at which an applicant will be placed.

c) The Company and each accepted applicant shall execute an Apprenticeship Contract in the form provided by the Apprenticeship Branch of the Ministry of Skills Development.

d) No employee in the Maintenance Department not participating in the Apprenticeship Program will be denied promotion, laid off, or terminated as a result of the Company posting for an opening in the Apprenticeship Program.

An employee bidding into the Apprenticeship Program in a trade currently being held by said employee shall retain his rate if it is higher until his Apprenticeship Rate surpasses it, at which time he shall progress to the higher rate.

In the event a Maintenance Employee enters into the Apprenticeship Program and is subsequently removed from the Plan in accordance with this Article and his Apprenticeship rate is higher than his rate prior to bidding he will revert back to his applicable rate of pay.

e) Employees accepted into the Program will enter into a preliminary Agreement of Apprenticeship With the Company for a period of three (3) months. Such Agreement will be registered With the Ontario Apprenticeship Branch. If, at the end of the aforementioned three (3) months preliminary period, both the employee and the Company are satisfied to continue the Agreement of Apprenticeship, a Contract of Indenture will be made and registered with the Ontario Apprenticeship Branch of the Ministry of Skills Development.

f) The Company and each accepted applicant shall execute an Apprenticeship Contract in the form provided by the Apprenticeship Branch of the Ministry of Skills Development, provided that where the terms of the Contract provided by the Apprenticeship Branch of the Ministry of Skills Development differ from the terms set out in the Article, the terms of this Collective Agreement shall govern.

g) Rates of pay are in accordance with the standard hourly wage scale of this Collective Agreement.

	Mechanical Class	Electrician Class
0- 6 months	3	3
7- 12 months	5	5
13- 18 months	7	7
19- 24 months	10	10
25- 30 months	13	13
31- 36 months	15	16

37 - 42 months	17	19
43 - 48 months	19	21
49 months or more	21	Plant 22, Mine 23

Journeyman's category includes:

Industrial **Mechanic** (Millwright)
Construction and Maintenance Electrician
Heavy Equipment Mechanic

h) The basis of the pay schedule in (g) above is ~~that after the introductory period an~~ Apprentice will only move to the next pay rate after having the required months of experience ~~and after having successfully completed the course as prescribed by the Ontario Apprenticeship Branch.~~ In the event the employee attends school before his Apprenticeship anniversary date and passes he shall only receive the **increased** rate when he has the required time and conversely if he attends school after his Apprenticeship anniversary date, he shall be paid retroactively to his anniversary date upon successfully completing school.

i) The Company will schedule an approved Leave of Absence for an Apprentice to attend the appropriate Technical Institute as approved by the Apprenticeship Branch.

j) An apprentice who attends the required training course shall be entitled to receive from the Company monies in the amount equal to the difference between what he would have received on a straight time basis for each day he would normally have worked Monday to Friday, and any monies received during this period from any Provincial or Federal Government Agency. If an Apprentice is absent from Training School on a day on which he is required to attend, then in such case, he shall not be entitled to receive any difference from the Company in respect to that day unless he is entitled to be paid under the Collective Agreement, "Living Away from Home" and "Traveling" Allowances paid by the Government will not be taken into consideration when calculating the amount of make-up to which the employee is entitled from Domtar Inc.. Domtar **Gypsum**.

Notwithstanding the above, where an Apprentice has failed the required examinations at any one level and he repeats same, he shall receive no pay difference from the Company for repeating such course, at that level.

k) An Apprentice may be removed from the training program by the Company or upon request of the employee and his Apprenticeship Contract cancelled at any time during the ~~three~~ (3) months preliminary period and if the Apprentice was, prior to his entrance

into the Apprenticeship Program, a member of the Bargaining Unit, **he shall be returned to the job classification that he was in prior to his entry in the Apprenticeship Program, or its equivalent if possible.**

1) An Apprentice who has completed his three (3) months preliminary period may be removed from the Apprenticeship Program and his Apprenticeship Contract cancelled for any of the following reasons:

1. Just cause;
2. If an Apprentice fails to take the Training Course when he is scheduled to take same, provided that his failure to take such course is not due to a cause beyond his control;
3. If an Apprentice fails a Training Course at any one level on more than one occasion.

In the event of an employee being removed from the Apprenticeship Program, he will be returned to the job classification he was in prior to the time of his entry into the Apprenticeship Program, or its equivalent if possible.

m) Any employees making and registering a contract of indenture with the Ontario Apprenticeship Branch of the Ministry of Skills Development, or having obtained a trade through Domtar, will be ineligible to post for another apprenticeship in a different trade at Domtar Gypsum, Caledonia.

All Articles of this plan shall be considered as part of the Collective Agreement between Domtar Inc., Domtar Gypsum, Town of Haldimand, Ontario and United Steelworkers of America AFL-CIO-CLC Local Union No. 14994.

ARTICLE 26

Training

- a) Increased training is a key goal of both the Union and the Company. The content of all work place training programs must be developed and approved by MIC. The MIC will determine training needs and establish training programs for all employees including the trainers. The MIC will also establish the duration of all training programs and structures.
- b) Participation of employees in any training program will be voluntary and based on seniority.
- c) Any employee who completes the training program as established by the MIC will receive an additional ten (\$0.10) per

hour in addition to their regular rate.

ARTICLE 27
Duration of the Collective Agreement

27.01 This Collective Agreement shall become effective on the 1st day of April 1993 and shall remain in effect until 31st day of March 1995 and shall be renewed automatically from year to year thereafter, unless either party gives notice of amendment to the other party within ninety (90) days prior to the anniversary date in any year. In the event that either party serves notice to the other party of its desire to amend this Collective Agreement, then this Collective Agreement shall continue in effect until such time as a new Collective Agreement has been reached, or until the conciliation procedures, as required by legislation have been completed.

IN WITNESS WHEREOF the parties hereto have caused this Collective Agreement to be signed by their duly authorized representative this 24th day of June 1993.

United Steelworkers of America
AFL-CIO-CLC
and its Local Union 14994

Domtar Inc.
Domtar Construction Material
Gypsum Products
Town of Haldimand, Ontario

John Booker

David Bell

Carl Booker

Ed Koopman

R. Carl Flowers

Randy Rogers

Darrell German

Joe Timson

Tom Sakaluk

APPENDIX "A"

Class	Title	4/1/91	4/1/92
01	Probationary employee	14.56	15.14
02	Yard Labour	14.71	15.29
03		14.86	15.44
04	Janitor	15.01	15.59
05	Mine Attendant	15.16	15.74
	Laminating/Packinghouse Labour		
06	Mill Labour 325	15.31	15.89
	Weighman Paristone 325		
07	Packinghouse lift truck operator		
08	Bundler operator 325	15.61	16.19
	Yard Equipment Operator		
	Landplaster process operator		
	Calciner		
	Laminating lift truck operator		
09	General Mine Service	15.76	16.34
	Warehouse Labour		
	Mill Attendant		
10	Oiler/Greaser	15.91	16.49
	Receiver		
	Pump Attendant		
	Road Attendant		
	production Assistant 325		
11	#3 Mine Surface Attendant	16.06	16.64
	Bundler Operator 326		
	Shipping Lift Truck		
	shipping utility		
	Wallboard Inspector 325		
12	Production Lift Truck	16.21	16.79
	Mine Utility #3		
	Beltline Maintenance #3		
	Carpenter		
	Machine Supply Operator 325		
13	Warehouse Leader	16.36	16.94
	Production Assistant 326		
	Board Inspector 326		
	Yard Leader		

APPENDIX "A"

Class	Title	4/1/91	4/1/92
	Wet Board Attendant 325		
	Machine Operator 325		
14	Mine Trainer	16.51	17.09
	Machine Supply Operator 326		
	Wet Board Attendant 326		
	Process & Quality 325		
15	Process & Quality 326	16.66	17.24
	Shipping Leader		
	Wallboard Machine Leadman 325		
	Packinghouse Leader		
16	Machine Operator 326	16.81	17.39
	Control Room Operator		
	Continuous Miner Operator		
17		16.96	17.54
18	Mill Leader	17.11	17.69
	Laminating Machine Operator Leader		
19		17.26	17.84
20		17.41	17.99
21	General Repair Mechanic	17.56	18.14
	General Repair Mechanical and Mobile		
	General Repair Mechanical Mine Shop		
22	Plant Electrician	17.71	18.29
23	General Maintenance	17.86	18.44
	Instrumentation Technician		
	Mine Electrician		
	Maintenance Leader 326		
	Maintenance Leader #3 Mine		
24	Electrical Leader Plant	18.01	18.59
25	Electrical Leader Mine	18.16	18.74

Note: Tradesman who hold a Provincial Journeyman's Certificate receive an additional \$0.85 per hour.

APPENDIX "B"
12 Hour Shift Schedule

	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S							
7am-7pm	4	1	1	2	2	3	3	3	4	4	1	1	2	2	2	3	3	4	4	1	1	1	2	2	3	3	4	4
7pm-7am	2	3	3	4	4	1	1	1	2	2	3	3	4	4	4	1	1	2	2	3	3	3	4	4	1	1	2	2
<i>off</i>	1	2	2	1	1	2	2	2	1	1	2	2	1	1	2	2	1	1	2	2	1	1	2	2	1	1	2	1
<i>off</i>	3	4	4	3	3	4	4	4	3	3	4	4	3	3	3	4	4	3	3	4	4	4	3	3	4	4	3	3

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LETTER OF AGREEMENT

Distribution of Overtime

Mining

The distribution of overtime for either maintenance or production department, **will be** done in the following manner.

- I. In the event it is **necessary** to have employees work beyond the end of their **shift**, they will **be** held over in the following order:
 - (1) the senior employee working the **particular job or jobs** that will be held over. Normally **this** is the **posted** employee. **The** man on the job procedure **will** not apply if **the posted employee** is **transferred** off his posting for the convenience of **the** Company.
 - (2) failing (1), **the senior** qualified employee **currently** on site will **be asked**.
 - (3) only if there were no qualified employees **at work would** **off** site employees **be** called.

- II. In the event it **is** necessary to **call** employees into work, it **will** **be** done in the following order:
 - (1) **posted man/man** on the job from the on-coming **shift**, in order of seniority.
 - (2) failing (1), **the senior** qualified employee will **be called**.

- III. **WEEKEND OVERTIME** - Weekend overtime is on a **voluntary basis**. In order to have **the** schedule **posted** by 2:00 p.m. Wednesday, the overtime canvas must **be** completed by Wednesday 7:00 a.m. Any error or persons missed **on** the **posted** schedule must be brought **to the** attention of the Mine **Coordinator prior to 8:00 a.m. Friday. Errors not** brought to the attention **of** the Mine Coordinator will not **be** considered as grounds **for** a grievance. Employees who reply **no** **to** the overtime canvas but then wish **to** work, will not be allowed **to** bump junior employees **that** have previously **been** scheduled to work, but may **be** scheduled **to** work depending on the needs of the operation.

Weekend **shifts** will **be** filled in the following manner:

A. Three Overtime Shifts:

Friday 11:00 p.m. - 7:00 a.m. will be filled by 11-7 employees

Saturday 7:00 a.m. - 3:00 p.m.; first offered to those posted employees working 7:00 a.m. - 3:00 p.m. that week. If additional manpower is needed, employees from the 3:00 p.m. to 11:00 p.m. and 11:00 p.m. - 7:00 a.m. (provided the Friday night shift is not working) shifts will be canvassed. Job openings will be filled by senior employees posted to that job and then senior qualified.

Sunday 7:00 a.m. - 3:00 p.m.; will be offered to all mine employees. Job openings will be filled by senior employees posted to that job and then by senior qualified employees across all shifts.

B In the event it is necessary to work beyond 3:00 p.m. on Saturday or Sunday, the employees at work will have priority in the following order:

(1) the senior employee working on the job or jobs to be carried over.

(2) failing (1), the senior qualified employee at work that day (i.e. 7-3 time period).

Only in the event that qualified employees at work are not available would off site employees be called. They would be called in order of senior posted, then senior qualified.

NOTE: Any employee who reports for a weekend overtime shift and their name is not on the weekend shift schedule may be sent home. This will not be a basis for a grievance since employees must reply honestly to the canvass and are not permitted to appear for overtime shifts without authorization.

Mine employees not canvassed due to absence from work on the day of the canvass, will not be called. It is the responsibility of the employee to notify the Mine Coordinator if he wants to work weekend overtime.

#2 Mine employees will not be eligible for overtime at #3 mine



until all qualified #3 mine personnel have **refused** the opportunity to work. Jobs will **be filled** by the senior employee able to **do** the work.

c) **Following the posting of the weekend overtime schedule**
 In the event it is **necessary** to bring employees in early for the Sunday, 7:00 am. - 3:00 p.m. or the 11:00 p.m. - 7:00 am. **shift**, the employees **coming** in on those **shifts** will have priority, in the following order.

- 1) The **senior** employees posted to that job or jobs **to begin** **early**.
- 2) Failing (1), the **senior** qualified employees **coming** in on **shift**.

Only in the event that qualified employees coming in **on shift** are not available **to come** in early would **off site** employees **be** called.

Manufacturing - Shift Workers

When production department is working 12 hours shifts, 7 days per week, the overtime distribution is done in the following manner:

Cali in Procedure:

TWO DAY TURN

OVERTIME

REQUIRED ON	DAY SHIFT	NIGHT SHIFT
1st day	1. Receding day shift	1. Preceding night shift 2. Preceding day shift
2nd day	1. Following day shift 2. Following night shift	1. Following night shift

THREE DAY TURN

OVERTIME

REQUIRED ON	DAY SHIFT	NIGHT SHIFT
1st day	1. Receding day shift	1. Receding night shift 2. Receding day shift
2nd day	combined two shifts, offered by seniority	
3rd day	1. Following day shift 2. Following night shift	1. Following night shift

Overtime will be **offered** in the following manner

- 1) Senior ~~posted~~ employee on the job
- 2) ~~Senior~~ employee on **the job**
- 3) Senior employee on shift willing and able.

When working on 8 hour shifts;

I) In the event it is **necessary** to have **an** employee **work** beyond the end of their shift, the overtime **opportunity** will be offered in the following **manner**:

1) Senior ~~posted~~ employee on the **job** will **be asked to** work the first 4 hours. The ~~senior posted~~ employee from the next shift will **be** called in to come 4 hours early.

2) failing (1), the opportunity will be offered to the ~~senior~~ employee **on the job** and then senior employee on **shift** willing and able.

II) **Weekend Overtime:**

Saturday overtime will **be offered** to those on the **previous week's** shift, ie. 7-3 shift **to** Friday 7-3 employees, 3-11 **shift to** Friday 3-11 employees, 11-7 shift **to** Friday 11-7 **employees**.

Sunday overtime will **be** offered **to** those on the next week's shift, **ie.** 7-3 **shift to** Monday 7-3 employees, 3-11 **shift to** Monday 3-11 employees, 11-7 shift **to** Monday 11-7 **employees**.

Shipping Overtime

Two shift operation

Coverage on 4:00 p.m. - 12:00 am. shift

- 1) The senior posted employee from the 8:00 am. **to 4:00 p.m.** shift **will be asked** to work 4 hours.

- 2) If 8 hours are required and the senior posted person accepts 4 hours, then the next senior posted person from 8:00 a.m. to 4:00 p.m. shift will be asked to cover the remaining 4 hours.

Coverage past **midnight**

- 1) The senior posted employee from the 4:00 p.m. to 12:00 a.m. shift will be asked to stay to complete work past **midnight**.
- 2) If a full compliment of employees necessary to perform the required work cannot be obtained from the 4:00 p.m. to 12:00 a.m. shift, the people from the 8:00 a.m. to 4:00 p.m. shift will be asked in order of seniority.

In the event overtime requirements extend beyond the originally planned hours employees on the job will be asked to stay based on seniority provided their consecutive hours worked does not exceed 16.

If overtime needs cannot be filled using the above procedure productions workers will be canvassed based on seniority and ability to load trucks.

LETTER OF AGREEMENT
Justice and Dignity in Discharge Cases

An employee who has been the subject of a suspension without pay or a dismissal for reasons of a disciplinary nature will not be actually suspended or dismissed until thirty (30) days have passed after the date of the event giving rise to grievance. During that period of time the employee will be kept at active work.

The above does not apply if the alleged infraction presents a potential danger to the safety of others or, damage to equipment in the operation or, causes the Company to cease production, totally or partially.

**UNITED STEELWORKERS OF AMERICA
AFL-CIO-CLC
AND ITS LOCAL UNION 14994**

**DOMTAR
DOMTAR CONSTRUCTION MATERIALS
GYPSUM PRODUCTS
TOWN OF HALDIMAND, ONTARIO**

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**LETTER OF AGREEMENT
Humanity Fund**

The Company agrees to deduct on a weekly basis the amount of \$0.01 per hour from the wages of all employees in the **Bargaining Unit** for all hours worked and, prior to the 15th day of the month following, to pay the amount so deducted to the **"Humanity Fund"** and to forward such payment to the United Steelworkers of America National office, 234 Eglinton Avenue East, Toronto, Ontario, M4P 1K7, and to advise in writing both the **Humanity Fund** at the aforementioned address and the **Local Union** that such payment has been made, the amount of such payment and the names of all employees in the **Bargaining Unit** on whose behalf such payment has been made.

The first **"Humanity Fund"** deduction as aforesaid shall be for the fifth week following ratification of this Collective Agreement.

It is understood and agreed that participation by any employee in the **Bargaining Unit** in the program of deduction set forth above may be discontinued by any employee in the **Bargaining Unit** after the receipt by the Company and the **Local Union** of that employee's written statement of his/her desire to discontinue such deductions from his/her pay which may be received during the four weeks following ratification of this Collective Agreement or at any time thereafter.

IN WITNESS WHEREOF the parties hereto have caused this Letter of Agreement to be signed by their duly authorized Representatives this 10th day of June 1988.

UNITED STEELWORKERS OF AMERICA
AFL-CIO-CLC
AND ITS LOCAL UNION 14994

DOMTAR
DOMTAR CONSTRUCTION MATERIALS
GYPSUM PRODUCTS
TOWN OF HALDIMAND, ONTARIO

CONTINUOUS IMPROVEMENT GAIN SHARING PLAN
DOMTAR GYPSUM, CALEDONIA, ONTARIO

It is each bargaining unit employee's responsibility to help maximize safety, quality, productivity, sales and ultimately profits. As overall business performance improves, an improvement sharing payment proportionate to the improvement will be paid to each eligible bargaining unit employee.

To qualify to receive payment in the plan, an individual must have completed his probationary period and be at work for a full month (30 calendar days). Bargaining unit employees who will have been absent from work during the month will see their payment pro-rated for the time at work. Employees on vacation or union leave will be deemed to be at work for the purpose of this agreement. Bargaining unit employees who transferred between units during the month will receive a payment proportionate to the time worked in the unit generating an improvement sharing payment.

MANUFACTURING EAST/YARD

Plan: Gains in nine (9) key performance areas will be shared with the bargaining unit employees on an equal basis. Gain sharing payout will be calculated and paid monthly. Bargaining Unit employees will receive 30% of the value of the gains achieved with the exception of safety where the employees will receive 100% of the gains achieved.

The gains are the improvement in the 9 key areas identified below versus the actual results for the period January 1, 1992 to December 31, 1992. The exception to this is safety, our top priority.

The second years base levels against which gains are measured will be determined by comparison of the first year of gain sharings actual levels and base levels. That is for each parameter, the second year base level will be the previous year's base level plus half the difference between the first year's actual and the first year base level. However, under no circumstances will base levels be reduced from year to year.

The nine key performance factors are:

SAFETY, QUALITY, BOARD % #1, % DELAY, LABOUR USAGE, MAINTENANCE COST, RAW MATERIAL USAGE, FUEL USAGE, AND MANUFACTURING RATE

SAFETY:

- Safety can generate a gain
- Measurement criteria is **"LOST TIME ACCIDENTS"** and no **more than 5** days of modified work per incident
- **Each recordable free month generates a payout of \$3100.00**

Source: Monthly Safety Report

QUALITY:

- Quality can generate either a **gain or loss**
- **A Loss** reduces total money gained
- Measurement criteria is the number of pieces of wallboard claimed as operator controllable defect in any customer complaints
- The 1993 allowance for operator controllable defect is **\$48,000.00**
- The quality gain or loss is calculated by subtracting the number of defective boards shipped to the customer times **\$10.00** per board and subtracting that amount from **\$4,000.00**
- In the event that quality losses exceed gains in other areas the loss will be carried over to the next month.

Source: Monthly Quality Report

PERCENT #1:

- The 1992 actual is 94.3%
- The percent #1 gain is calculated by multiplying the % #1 improvement times the total belt production
- This amount is the volume (MSF) saved through improved percent #1
- This volume is then multiplied times **\$61.66/MSF** (the average direct cost of our full mix) to determine the gain.

Source: Plant Reporting System

PERCENT DELAY:

- The **1992 actual** is **5.3%**
- The percent delay is calculated by multiplying the % delay improvement by the **gross hours of operation**
- This amount is the number of **hours** of delay saved
- To determine the **dollar** gain multiply the hours saved by **\$489.98/hour** (our machine hour cost).

Source: Plant Reporting System

PLANT LABOUR USAGE:

- The **1992 actual** is **15.0 manhours per gross operating hour**
- The labour usage **gain** is calculated by subtracting the **actual** labour usage from **15.0** to determine the **manhours** saved per **gross operating** hour. Multiply the **manhours** saved times the **gross operating** hours to **determine** the **manhours** saved per month. This number multiplied times **\$17.18** (Weighted average **straight time** rate) gives the gain.

Source: Plant Reporting System

MAINTENANCE COSTS:

- The **1992 actual** is **\$4.34/MSF** of percent #1 board produced
- The maintenance **gain** is calculated by subtracting the **actual** maintenance cost per **MSF** from **\$4.34** and multiplying the difference time the net **MSF** production.

Source: Wallboard Production Report

RAW MATERIAL USAGE:

- Raw material to be included in the program include:
Stucco, paper, **starch**, potash, fibreglass, boric acid, dispersant, soap, **sugar**
- The **1992 actual** usage on a **112"** equivalent basis is:

Dispersant - 3.11 lbs/msf
Soap - .48 lbs/msf
Stucco - 1399 lbs/msf
Paper - Ivory 1080 ft/msf, Grey 1017 ft/msf
Starch - 7.21 lbs/msf
Potash - .04 lbs/msf
Fibreglass - 1.16 lbs/msf
Fine Sugar - .20 lbs/msf
Boric Acid - .43 lbs/msf

- The gain is calculated by subtracting the actual usage from the above usages
- The difference is multiplied by the 1/2" equivalent MSF produced to determine the actual reduction in usage of each material during the month
- This reduction is then multiplied by the following prices to calculate the gain

Dispersant - \$0.263/lb
Soap - \$0.708/lb
Stucco - \$0.010/lb
Paper - \$11.944/msf Ivory, \$9.948/msf Grey
Starch - \$0.176/lb
Potash - \$0.200/lb
Fibreglass - \$0.485/lb
Boric Acid - \$0.572/lb
Fine Sugar - \$0.45/lb

Source: Plant Reponing System

FUEL USAGE:

- The measurement criteria is MMBTUS/GROSS MSF of 112' equivalent basis
- The prior twelve months usage was 1.75 MMBTUS/MSF. The gain is calculated by subtracting the actual usage from 1.75
- The usage reduction is then multiplied by the amount of production on a 112" equivalent basis (MSF)
- This usage savings is then multiplied by our cost of

natural gas which is \$2.62 /MMBTU (std)

MANUFACTURING RATE:

- The measurement criteria is **NET OPERATING HOURS** required to produce a level of #1 production on a 1/2" equivalent basis
- The prior twelve months **NET OPERATING HOURS** of 7267 hours resulted in 452,241 MMSF equivalent production (.0161 net hours/ 1/2" equivalent MSF).
- The gain is calculated by subtracting the actual net hours/ 1/2" equivalent from 0.0161
- **This** reduction is then multiplied by the amount gross 1/2" equivalent production.
- **This speed** savings is then multiplied by our cost per net operating hour \$489.98

MINING

Plan: Gains in two (2) key performance areas will be shared with the bargaining unit employees on an equal basis. Gain sharing payout will be calculated and paid monthly. Bargaining unit employees will receive 30% of the value of the gains achieved with the exception of safety where the employees will receive 100% of the gains achieved.

The gains are the improvement in the 2 key areas identified below versus the actual average results for the period January 1, 1992 to December 31, 1992. The exception to this is safety, our top priority.

The second year base levels against which gains are measured will be determined by comparison of the first year of gain sharing's actual levels and base levels. That is for each parameter, the second year base level will be the previous year's base level plus half the difference between the first year's actual and the first year base level. However, under no circumstances will base levels be reduced from year to year.

The two key performance factors are:
SAFETY, PRODUCTION RATE

SAFETY:

- Safety can generate a gain
- Measurement criteria is "LOST TIME ACCIDENTS" and no more than 5 days modified work per incident
- Each recordable free month generates a payout of \$1,600

Source: Monthly Safety Report

MINING PRODUCTION RATE:

- It's proposed to use the following formula:
- $[P.R. \times (17.24 - Cact)]$
- Where P.R. = Production Rate in tons
Cact = Monthly Actual Cost in Dollars per ton
- It's proposed that gains will be paid out on all tons when the cost per ton is below \$17.24 per ton.

LETTER OF AGREEMENT

Tool Allowance

The Company will pay the full cost of tools broken or lost in the performance of normal duties by employees in the maintenance departments. The broken tool must be submitted at the time the employee obtains a replacement tool.

LETTER OF AGREEMENT
Article 8
Lay-off and Recall From Lay-off

The parties having discussed clause 8.01 b) have decided to deviate from the language in the Collective Agreement for the term of this Agreement as follows:

8.01 b) The seniority provisions of this Collective Agreement shall not be applicable to lay-offs of one (1) shift or less.

Notwithstanding the above, an employee will not be affected by lay-off for more than one (1) shift in a month and not more than a total of three shifts in a year.

Should there be a dispute between this letter and the Collective Agreement, this letter shall supersede the Collective Agreement. This letter can only be renewed by mutual agreement of the parties. Should the parties disagree, this letter shall be null and void.

LETTER OF AGREEMENT

Vacation

1. **Employees with seniority dates of January 1, 1969 to December 31, 1972 are entitled to one additional week of vacation.**
2. **Employees with Seniority dates of January 1, 1976 to December 31, 1980 are entitled to one additional week of vacation.**
3. **The extra week shall not be taken during prime vacation time and shall be taken at the discretion of the Company and in line with production requirements.**
4. **Half of the employees who are entitled shall use their entitlement in 1993 and half in 1994 on a first come first serve basis.**
5. **This letter expires on March 31, 1995.**

LETTER OF AGREEMENT
Distribution of Overtime

For purposes of overtime distribution in the #3 Mine, there will be two distinct departments - the Production Department and the Maintenance Department as per the Collective Agreement. Overtime requirements for each of these departments will be filled by those posted in that department.

The Production Department will consist of the following positions:

1. Continuous Miner
2. Utility Person
3. Mine Service Attendant
4. Mine Attendant

The Maintenance Department will consist of the following positions:

1. Mine Maintenance
2. Mine Electrician
3. Beltline Maintenance
4. Pump Attendant
5. Oiler Greaser

SENIORITY LIST

SEN. NO.	PAYROLL NO.	NAME	SENIORITY DATE
1	109	Cuneo, Carmen	March 5, 1951
2	388	Slack, Richard	June 22, 1953
3	468	VanSickle, Charles	June 30, 1953
4	254	Morrison, J. Gary	June 24, 1955
5	073	Ince, Larry	June 16, 1959
6	426	Herkimer, Emerson	August 7, 1962
7	425	Doxtdator, Robert	June 17, 1965
8	304	Male, Guy	October 17, 1966
9	232	Mills, Alexander	January 10, 1967
10	485	Silversmith, Seymour	August 30, 1967
11	188	Burke, J. Edmund	August 13, 1968
12	079	Lusk, Gary	September 12, 1968
13	214	Bernhardt, John	September 23, 1968
14	247	King, Robin	November 12, 1968
15	008	Keefer, Robert	March 26, 1969
16	105	Wickett, David	July 24, 1969
17	194	Legere, Vincent	September 11, 1969
18	306	Siple, Arnold	March 18, 1970
19	033	James, David	August 19, 1970
20	111	Goodwin, Melvin	September 14, 1970
21	258	Parsons, Kenneth	September 14, 1970
22	078	Reid, Robert	September 23, 1970
23	077	Moerschfelder, Lloyd	October 14, 1970
24	453	Sourwine, Roy	April 12, 1971
25	334	Vanderwal, Robert	May 3, 1971
26	283	Veldman, Albert	July 13, 1971
27	229	Parkin, Barry	August 5, 1971
28	481	Ballard, Reginald	August 23, 1971
29	363	Vandoom, Gary	September 8, 1971
30	357	Lynes, John	September 10, 1971
31	270	Cranston, Brian	January 31, 1972
32	054	Brooks, James	August 22, 1972
33	143	Kollee, Gerald	August 22, 1972
34	368	Adams, Paul	February 26, 1973
35	434	Anderson, Donald	March 14, 1973
36	211	Tyne, W. Thomas	March 15, 1973

SEN. NO.	PAYROLL NO.	NAME	SENIORITY DATE
		Edwards, Ted	March 30, 1973
37	044	Brown, Gordon	August 14, 1973
38	037	Chapman, Douglas	August 20, 1973
39	063	Booker, Carl	August 30, 1973
40	410	Snider, Gordon	September 5, 1973
41	203	Brown, Donald	September 13, 1973
42	152	Flowers, Carl	February 12, 1974
43	335	Sitter, Robert	August 22, 1974
44	256	Moodie, Gary	August 26, 1974
45	293	Murphy, Richard	January 9, 1975
46	062	Thompson, Lionel	June 17, 1975
47	108	Booker, John	June 26, 1975
48	210	Brooks, Donald	July 1, 1975
49	024	Hill, David	July 23, 1975
50	191	Moerschfelder, Doug	August 7, 1975
51	271	Timson, Richard	August 7, 1975
52	146	Cook, Alex	September 5, 1975
53	170	Parkin, Randy	August 23, 1976
54	064	Siple, John	August 26, 1976
55	103	Jenkins, Don	August 30, 1976
56	149	Cummings, Rick	September 7, 1976
57	440	Sitter, George	September 8, 1976
58	050	Hannah, Raymond	October 29, 1976
59	277	Kruck, Rolf-Peter	April 4, 1977
60	177	Bristo, Richard	May 12, 1977
61	294	Stevens, Daryl	May 16, 1977
62	081	Anguish, Douglas	June 3, 1977
63	345	Johnston, David	June 6, 1977
64	356	Draper, William	June 6, 1977
65	367	Slack, Richard	July 5, 1977
66	494	Deleeuw, Peter	July 5, 1977
67	499	Thompson, Hugh	July 14, 1977
68	0522	Small, Darryl	July 18, 1977
69	1488	Lawrence, Russell	August 1, 1977
70	1844	Thompson, Craig	January 2, 1978
71	1655	Beveridge, Wayne	January 11, 1978
72	0700	Burke, Richard	January 11, 1978
73	0990		

SEN. NO.	PAYROLL NO.	NAME	SENIORITY DATE
74	189	Smelser, Brian	February 6, 1978
75	268	Barnim, Wayne	May 1, 1978
76	351	smith, Gregory	May 1, 1978
77	053	Doxtdator, John	July 26, 1978
78	082	La, Dan	July 26, 1978
79	417	Schweyer, Richard	August 17, 1978
80	466	German, Darrell	August 23, 1978
81	065	Ritchie, Donald	September 25, 1978
82	013	Hannigan, Greg	July 3, 1979
83	130	Kelly, Glen	July 3, 1979
84	134	Sakaluk, Thomas	July 9, 1979
85	199	Lake, Randy	July 11, 1979
86	374	Cummings, Kevin	July 18, 1979
87	246	Timson, Daniel	July 26, 1979
88	354	Thompson, Bruce	August 15, 1979
89	362	Wass, Allan	August 20, 1979
90	379	Backus, Michael	August 20, 1979
91	451	Smith, Stephen	August 20, 1979
92	358	Sugg, Robert	August 20, 1979
93	091	Timson, Glenn	August 27, 1979
94	141	Holstein, Terry	September 4, 1979
95	222	Horlick, Douglas	September 16, 1979
96	274	Graham, Richard	November 5, 1979
97	419	Dykstra, Ralph	December 3, 1979
98	047	Riddell, Ronald	February 7, 1980
99	381	Slack, Joseph	July 7, 1980
100	136	Johnson, Walter	July 8, 1980
101	408	Riddell, Christopher	July 9, 1980
102	259	Uildersma, Peter	August 7, 1980
103	017	Hannah, Larry	August 18, 1980
104	051	Kelly, Dan	August 18, 1980
105	208	Hartwick, John	August 8, 1980
106	206	Slack, Timothy	September 4, 1980
107	324	Gordyn, Ronald	July 15, 1981
108	286	Kelly, Dale	July 20, 1981
109	131	Bachmann, Alfons	August 11, 1981
110	118	Sharpe, Darryl	January 16, 1983

SEN. NO.	PAYROLL NO.	NAME	SENIORITY DATE
111	048	Harrison, Gary	January 17, 1983
112	375	Ireland, Richard	January 18, 1983
113	406	Harris, James	January 24, 1983
114	413	Walker, Thomas	January 26, 1983
115	422	Wilcox, Jeff	February 3, 1983
116	445	Tupper, Edward	February 8, 1983
117	457	Veno, Richard	February 15, 1983
118	487	Thorne, Kevin	February 15, 1983
119	006	Francis, William	February 22, 1983
120	126	Anderson, Harold	February 22, 1983
121	393	Karpinski, Adam	February 22, 1983
122	420	Chapman, Donald	February 22, 1983
123	394	Jonczyk, Stan	February 23, 1983
124	489	MacKenzie, Arthur	February 28, 1983
125	253	Steenhuis, Edward	March 4, 1983
126	227	Manning, William	March 6, 1983
127	300	Hannah, Kevin	March 7, 1983
128	183	DeBoer, Hank	April 18, 1983
129	098	Anderson, Bruce	April 18, 1983
130	120	Ferguson, Kenneth	April 18, 1983
131	116	Willson, Lee	April 18, 1983
132	166	Wilk, Stanislaw	April 19, 1983
133	209	Mitchell, Gary	May 11, 1983
134	145	Treverton, Richard	June 20, 1983
135	155	Gatward, Neil	June 21, 1983
136	219	Murphy, Dale	July 16, 1983
137	005	Cake, Robert	August 7, 1983
138	035	Welch, Grant	August 7, 1983
139	224	Santucci, Dennis	August 7, 1983
140	230	Tupper, Kenneth	August 7, 1983
141	085	Burke, Adolph	August 7, 1983
142	341	Renshaw, Frank	August 7, 1983
143	220	Reid, Douglas	August 7, 1983
144	319	Dada, Ahmed	December 13, 1983
145	366	Denwood, Larry	December 19, 1983
146	176	Hondula, Frank	December 22, 1983
147	364	Meidema, Andrew	January 10, 1984

. PAYROLL

NO.	NO.	NAME	SENIORITY DATE
148	174	Rogers, Duane	August 27, 1984
149	180	Mumby, Robert	August 28, 1984
150	267	O'Sullivan, Patrick	April 27, 1987
151	273	Reynolds, Wayne	April 28, 1987
152	096	Bajus, Walter	March 14, 1988
153	093	Dmytryshyn, Paul	March 14, 1988
154	083	Armstrong, Malcolm	July 4, 1988
155	187	Fess, Wayne	April 3, 1990
156	022	Wawrzonek, Marian	November 5, 1991
157	003	Barry, Ed	April 5, 1993
158	151	Denison, Reg	June 21, 1993
159	019	Fess, Randy	July 21, 1993
160	020	Gingrich, Doug	July 25, 1993
161	021	Johnson, Rob	September 7, 1993
162	023	Gervais, Norm	September 7, 1993