



LABOUR AGREEMENT

between

Smurfit-MBI

GUELPH PLANT

and

**INDEPENDENT PAPERWORKERS OF CANADA
LOCAL 69**



July 1, 2007 - June 30, 2011

07722 (05)

Mission Statement

“The parties of this agreement are committed to working safely while continuously striving for operating excellence and efficiency, delivering exceptional value to our customers while being environmentally responsible and community minded.”

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PREAMBLE

It is the purpose and intent of the parties hereto that this Agreement will promote and improve industrial and economic relationships between the employees and the Company and to set forth herein the Agreement covering rates of pay, hours of work, and conditions of employment to be observed between the parties hereto.

ARTICLE 1 - RECOGNITION AND MEMBERSHIP

The Company **agrees** to recognize the Union as the sole bargaining agent for all those employees at its Guelph Plant save and except production supervisors, persons above the rank of production supervisors, clerical and sales staff, field representatives and design department.

ARTICLE 2 - WORK BY EXCLUDED PERSONS

Persons whose regular jobs are not in the bargaining unit will not work on any jobs for which rates are established by this Agreement except for the purpose of instruction, experimenting, or in emergencies when regular employees are not available.

ARTICLE 3 - NO DISCRIMINATION

The Company and the Union agree that there will be no discrimination against any employees because of race, creed, colour, sex, national origin, Union membership or Union activity. The use of the masculine gender in this Agreement shall **be** considered also to include the feminine gender.

ARTICLE 4 - NO STRIKES OR LOCKOUTS

There shall be no strikes or lockouts so long as this Agreement continues to operate.

ARTICLE 5 - UNION SECURITY

Section 1

All present and new employees, once they have completed their probationary period, will, as a condition of continued employment, become members of the Union and remain members in good standing.

Section 2

Subject to the requirements of any applicable provincial or federal law, the Company shall deduct membership dues and initiation fees, if applicable, from the date of employment from all employees within the bargaining unit on a weekly basis and remit the same, on a monthly basis to the duly designated official of the Local Union.

The Local Union shall advise the Company in writing of the amount of weekly deduction to apply to each employee within the bargaining unit. If there should be any change in the amount of such deduction, the Company shall be advised in writing of such change by the Local Union two weeks prior to its effective date. With the monthly remittance of Union dues, the Company shall furnish the local Union with a duplicate statement showing monthly the amount deducted and the names of all employees from whom deductions were made. The Company shall collect any arrears in Union dues from employees providing wages owing and payable to the employee(s) are sufficient to cover the deduction.

ARTICLE 6 - MANAGEMENT RESPONSIBILITIES

Subject to the provisions of this Agreement, the Company shall manage the plant, direct the working forces, plan, direct and control the plant operations, hire, promote and demote, transfer, discipline, suspend or discharge for just cause, relieve employees from duty because of lack of work and for other legitimate reasons, introduce new and improved production methods or facilities, or change existing production methods or facilities improve quality, reduce costs and establish and attain reasonable work and production standards.

Management shall exercise its rights in a manner that is not inconsistent with the terms and conditions of this Agreement.

The Company has the right to make and enforce rules that are reasonable provided they are not inconsistent with the terms and conditions of the Agreement.

ARTICLE 7 - EMPLOYEE STATUS

Probationary employees shall be paid one job level less than the rate of the job they are performing for the first thirty (30) days worked. ninety (90) days for maintenance employees.

Once a probationary employee has completed thirty (30) days worked, (90) days for maintenance personnel, he shall be classified as permanent and his seniority shall be backdated to his date of hire.

Once permanent, he shall be paid the rate of the job he is performing as per Appendix "A" Wage Schedule. The dismissal of a probationary employee shall be for just cause, unless it is demonstrated that the dismissal was arbitrary or in bad faith.

"Relief" people will be used for the purpose of vacation relief only during Prime Time. The use of Relief people for any other reason will only be by mutual agreement. They shall have the status of a "Relief". Relief employees, as a condition of employment, shall join the Union and pay Union dues in accordance with Article 5. Relief will not accumulate seniority nor fringe benefits except for vacation and holiday pay. They will not accrue seniority while they retain their temporary status. If and when their status becomes permanent, their seniority shall commence from the date permanency was established. They shall be considered terminated and rehired on a permanent basis, however, the probationary period shall be waived for these employees.

It is the intention to try to maintain the same shift rotation for employees in the General Help positions if possible. However, there will be times when it will be necessary to move someone in the General Help position to another shift in order to ensure adequate crewing.

ARTICLE 8 - HOURS OF WORK

Section 1 - Definition of Work Week

The "Work Week" is made up of five (5) days, Monday through Friday. For the purpose of this Agreement, Monday shall be regarded as commencing at 11:00 p.m. on Sunday night.

Section 2 - Definition of Day and Work Day

A day is a twenty-four (24) hour period. A work day is eight (8) consecutive hours of work within the twenty-four (24) hour period.

Section 3 - Hours of Work

The hours of work per week for all employees covered by the Agreement shall be forty (40) hours as follows:

One Shift Operation

7:00 a.m.- 3:00 p.m. Monday-Friday, incl. – 5 shifts

Two Shift Operation

7:00 a.m. - 3:00 p.m. Monday-Friday, incl. – 5 shifts

3:00 p.m. - 11:00 p.m. Monday-Friday, incl. – 5 shifts

Three Shift Operation

11:00 a.m. - 7:00 a.m. Sunday-Thursdays, incl.- 5 shifts

7:00 a.m. - 3:00 p.m. Monday-Friday, incl. - 5 shifts

3:00 p.m. -11:00 p.m. Monday-Friday, incl. - 5 shifts

unless changed by mutual agreement between the Company and the Union.

Shift work shall be divided as evenly as possible among the employees in the department affected.

Section 4 - Corrugator Department

The Corrugator Crew may be required to remain for up to one (1) hour at the end of their regular shift if their relief is not available for work. During this period, the Company shall make every reasonable effort to fill the position so that the employee being held over will be allowed to leave the plant as soon as possible.

As a result of continuous operation on the corrugator machine, the Corrugator Crew will be allowed their lunch during the first one and one-half (1½) hours starting no later than the end of the first four (4) hours off their shift.

The Corrugator Operator and the Double Backer Operator are to report to work one-half (½) hour prior to the regular starting time of the first shift of the day when required.

Section 5 - Shipping Department

The Shipper-Receiver's hours of work shall be from 8:00 a.m. to 4:00 p.m., Monday to Friday, inclusive.

The Store Room Attendant's hours of work shall be from 8:00 a.m. to 4:00 p.m., Monday to Friday, inclusive.

The Plate & Ink Co-ordinator's hours of work shall be from 8:00 a.m. to 4:00 p.m., Monday to Friday, inclusive.

Section 6 - Lunch Periods

A thirty (30) minute paid lunch period will be provided for on each shift. The Company will establish the scheduling of the lunch period.

Any employee choosing to leave their shift during lunch and break periods, must swipe in and out, to record their absence. Time absent from their shift will not be paid.

Section 7 - Rest Periods

There will be no formal rest periods. The parties recognize that every employee will have at least one rest period and that production not be halted during each half shift. Therefore, believing that both aims can be attained, we propose no formal rest periods. We rely on the integrity of all the employees to see that the efficiency of the department is not affected by too many rest periods. Also, that the employees will cooperate in supplying relief when requested. We rely on the good judgement of the supervisory staff to see that rest periods take place, and if conditions permit, more than one rest period in each half shift will be attainable as long as production is not adversely affected. Properly designated smoke areas will be available to all plant personnel.

Section 8 - Operational Flexibility

The parties agree that the Company may implement operational flexibility with self-relief, if appropriate. Local discussion to develop implementation of Plan with the understanding that following local discussions, the Company will have the right to implement such practices of running through breaks and lunch periods.

ARTICLE 9 - OVERTIME

Section 1 - Definition of Regular Straight Time Hourly Rate

The regular straight time hourly rate means an employee's hourly rate as defined in Exhibit "A" Wage Schedule and does not include shift premium.

All hours worked will be paid at straight time rates with overtime rates applicable outside of the scheduled hours of work and for all hours worked on Sunday or a holiday.

Section 2 - Overtime Premium Pay

Any time worked outside of the employee's scheduled hours in accordance with Article 8, shall be paid at the rate of time and one-half (1½) and two (2) times the straight time hourly rate shall be paid for all hours worked in excess of eleven (11) hours continuous work.

Two (2) times the straight time hourly rate shall be paid after five (5) hours worked on a Saturday or between the hours of 11:00 p.m. Saturday and 11:00 p.m. Sunday.

Section 3 - No Duplication of Overtime Pay

Payment of overtime rates shall not be duplicated. (pyramided)

Section 4 – Break Periods

When an employee works more than one (1) hour overtime, a fifteen (15) minute break period will be taken at the regular shift change. All employees on overtime will be granted the regular break and lunch periods as well.

Section 5 - Overtime Distribution

1. The Company will divide overtime work as impartially as is practicable among the permanent employees in the department by **job** classification. If the employees in the job classification refuse, the qualified employee in the department with the lowest overtime hours will be asked.
2. Employees will be credited with all overtime hours worked or refused. Employees who cannot be contacted verbally when overtime is being arranged, will only be charged for hours refused when a supervisor telephones the employee in the presence of a union representative.
3. Departmental overtime lists indicating overtime hours worked or refused will be posted on a weekly basis.
4. The Company will not contact an employee who has worked the 11:00 p.m. to 7:00 a.m. shift before 3:00 p.m. following the shift without first contacting the Union.
5. Employees should **be** informed, if possible, of what job they will be requested to perform on overtime.
6. Employees with the lowest overtime hours in the plant will be given the first opportunity to work any overtime required

outside their department, providing they are capable of performing the work.

7. New employees who have completed their probationary period will assume the average overtime hours in their classification.
8. Commencing January 1 of each year, all overtime hours will revert to zero (0).
9. Students who have completed their 30 day probationary period, will be permitted to work overtime during the basic work week after all permanent employees on shift have been requested to work.
10. A copy of the overtime lists will be made available for the Union Vice-president each week.
11. Anyone on vacation will not be charged for overtime in their absence. Anyone on sick leave or authorized leave of absence for more than one month will assume the averaged overtime hours within his permanent classification.
12. The executive committee (president, vice-president, treasurer and recording secretary) and safety committee members, will not be charged for overtime when on official business.
13. In keeping with all other guidelines regarding overtime distribution, employees working days and midnights will be asked to work overtime Friday, 11:00 p.m. to 7:00 a.m. (complete shift) first, no matter how many recorded overtime hours they have to their credit.
14. When employee's overtime hour totals are equal, seniority will be the determining factor.
15. Employees will cooperate to the fullest possible extent, within reason, to fulfil any overtime work required by the Company. The Union will not interfere with the Company or the employees from carrying out this responsibility.

ARTICLE 10 -WAGES

Section 1 - Rates of Pay

The attached schedule of rates, Appendix "A", states the approved and accepted rates of pay and shall form and become part of this Collective Agreement.

Form of payment will be by Direct Deposit transferred to the employee's account by the opening of business of Thursday of each week.

On a week with a Monday Statutory Holiday, employee's pay will be deposited into their respective bank accounts on the Friday.

Section 2 - Rates for Job Instructors

Job Instructors shall be paid two (2) job levels higher than the rate for the job on which the formal training is being given or two job levels higher than the employee's current permanent rate, whichever is greater, for the actual hours that he or she is assigned as a Job Instructor. An employee acting as a Job Instructor shall receive a minimum of eight (8) hours times the applicable premium.

Section 3 - Rates for Employees Undergoing Training

Employees who are formally training under a Job Instructor shall receive the rate of one job level lower than the rate for the job on which they are being trained for the actual hours that they are being formally trained. In the event of a lateral transfer, there shall be no loss of pay during training.

Section 5 - Lead Hands

Lead hands will receive the rate of two job levels higher than the highest job level assigned under his or her jurisdiction, or two job levels higher than his or her posted rate, whichever is the higher during the period in which he or she is acting as a lead hand.

Section 6 - Call-In Time

Any employee who is called in to work between the hours of 3:00 p.m. and 7:00 a.m. after leaving the plant, shall receive five (5) hours pay at straight time or the applicable overtime rates, whichever is greater. The employee will not be required to do work other than that which necessitated the original call-in. Call-in time ceases two (2) hours prior to the starting time of the employee's regular shift.

Section 7 - Reporting Time

Any employee who reports for work on his scheduled shift shall be provided with a minimum of eight (8) hours work unless previously notified his shift before not to report.

This reporting time section is not applicable if such circumstances are out of the Company's control. In such circumstances, every reasonable effort will be made to notify employees not to report.

Section 8 - Temporary Transfers

An employee who is temporarily transferred to another job position shall be paid the rate of the job he is performing or his own regular rate, whichever is the greater for all hours worked on that *day*.

The above paragraph shall not apply when such transfer is the result of the employee's convenience, relief or lunch breaks.

Temporary transfers will be done in accordance with the terms and conditions of the Memorandum of Agreement that deals with temporary transfers.

Section 9 - Shift Change Notice

In the event that it becomes necessary for Management to change an employee's shift, the Management will, wherever possible, endeavour to give the employee thirty-six (36) hours notice prior to the starting time of the shift to which he is being changed. In the event that it is not possible to give that thirty-six (36) hours notice, the employee shall be entitled to receive pay at the rate of time and one-half (1½) for the first shift worked following the change. The

foregoing thirty-six (36) hour notice shall not apply in the event that the change results from employee convenience, or lay-off.

ARTICLE 11 - HOLIDAYS

Section I - Recognized Holidays

The following holidays shall be granted with pay as provided in this Section:

New Year's Day	Third Friday in February
Good Friday	Victoria Day
Canada Day	Civic Holiday
Labour Day	Thanksgiving Day
Christmas Day	Boxing Day

11 and 12 - Two additional days to be scheduled between the last working day preceding Christmas Day and the first working day following New Year's Day, at the Company's discretion.

If the holiday falls on a Saturday or a Sunday, the preceding Friday or the following Monday shall be considered a holiday. The choice of either the Friday or the Monday will be determined by the Company.

Section 2 - Pay for Unworked Holidays

On each of the above mentioned holidays, employees shall be paid eight (8) hours at their scheduled rate provided they would have worked on this day if it had not been a holiday or eight (8) hours at their permanent posted rate if not scheduled that week subject to Sections 3, 4, and 5 of this Article.

Section 3 - Eligibility for Holiday Pay

An employee shall receive holiday pay if he has worked his last scheduled shift prior to the holiday and his first scheduled following the holiday and the employee has worked sometime within the ninety (90) calendar days preceding the plant holiday.

An employee who is absent due to certified sickness, absent due to an approved leave of absence, or absent due to a lay-off, will be

paid an amount equivalent to holiday pay on his return to active duty, provided he has complied with the conditions set out in this section.

No holiday pay shall be paid to any employee for a holiday following the effective date of a quit or discharge, unless such discharge is reversed through the grievance or arbitration procedure.

Section 4 - Holidays During Vacation

If a holiday occurs during an employee's vacation, the employee will have the option of taking the holiday pay at that time in addition to his vacation pay or he may choose to take an extra day's vacation with pay at a later date during the calendar year, provided this is arranged with Management in advance of the holiday in question.

Section 5 - Pay for Holidays When Worked

When an employee works on a holiday covered by this section, he shall be paid at the rate of one and one half (1½) times his straight time hourly rate for the first five (5) hours and double (X2) time thereafter, in addition to the holiday pay. If an employee agrees to work on such a holiday and fails to report for work on that day, he shall forfeit the holiday pay unless reasonable cause exist.

ARTICLE 12 - VACATIONS

Section 1(a) - Vacation Entitlement

Employees shall receive an annual vacation with pay in accordance with the following schedule for years of service as of May 1st each year:

1 - 3 years of service completed by May 1st - 2 weeks vacation at 4% of his gross earnings to May 1st of that year or eighty (80) hours pay at his posted rate, whichever is the greater.

4 - 8 years of service completed by May 1st - 3 weeks vacation at 6% of his gross earnings to May 1st of that year or 120 hours pay at his posted rate, whichever is the greater.

9 - 17 years of service completed by May 1st - 4 weeks vacation at 8% of his gross earnings to May 1st of that year or 160 hours pay at his posted rate, whichever is the greater.

18 - 24 years (18 - 23 years effective July 1, 2000) of service completed by May 1st - 5 weeks vacation at 10% of his gross earnings to May 1st of that year or 200 hours pay at his posted rate, whichever is greater.

25 years (24 years effective July 1, 2000) or more of service completed by May 1st - 6 weeks vacation at 12% of his gross earnings to May 1st of that year or 240 hours pay at his posted rate, whichever is the greater.

The vacation year is from May 1st to April 30th each year.

Eligibility for vacation purposes will be May 1st of each year except that an employee who is completing his 1st, 4th, 9th, 18th, and 24th year in any vacation year, will receive their additional week of vacation in that particular year on their anniversary date of hire and this additional week must be taken prior to the end of the vacation year in which it became available.

Employees entitled to more than three (3) weeks of vacation may opt to receive vacation pay in lieu of time off for any weeks of entitlement in excess of three (3) weeks, provided it does not interfere with security of others and is used for the purpose of maintaining plant operations.

Vacation Pay

When vacation pay is calculated on a percentage basis, the vacation pay percentage from the previous year is to be excluded for the current year's calculation,

To be eligible for full vacation pay, an employee must have worked a minimum of 850 hours during the vacation year. If not, the employee would only be entitled to vacation pay on the basis of percentage of entitlement for actual hours worked.

Section 1(b) - Vacation Entitlement - Supplemental Vacation Plan

An employee who is eligible to receive vacation with pay and who does not terminate his employment will receive beginning in the vacation year, in which he completes twenty-five (25) or more years of continuous service with the Company and has reached the age of:

- 60 years of age – one (1) week supplemental vacation
- 61 years of age – two (2) weeks supplemental vacation
- 62 years of age – three (3) weeks supplemental vacation
- 63 years of age – four (4) weeks supplemental vacation
- 64 years of age – five (5) weeks Supplemental vacation

in addition to the employee's regular vacation entitlement. The basis for payment of the supplemental vacation plan shall be 2% of gross earnings or forty (40) hours pay at the employee's posted rate, whichever is the greater for each week of supplemental vacation entitlement.

Section 2 - Termination of Employment

On termination of employment, the employee shall be entitled to receive 4%, 6%, 8%, 10%, or 12% of their gross earnings (less taxable benefits) as vacation pay in accordance with the years of service and date of termination. Gross earnings are wages earned from the previous May 1st to the date of termination.

Section 3 - Length of Service

For the purpose of this Article, years of service shall be deemed to mean all of the time worked with the Company or its predecessor. Continuous service is defined as time worked including time covered by approved leave of absence for any reason or by temporary layoff. In the case of layoff it is limited to the employee's recall rights under the seniority provisions of this Collective Agreement.

In order to qualify for vacation and vacation pay, the employee must have been actively employed at sometime during the vacation year. (Weekly Indemnity payment will be cancelled out during the vacation period.)

Section 4 - Vacation Administration Scheduling

The Company shall have the final determination as to when each employee shall take such vacations, but will cooperate in an endeavour to arrange a mutually satisfactory time in accordance with the following procedure,

Prior to January 15th of each year, the Company will determine the vacation groupings for the upcoming vacation year.

Vacation will be picked by group and by seniority (by plant seniority within each group).

Only one employee per group will be off at any one time. This minimum requirement will be addressed each year prior to the vacation schedule being finalized to determine if more than one employee from each group can be allowed off.

Starting February 1st, the employees by group seniority within each group will choose their eighty (80) hours which will be considered their prime time vacation. The three most senior employees in the agreed groupings must select their vacation by February 7th, the next three by February 14th, the next three by February 21st and the balance by February 28th. The vacation list shall remain posted up to and including the last day of the month of February.

The Company will confirm the prime time vacation scheduled by March 15th. On March 15th the list will be reposted and employees will be given the opportunity to select the remainder of their vacations for the year in question. The three most senior employees in the agreed groupings must select their vacation by March 22nd, the next three by March 29th, and the next three by April 5th and the balance by April 12th. The second vacation list will be confirmed by April 19th and once confirmed will be deemed to be finalized.

Employees who are going to be absent during the selection periods have the responsibility to notify the Company prior to their leaving of the hours they would prefer for their selection, and in what order, so that it does not interfere with the selection process of the employees who are junior to them.

Employees who do not book their vacations in accordance with the above procedure shall have their outstanding vacation hours scheduled by the Company no later than April 30th, prior to the commencement of the vacation year in question.

Vacations must be taken in the vacation year in which they are due and cannot be accumulated from one vacation year to the next. Employees entitled to two, three, four, five or six weeks' vacation shall be entitled to take eighty (80) hours vacation during the period of June 1st through to September 15th, in accordance with the above procedure.

ARTICLE 13 - SENIORITY

Section 1 - Definition

There shall be three (3) types of seniority:

- Plant Seniority - is the length of continuous service with the Company at this location from his most recent date of hire. Where two or more employees have the same starting date, their plant seniority will be determined by their order of processing by the Human Resources Department on their date of hire. The order of their names will appear on the seniority list as a result of that processing.
- Department Seniority - is the length of time an employee spends in a particular department only after he has been officially awarded a permanent job posting in that particular department.
- Job Seniority - shall mean the length of time an employee spends on a particular job(s), (see lines of progression), once he has established departmental seniority.

Section 2 - Grounds for Loss of Employment

A permanent employee shall be deemed to have quit for any of the following reasons:

- a) He voluntarily quits the employ of the Company;
- b) He is discharged for just cause and not reinstated pursuant to the provisions of the Grievance and Arbitration sections of this contract;
- c) He is absent for three (3) consecutive working days (excluding Holidays) unless reasonable cause exist;
- d) He does not return to work within three (3) consecutive working days (excluding Holidays) after being recalled by the Company by registered mail or telegram addressed to him at his address last known to the Company, unless reasonable cause exist;
- e) He has been laid off by the Company for a period equal to his plant seniority or twelve (12) months, whichever is less; or, in the case of an employee with ten (10) years of continuous service for a period of twenty-four (24) months.
- f) If he does not report for work upon the expiration of an authorized leave of absence unless reasonable cause exist.

Section 3 - Seniority Lists

The Company will prepare accurate seniority lists and provide the Union with copies as required or upon request of the local Union.

Section 4 - Transfers Outside of the Bargaining Unit

Employees who voluntarily accept a position outside of the bargaining unit shall maintain their accumulated plant seniority and in addition, they shall also maintain their department and job seniority up to the level of the time they accepted the position outside of the bargaining unit for the periods listed below, for the purpose of transferring back into the bargaining unit.

Supervisor's Position	-	six months
Clerical Position	-	three months

Employees who do not return within the allotted time as outlined above, shall forfeit all rights to return to bargaining unit and shall lose all seniority rights and may only be rehired as new employees coming into the bargaining unit provided no one is laid off at the time who are qualified to do the work for which the rehired employee is being hired for.

Employees transferred outside the bargaining unit must pay all delinquent Union dues if they are transferred back into the bargaining unit within the six (6) month or three (3) month period, respectively.

Section 5 - Cutback, Layoff and Recall Procedure

Employees shall be cutback by job seniority first, if applicable, and then by department seniority. Plant seniority will be the governing factor for actual layoffs and recalls. In all cases, the employees affected must have the qualifications to maintain the plant operations.

Section 6 - Notice of Layoff

Employees who are to be laid off shall be notified by the Company as far in advance of the layoff as is practicable, but in any event, no later than the end of the shift preceding the employee's last workday. Should the Company fail to provide such notification, the employee will be paid eight (8) hours at his posted rate in lieu of such notice.

The Union Executive will be notified of any lay off notices the Company has given out.

Section 7 - Temporary Job Posting

When filling temporary replacements in the shipping department and plateroom during vacations, certified sickness and approved leaves of absence in excess of one week by the job posting process. The Company also agrees to select employees required as temporary replacements for posted jobs only and not including entry level positions during periods of certified sickness and approved leaves of absence in excess of two weeks by the job posting process.

The selection will be based on seniority. The employee must have the ability to perform the job after a reasonable training period. Employees selected for the temporary vacancy will hold the posting for one (1) year, after which period the employee may then relinquish the temporary posting. If the employee relinquishes the temporary posting, he may not re-post for that particular posting until a twelve (12) month period has elapsed from the time he gave up the posting in the first place. The employee will maintain his seniority in his permanent lines of progression when the filling of the temporary posting is intermittent.

Should the position become vacant on a permanent basis (permanent job posting) during the time the employee holds the temporary posting, he will be awarded the position on a permanent basis.

Employees selected as temporary replacement will select their vacations in the department to which they have transferred by departmental seniority.

Conditions for Posting

1. Any employee holding a temporary posting on the date a temporary job is posted will not be eligible to post for that position.
2. Any employee frozen in the lines of progression who posts for a temporary backup position must relinquish his frozen rights at such time as twelve months have elapsed from accepting the backup position.

Section 8 - Job Postings

When a permanent vacancy (no recognized incumbent) occurs in a posted position listed below (including entry jobs to the lines of progression), a posting will be initiated throughout the plant. This notice shall indicate the job, rate of pay and qualifications necessary for promotion within that particular line of progression in the case of an entry job, or the qualifications required to do the job being posted for. Such posting shall be for a period of seven (7) calendar days

and the Company shall have the right to make a temporary appointment. Such temporary appointment shall not be considered in determining the qualifications of the applicants during the selection process. The senior applicant who has the qualifications to do the job in question (entry job in the case of line of progression), shall be awarded the permanent job posting.

Any successful applicant will be on trial for a period of five (5) days at work. If the employee proves satisfactory, he will then be confirmed in his new position. If the employee proves unsatisfactory during the trial period, or asks to be returned to his former job position during the trial period, he will be returned to his former job position as will others who are transferred or promoted by reason of the employee's successful application.

The five (5) day trial period does not apply to a successful applicant who is deemed qualified to perform the posted job because they have performed the job at sometime in the past.

Similarly, when an employee requests a lateral move on the same job or another shift, the trial period will not apply.

Employees who are absent for reasonable cause at the time of posting, will be added to the Job Posting List, provided they inform the Company in writing prior to being off, that they want to be added to the job posting applications.

Successful applicants' names will be posted on the bulletin board within forty-eight (48) hours after the period of job posting has expired. Unsuccessful applicants will be given the reasons why they are not selected, if they are senior employees on the posting list.

When a position is posted and there are no applicants applying for the vacancy, the senior General Help on the shift where the vacancy exists will be awarded the position.

Posted Jobs

Corrugator

Truckers

Baler

Warehouseman

Clamp Truck Operator

Pool Person

Presses

Truckers

Press Feeder

Palletizer Operator

Pool Person

Maintenance

Janitor

Shipping Department

Shipper Receiver (Sheet Plant)

Section 9 - Rules Governing Lines of Progression

Job progression is based on the principle that all permanent employees can progress systematically from the bottom job in a department to the more senior positions according to their seniority within each classification.

Lines of Progression are as follows:

Corrugator

Operator

Knifeman

Double Backer

Utility

Slitter Operator

Stacker*

Presses

Operator

Slotterman

Packer*

Shipping Department

Shipper Receiver

Assistant Shipper

Lift Truck Operator*

*Entry jobs filled through temporary job posting

PROMOTION

When a permanent vacancy occurs in a department, employees will move up the lines of progression according to their seniority until the position is filled. The permanent vacancy remaining for the bottom job in the department will be filled through plant-wide temporary job posting.

SENIORITY

An employee who moves over another employee who has frozen and actually performs the functions of the job classification above a frozen employee, shall have the same job seniority date for the job classification he by-passed.

(Example)
LINES OF PROGRESSION

1977	_____	1977

1975	_____	1975
1973	_____	1973

JOB 1971	_____	1971 ENTRY

JOB CLASSIFICATION SENIORITY

FREEZING ON THE JOB

Employees who wish to freeze in a specific job classification must submit to Management for their approval, a written request explaining the reason they wish to freeze on the job. The employee will be allowed to freeze provided it does not interfere with the normal operating of that particular line of progression.

When an employee decides to unfreeze he will notify Management, in writing, and his seniority will be resumed for promotion within the line of progression from that point onward.

Employees who freeze in a job classification shall be protected from a downward bump in that line of progression from employees who have advanced ahead of them while they were frozen only to the extent that their job seniority in that classification permits.

REDUCTION IN WORK FORCE

In the event it becomes necessary to reduce the work force in a job classification, the employee with the least seniority in that job classification will assume the next lower classified position in accordance with his job seniority in that job classification.

DEMOTION

Employees who fail to qualify for a high job classification (after a reasonable training period), will be demoted to their previous job classification for a period of three months. All employees promoted over them during that period will retain their seniority in the higher job classification only. At the end of the three month period, the demoted employee will be given the first opportunity for retraining for a job that becomes available in a higher classification. If they once again fail to qualify for the position, they will be demoted to their previous job classification.

DEPARTMENTAL TRANSFERS

Employees can only transfer from one department to another by answering a plant-wide job posting for the bottom job in a department. Employees who transfer from one department to another through the job posting procedure, relinquish their job and department seniority in the department they left. Employees who are transferred to another department due to a reduction in a work force return to their previous job classification when required.

Employees who are transferred to another department due to a cutback in the work force, shall assume artificial job and department seniority in the new (temporary) department as if they were transferred on at a time, i.e. the junior employee will be transferred out of his permanent department first, and assume seniority in the temporary department, then the next employee, etc. Temporary employees in a department who are absent due to vacation, sick leave, layoff or approved leave of absence, will assume the temporary position held prior to the aforementioned absence. In exercising this artificial or temporary seniority, it will not take precedence over employees who hold official job postings except in the case of plant seniority to avoid layoff.

SCHEDULED MAINTENANCE SHUTDOWN

The Company agrees that, for scheduled maintenance shutdown of equipment, employees of the downed equipment will bump the most junior person within the classification, provided they have the qualifications to do the job where they are bumping to.

For example, an operator would bump the most junior operator on shift. Slotter person to bump the most junior slotter person on shift and the packer will bump the most junior packer on shift.

TEMPORARY TRANSFERS

When a temporary vacancy occurs in a department during the week, the temporary transfer clause will apply, Management will endeavour, however, to fill the vacant position by moving employees up the lines of progression by individual machine.

When a temporary vacancy occurs in a department in excess of one work week, Management will follow the lines of progression, provided the employees involved are capable of performing the work.

TRAINING

Upon the successful completion of an employee's training in a higher job classification, Management will prepare a change notice indicating instruction received and a completion date of training.

Employees who are trained to perform jobs in a higher classification must accept promotion to that classification when it becomes available unless by mutual agreement.

ARTICLE 14 - GRIEVANCE PROCEDURE

Section 1 - Purpose

The purpose of this Article *is* to provide an opportunity for discussion of any request or complaint and to establish a procedure for the processing and settling of grievances as defined in Section 2 of this Article.

Section 2 - Definition

A grievance is defined as any difference between the Company and the Union and/or employees concerning unjust discipline or discharge or a complaint concerning an alleged violation as to the interpretation or application of, or compliance with this Agreement.

Any dispute shall be handled as a grievance in accordance with the procedures described herein.

Section 3 - Procedure

If a grievance arises, every effort will be made to settle the matter quickly under the procedure outlined below. Extensions of time limits requested by either party, at any step in the grievance procedure, must be in writing.

Section 4 - Discharge Cases

An employee who has been discharged may file a grievance with the Company within five (5) working days of the actual discharge taking effect and such grievance will be taken up with the Company commencing at the third stage of the grievance procedure.

Step One:

Within ten (10) calendar days of the incident giving rise to the grievance or within ten (10) calendar days after the affected party became aware of the incident the employee and/or steward will talk over the issue with his supervisor.

This does not preclude the handling of group grievances. The immediate supervisor must then give his oral answer to the grievance before the end of the second workday after the discussion.

If the grievance has not been satisfactorily resolved in Step One, it can be reduced to writing within three (3) working days of the oral answer from the supervisor and the supervisor will have three (3) working days to respond in writing. If not resolved, the grievance may be processed in Step Two.

Step Two:

Within five (5) working days after the answer has been given, the grievance may be submitted to the plant manager. The President and Vice-president of the local and the plant manager will meet at an agreed to time within seven (7) working days following delivery of the grievance to the plant manager. The plant manager will give his answer in writing within five (5)

working days after the meeting between the parties has taken place. If the answer at Step Two is not satisfactory, then:

Step Three:

Within ten (10) working days after the receipt of the plant manager's answer the Union may submit the grievance to the Company's division Human Resources office.

A meeting between the parties to discuss the outstanding grievance or grievances will take place at the earliest possible time but not later than thirty (30) calendar days. A staff representative of the Union may attend this meeting in order to assist in reaching a solution. The Company will give their answer in writing no later than seven (7) working days after the meeting is concluded, If the decision is unsatisfactory to the grieving party, the grievance may be submitted to Arbitration within thirty (30) working days of the delivery of such written decision and the arbitration sections of this Agreement shall apply.

Step Four:

If the grievance is still outstanding at the end of Step Three, the parties may submit the grievance to the Grievance Commission Panel or apply for arbitration as outlined in the Ontario Labour Relations Act. The parties must mutually agree to have the grievance submitted to the Grievance Commission Panel. If no agreement is reached, the grievance will be submitted to arbitration as outlined in the Ontario Labour Relations Act. Such decision must be made within fifteen (15) days of the answer in Step Three.

The Grievance Commission or an Arbitrator shall be governed by the following proviso:

- a) The Grievance Commission or the arbitrator shall hear and determine the subject of the grievance and shall issue a decision which is final and binding upon the parties and upon any employee affected by it.

- b) The Commission or the arbitrator shall determine its own procedure but shall give full opportunity to all parties to present evidence and make representations.
- c) The Commission or the arbitrator shall not have the power to alter or amend any of the provisions of this agreement.
- d) The Commission or the arbitrator shall have power to modify penalties and relieve against non-compliance with time limits.
- e) The Commission or the arbitrator shall have jurisdiction to determine whether a grievance is arbitrable.

Each party shall pay its own costs and the fees and expenses of witnesses or committee members called by it, and of its representatives. The fees and expenses of the Commission or the arbitrator shall be shared equally between the parties.

Section 4 - Union Representation

The Company acknowledges the right of the Union to appoint or otherwise select from among the bargaining unit employees and Union Grievance committee composed of no more than four (4) individuals. The Union will inform the Company in writing the names of the committee members and any changes thereof.

Section 5 - Time Off for Grievance Work

The Grievance Committee will have reasonable time off from their regular work to handle grievances (including attending meetings and investigating grievances) within the plant. They will not lose any **pay** for this time away from their work station.

When a grievance committee member leaves his workstation in the process of carrying out his grievance responsibilities, he must obtain permission from the departmental supervisor of his department, as well as the permission of the departmental supervisor of the department he is entering and such permission will not be unreasonably denied.

ARTICLE 15 - DISCIPLINE RECORDS

When official disciplinary action is taken, a steward or Union committee person shall be present, and a copy of any written disciplinary action shall be given to the Union at the same time it is given to the employee, or in any event within three (3) working days of the meeting.

ARTICLE 16 - UNION REPRESENTATION

Section 1 - Union Executive

The Company acknowledges the right of the Union to elect or otherwise select from among the bargaining unit employees, who are members of the Union, a Union Executive to carry out the functions of the local as they pertain to the Collective Agreement.

Section 2 - Stewards

The Union shall elect, appoint, or otherwise select a maximum of seven (7) stewards to assist employees with matters pertaining to their workplace and their Collective Agreement.

Section 3 - Notification

The Union will forward to the Company a list, in writing, of all officers, grievance committee members and stewards and the Union will keep such list up to date.

ARTICLE 17 - LEAVE OF ABSENCE

Section 1 - Leave for Union Business

Leave of absence, without pay, will be granted to credited representatives of the Local Union provided such time off does not interfere with the operations of the plant. Not more than three (3) employees will be allowed off at the same time and all leaves must be submitted in writing to the Company at least one (1) week in advance of such leave of absence. In the event that a prolonged leave is required, (three (3) months or more), the

employee will not lose any seniority rights, but must maintain his benefit coverage in order to remain covered for the negotiated benefits of the Collective Agreement that exist at the time of the taking of such leave.

Section 2 - Leave for Personal Reasons

Leave of absences without pay for legitimate reasons, may be granted with permission of the Company and such permission shall not be unreasonably withheld for up to three (3) months without loss of seniority.

Section 3 - Bereavement Leave

Reference to days in this section refers to eight (8) hour days if the employee had worked on the day in question.

The employee will be granted a paid leave of absence of three (3) days, five (5) days when death occurs to an employee's spouse (legal definition) and child at the employee's regular straight time rate for eight (8) hours per day, provided such leave is taken within seven (7) days starting with the date of death provided the employee would otherwise have worked on the days in question.

immediate family is defined as: five (5) days for spouse (legal definition), and children; three (3) days, mother, father, sister, brother, father-in-law, mother-in-law, grandparents, grandparents-in-law, sister-in-law, brother-in-law, son-in-law, daughter-in-law, adoptive parents, stepmother, stepfather, foster parents, stepbrother, stepsister and grandchild.

The employee must attend the funeral. In the event that distance prevents the employee from attending the funeral of a member of the employee's immediate family, he or she will be given one day off with pay.

In common-law relationships, the definition of immediate family applies only to the current common-law spouse and the current common-in-law children. Employees must advise the Company of the name of their current common-law spouse and common-

law children in order to comply with this section and only one common-law spouse will be recognized at any one time.

The provisions of this section also apply to stillborn or premature births of the employee or his spouse.

Section 4 - Leave for Jury or Subpoenaed Witness Duty

The Company shall grant a leave of absence without loss of seniority to an employee who serves as a juror or subpoenaed witness in any court. In any matter to which the Company has no detrimental interest, the Company shall pay such employee the difference between his normal earnings and the payment he received from such service, excluding payment for travelling, meals or other expenses regardless of what shift the employee was scheduled to work on such day. The employee will provide proof of service and attendance and the amount of pay and expenses received.

Section 5 - General Rules

1. Employees with less than two (2) years service who are granted a leave of absence in excess of one (1) month, will be required to prepay the full amount of premiums for Group Life Insurance and all other insurance coverage in accordance with the provisions of the Collective Agreement.

Employees with two (2) or more years of service who are granted a leave of absence in excess of three (3) months, will be required to prepay the full amount of premiums for Group Life Insurance and all other insurance coverage in accordance with the provisions of the Collective Agreement.

2. All leave of absences must be applied for in writing.
3. The Company may require an employee to exhaust his normal vacation entitlement before commencing a personal leave of absence.

ARTICLE 18 - HEALTH AND SAFETY

Section 1 - Safety Committees

The Company and the Union agree to cooperate to the fullest extent in promoting safety in the plant and the avoidance of accidents to the employees. The Company further agrees that there will be a joint safety committee in the plant comprised of an equal number of plant members appointed by the Union and members appointed by the Company.

The safety committee will meet once a month, or more frequently, if mutually agreed upon. Written minutes will be kept of these meetings and once approved by the committee, the meeting next following the meeting for which the minutes were taken will be signed by both parties to verify their accuracy before being posted. The Chairmanship of the health and safety committee meetings will alternate annually between the Company and the Union representatives on the committee.

Section 2 - Protective Devices

The Company will supply the appropriate protective devices, safety apparel and equipment necessary to protect employees from industrial injury and industrial health hazards.

The Company will provide one (1) pair of safety shoes for each permanent employee upon the employee producing a receipt of purchase. The Company's contribution will be as follows:-

Effective : July 1, 1999	- \$100
January 1, 2000	- \$110
January 1, 2003	- \$120
January 1, 2005	- \$130
January 1, 2006	- \$140

provided such receipt is equal to or greater than that amount.

The Company will supply overalls to employees when the employee is engaged in abnormally dirty tasks, such as press clean-ups, etc. Other personal wearing apparel will not be paid for by the Company.

The Company agrees to absorb the cleaning bill for employees issued coveralls.

Section 3 - Audiometric Testing

The Company agrees to implement a program of audiometric testing for all employees. Each employee shall be given a copy of the test results. It is understood that Company employees operating audiometric testing equipment are not qualified to give or make a medical diagnosis of an employee's hearing capabilities resulting from such tests. These operators are limited to advising the employee on their interpretation of the test results and recommending the employee consult a qualified medical practitioner when such tests indicate a hearing problem.

Section 4 - Noise Abatement

In the interest of noise abatement, the Company will consider recommendations for improvements in noise levels that are above limits established through internal expertise or by legislation.

ARTICLE 19 - BULLETIN BOARDS

The Company will provide the Union with a bulletin board in the plant with a locking device. The Union will use this space for posting Union notices and official papers. Notices will be posted only by officially authorized Union representatives and will be in keeping with the spirit and intent of this Agreement.

ARTICLE 20 - COPIES OF AGREEMENT

The Company will print the Agreement in booklet form and will give a copy to each employee and a reasonable number to the Union for their use.

ARTICLE 21 - SEVERANCE ALLOWANCE

Should the Company decide to permanently close all or part of the plant and thereby terminate the service of employees, such employees who are terminated will be entitled to a severance allowance, subject to the provisions of this article. An employee must have at least three (3) years of continuous service with the Company to be eligible for any severance allowance. The following table specifies the amount of severance pay an eligible employee will receive.

<u>Full Years of Continuous Company Service</u>	<u>Weeks of Severance Pay</u>
0 but under 3	None
3 or more	One week per year of continuous service to maximum of 26 weeks

A week's severance allowance shall be determined by calculating the employee's average straight time hourly rates for the first four (4) of the last five (5) weeks worked prior to termination and multiplying by forty (40). The above allowance of severance pay will be paid to the employee in a lump sum at the time of termination.

Acceptance of severance pay by the employee will terminate his status as an employee.

Should employees be eligible for government legislated severance pay, they will receive either the government legislated severance pay or the company severance pay, whichever is the greater. Should employees not be eligible for government legislated severance pay they will receive the company severance pay.

ARTICLE 22 - TECHNOLOGICAL CHANGE

Section 1 - Objective

The Company and the Union recognize that technological change, while necessary to the industry, may have an impact on employees. It is the purpose of the following provisions to assist employees in adjusting to the effects of such change.

Section 2 - Definition

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

Section 3 - Required Notice

The Company will advise the Union as soon as possible and in any case not less than ninety (90) days before that introduction thereof, of any technological changes which the Company has decided to introduce that will result in significant changes in the employment status of employees.

Section 4 - Rate Protection

An employee who is permanently setback to a lower paid job because of technological change, will receive the rate for his permanent job at the time of the setback for a period of six (6) months and for a further period of six (6) months he will be paid an adjusted rate which will be midway between the rate for his permanent job at the time of the setback and rate for his new permanent job. At the end of this twelve (12) month period, the rate for his new permanent job will apply.

Section 5 - New or Changed Job Functions

When Section 3 is implemented, there will be a review of the rates and if a function has been substantially changed or a new function or new responsibility is added, a revised or new rate will be established in accordance with established practices.

Section 6 - Training

The Company agrees to discuss with the Union the effect of such technological changes on the employment status of employees and to consider practical ways and means of minimizing the adverse effect on employees displaced by such changes. Such measures as early retirement, retraining and transfer to other existing jobs will be considered where seniority and ability warrant such considerations.

ARTICLE 23 - CONTRACTING OUT

The Company will not contract out repair and maintenance work which is regularly performed by the repair and maintenance crews for which the plant is equipped for which crews are available and which employees are capable of doing.

ARTICLE 24 - MEDICAL CERTIFICATION FEES

The Company will pay medical certification fees by compensating an employee for the fee charged by a physician up to a maximum of:

Effective: July 1, 1999 - \$15.00
 July 1, 2000 - \$20.00
 July 1, 2006 - \$25.00

for the completion of a medical certificate of illness or injury, if such certificate is required by the Company to support an employee's claim for benefits under the weekly indemnity plan. Payment will be initiated upon production of a formal receipt from the attending physician.

ARTICLE 25 - DURATION OF AGREEMENT

This Agreement shall remain in full force for the period of four (4) years from July 1, 2007 up to and including June 30, 2011 and shall continue to operate from year to year thereafter, unless written notice is given by one of the parties to this Collective Agreement to the other.

Either party to this Collective Agreement may within the period of ninety (90) days before the agreement ceases to operate give notice in writing to the other party of its desire to bargain with a view to the renewal with or without modifications of the agreement then in operation or to making a new agreement.

ARTICLE 26 - MEMORANDUM OF AGREEMENT AND LETTERS OF INTENT

The Memorandum of Agreement and Appendices shall form and become part of the Collective Agreement.

ARTICLE 27 - EMPLOYEE'S CHANGE OF ADDRESS

The Company shall not be responsible for giving any notices covered by this Collective Agreement if the employee has failed to leave specific instructions on how they can be reached or if the Company has made a reasonable effort to reach the employee and has failed to do so.

ARTICLE 28 - RATE ADJUSTMENTS

In the event of a significant change in a job function, the Company agrees to discuss with the Union the impact, if any, such change may have on the classified rate of the job.

Should the parties be unable to resolve the matter, it may be referred to the grievance procedure and interest arbitration as outlined in this Agreement.

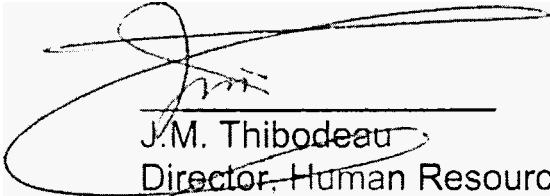
ARTICLE 29 - EMPLOYMENT SECURITY

The Company agrees to provide job security for employees working at the Guelph plant on the seniority list on June 14, 1993.

This assurance is given with the exception of catastrophic loss of business, not including orders being transferred to other Smurfit-MBI plants or illegal interruptions of work.

Signed this 14th day of September, 2007, at Guelph, Ontario.

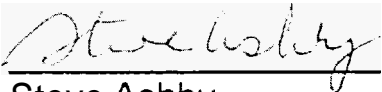
Smurfit-MBI



J.M. Thibodeau
Director, Human Resources
Canada

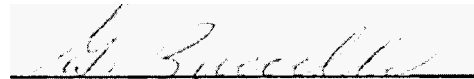


Jared Titchner
Production Manager




Steve Ashby
HR Supervisor Guelph


**INDEPENDENT
PAPEWORKERS OF
CANADA and its LOCAL 69**



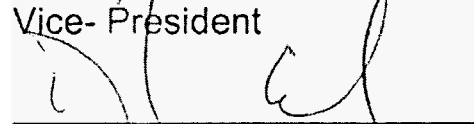
Gary Bucella
General Administrator



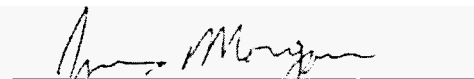
Frank Buczkowski
President



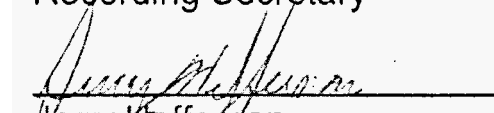
Dave Johnston
Vice- President



Doug Abel
Treasurer



James Morgan
Recording Secretary



Jerry Heffernan
Negotiating Committee

APPENDIX "A"
WAGE SCHEDULE

<u>Job Title</u>	<u>July 1 2006</u>	<u>Lump Sum 2007</u>	<u>2% July 1 2008</u>	<u>2% July1 2009</u>	<u>2% July1 2010</u>
Electronic Technician	29.87	\$1,400	30.47	31.08	31.70
Certified Mechanic "A"	26.29	\$1,400	26.82	27.35	27.90
Mechanic "B"	23.66	\$1,400	24.13	24.62	25.1 ■
Electrician	23.42	\$1,400	23.89	24.37	24.85
Corrugator Operator Flexo Folder Gluer Operator Rotary Printer Die Cutter Plate and Ink Co-ordinator	22.93	\$1,400	23.39	23.86	24.33
Knifeman	22.53	\$1,400	22.98	23.44	23.91
Shipper-Receiver	22.41	\$1,400	22.86	23.32	23.78
Store Room Attendant Slotterman Assistant Shipper - Receiver	22.09	\$1,400	22.53	22.98	23.44
Double Backer Plate Mounter "A"	21.74	\$1,400	22.17	22.62	23.07
Palletizer Operator Lift Truck Operator - Corrugator Lift Truck Operator - Shipping Warehouseman	21.61	\$1,400	22.04	22.48	22.93
Slitter Operator Set Up Man Press Packer Stacker Operator	21.43	\$1,400	21.86	22.30	22.74
Scrap Sorter Press Feeder Plate Mounter "B"	21.08	\$1,400	21.50	21.93	22.37
Janitor Trucker Trucker/Corrugator	20.75	\$1,400	21.17	21.59	22.02
Probationary Rate Relief	20.42 14.95	\$1,400	20.83 15.25	21.24 15.55	21.67 15.87

APPENDIX "B"

GROUP LIFE INSURANCE WEEKLY INDEMNITY EXTENDED HEALTH CARE PLAN DENTAL PLAN

1. Group Life Insurance

- (a) The Company will make available to employees a group life insurance plan that will provide for an employee's designated beneficiary to receive in the event of the death of an employee:

Effective July 1, 1999 - \$30,000.00
July 1, 2000 - \$40,000.00
July 1, 2003 - \$50,000.00
July 1, 2006 - \$60,000.00

- (b) The Company will make available to employees an Accidental Death & Dismemberment Insurance Plan.

This benefit schedule is as follows:

July 1, 1999 - \$15,000.00
July 1, 2000 - \$20,000.00
July 1, 2003 - \$25,000.00
July 1, 2006 - \$30,000.00

Dependent Life Insurance

The Company will provide dependent life insurance at the employee's cost on the following basis:

- A. Spouse - \$5,000.00
- B. Each unmarried child:
- i) 14 days but less than 1 year of age \$400.00
 - ii) 1 year, but less than 21 years (25 years when a full time student), wholly dependent on the employee for support - \$2,000.00

The spouse's life insurance will be reduced \$500.00 upon the employee's retirement and cancelled on his death.

Weekly Indemnity

- a) The maximum weekly indemnity rate will be \$365.00 per week or the U.I.C. maximum whichever is greater.

Note: No retroactivity will be paid to employees on disability at or prior to the date of ratification. Such employees will not become eligible for the increase in benefit until after their return to active employment.

- b) Benefits shall be paid for periods commencing: (1) - in the case of disability due to an accident, on the first full day of disability, or (2) - in the case of disability due to sickness, on the earlier of the first day of hospital confinement or the 4th consecutive day of disability and shall continue to be paid for each week or disability up to a maximum of 26 weeks.
- c) In order to be eligible for these benefits, an employee must be under the care of a licensed physician and furnish written proof of his disability satisfactory to the insurance company.
- d) In the event an employee files a Workers' Compensation Claim, which is contested by the Company, arrangements will be made for the employee to receive weekly indemnity benefits for the period in question. To receive weekly indemnity payments, the employee must sign a waiver form and in the event the claim is accepted by the Workers' Compensation Board, the employee will reimburse the weekly indemnity carrier for the full amount due within five (5) days of receipt of the Workers' Compensation Benefits.

Extended Wealth Care Plan

The Company will provide an extended health care plan (which includes semi-private hospitalization coverage and prescription drugs), for employees with a yearly deductible amount of \$25.00. The employee will be paid 100% of the balance after the \$25.00 deductible (based on the calendar year January 1 - December 31).

The current schedule of chiropractor fees is to be increased as follows:

\$15.00 per visit
\$25.00 x-rays

subject to the current \$300.00 maximum per calendar year. No benefits will be paid while the individual is entitled to similar benefits under any provincial health plan.

To qualify for the increased benefit levels the employee must be actively at work on the effective date of the benefit improvement.

Vision Care

Vision Care expenses incurred by an employee and/or his covered dependents are eligible when recommended by a physician or an optometrist as follows:

Frames, lenses and the fitting of prescription glasses, including contact lenses per family member in any two consecutive calendar years.

Effective July 1, 1999 - \$125.00
July 1, 2000 - \$175.00
July 1, 2006 - \$225.00

Dental Plan

- a) The Company will provide a dental plan for employees. This plan will be the equivalent of the Blue Cross type plan no. 7 with riders no. 1 and 2.
- b) The Dental Care Plan will include Class III procedures in accordance with the following:
 - 1) Orthodontics
 - 2) No deductible
 - 3) Percentage payable is 50%
 - 4) Maximum lifetime benefit per insured family members is as follows:

Effective: July 1, 1999 - \$1250.00
July 1, 2001 - \$1500.00
July 1, 2004 - \$1750.00
- c) Effective January 1 of each year the Dental Care Plan will be payable on the basis of a one year time lag on the Ontario Dental Association schedule of fees.

Premium Costs

Group Life Insurance Extended Health Care Plan Dental Plan

Effective upon signing of the Collective Agreement there will be an introduction of a cost sharing program.

The Company will pay the full premium cost of the above coverages until June 30, 2008.

Starting on July 1, 2008, the Company will pay 85% of the premium cost and the employee will pay 15%.

Starting on July 1, 2009, the Company will pay 80% of the premium cost and the employee will pay 20%.

Starting on July 1, 2010, the Company will pay 75% of the premium cost and the employee will pay 25%.

- Employees on leave will be responsible for making arrangements with management for payment of premiums.

Eligibility

All newly hired employees shall become covered under the life insurance, weekly indemnity, major medical expenses and dental plans on the first day worked in the calendar month following completion of the probationary period.

Group Insurance - Dependents: Definition of Spouse

An employee's "spouse" shall mean either:

- a) A husband or wife, or
- b) An individual of the opposite sex who, immediately prior to applying for coverage, has been residing with the insured employee for a period of not less than one (1) year, provided all prior spouses have been disqualified. Such an individual must also have been publicly represented as husband or wife of the insured employee, but neither the employee nor the individual may be otherwise married.

Note: The preceding provides a summary of the highlights of the plans. Detailed provisions are contained in the Group Insurance Agreement.

Post-Retirement Medical Benefits

Upon signing of the collective agreement, all employees who retire after July 1, 2007 will participate in a cost sharing program.

The Company will pay the full premium cost of Post-Retirement Medical Benefits until June 30, 2008.

Starting on July 1, 2008, the Company will pay 85% of the premium cost and the retiree will pay 15%.

Starting on July 1, 2009, the Company will pay 80% of the premium cost and the retiree will pay 20%.

Starting on July 1, 2010, the Company will pay 75% of the premium cost and the retiree will pay 25%.

APPENDIX "C"

LONG TERM DISABILITY BENEFIT PLAN

1. What is the Purpose of the Plan?

The purpose of this plan is to provide you with an income if you are totally disabled and unable to work for a long period of time. Under the current tax laws the benefits provided are subject to income tax.

Eligibility

All present and future, regular, full time employees under the jurisdiction of the Independent Paperworkers of Canada, Local 69 and who are covered by the Company disability benefit plan and who are under age 65.

Effective Date of Individual Insurance

You will become insured on the day you become eligible.

If you are absent from work due to sickness or accident on the date you would otherwise become insured, your insurance will become effective on the date you return to continuous active full time employment over a 30 calendar day period. If you are absent from work due to lay off when you would otherwise become insured, you will become insured upon recall on reporting to work. The insurance company reserves the right to request evidence of insurability from you upon return from such layoff in order to determine insurability.

Benefits

If you sustain accidental bodily injuries or contract a sickness which results in total disability and you remain continuously so disabled throughout the Elimination Period, the benefit will be payable for each month (one thirtieth (1/30) of the monthly income benefit for each day of any period not constituting a full month) during continuance of such total disability beyond the Elimination Period, but not beyond the benefit insurance. The monthly income benefit shall not commence during a period of layoff or strike until the termination of such layoff or strike. if you are receiving

benefits as provided in the preceding paragraph on the date your policy is discontinued, such benefits shall continue to be payable only while disability remains continuous and uninterrupted.

2. Monthly Income Benefit

50% of the protected person's regular hourly wage multiplied by 2080 and divided by 12, but in no event may the monthly income benefit exceed the following. For employees who commence to receive this benefit after:

July 1, 1999 - \$1600.00
July 1, 2000 - \$1700.00
July 1, 2001 - \$1750.00
July 1, 2002 - \$1800.00
July 1, 2003 - \$1850.00
July 1, 2004 - \$1900.00
July 1, 2005 - \$1950.00

The regular weekly wage of an employee shall be the wage used to determine weekly indemnity benefits.

While receiving benefits under this plan, an employee will continue to accrue pension benefits at not cost to him.

3. Coordination of Benefits

The monthly income benefit shall be reduced by any payment made on behalf of you, under any government disability plan (except increases in such amounts occurring twelve (12) months or more after disablement), Workers' Compensation or any other non-private disability income plan including the Smurfit-MBI retirement income plan.

4. Elimination Period

Twenty-six (26) weeks or until the end of your protection under the weekly disability benefit plan, whichever is the greater.

5. **Duration of Benefits**

Benefits will be paid for one month for each completed month of service prior to the onset of disability while the employee is disabled but cease upon the earliest of the following:

- a) Recover
- b) Attainment of age 65
- c) Retirement

6. **Definition of Disability**

Disability shall mean an insured employee who has received twenty-six (26) weeks of benefit under the Weekly Indemnity Plan and who for up to the next ensuing twelve (12) months is unable, because of disease or injury to work at his regular occupation, and thereafter is unable to perform any and every duty of every occupation in the plant for which he is reasonably fitted by education, training or experience. You must be under the regular care of a legally qualified physician at all times.

7. **Exclusions**

The insurance provided under this policy does not cover:

- a) Any disability covered by a Workers' Compensation Act or similar legislation; or any injury arising out of or sustained by doing any act or thing pertaining to any occupation or employment for remuneration or profit;
- b) Alcoholism or drug addiction unless the employee is undergoing a recognized course of treatment by a specialist in the care and treatment of alcoholism and drug addiction or the employee is undergoing regular rehabilitative treatment approved by the insurer and licensed physician.
- c) Disability or loss (1) while you are on or could be placed on pregnancy/maternity leave, or (2) leave because of failure to meet the length of service requirements during the period of pregnancy/maternity leave that you could be on if you qualified for such leave in accordance with

the Employment Standards Act 1974, Ontario, or any other relevant provincial statutes.

- d) Any act of war whether declared or undeclared or from participation in a riot or civil commotion.
- e) Intentionally self-inflicted injuries while sane or insane.

8. Termination of Coverage

Your insurance shall terminate at 12:01 a.m. standard time on whichever the following dates occurs first:

- a) The date you cease to be within the class of persons eligible for the insurance under the master policy;
- b) The first day of the policy month following the date you attain an age which when increased by the Elimination Period would equal 65;
- c) The date the policy is discontinued, or;
- d) The date you enter an armed service on full time active duty.

9. Premiums

The premium cost will be borne by the Company.

10. Rehabilitation

If you are receiving benefits, you may be asked to undergo reasonable rehabilitative measures. Such rehabilitation will not be introduced without prior consultation with your doctor and will be without cost to you. If you refuse to undertake rehabilitation measures, you may be declared ineligible for benefits.

APPENDIX "D"

PENSION PLAN

The terms and conditions of the pension plan applicable to employees represented by the Independent Paperworkers of Canada - Local 69 are described in Text F of the Pension Plan for Unionized Employees of Smurfit-MBI, (hereinafter referred to as the "Plan"), which is a Pension Plan registered with the appropriate federal and provincial government authorities.

The main provisions of the Text F of the Plan as amended on June 1, 1993, and further amended on July 1, 1999, are summarized in the following paragraphs. It is understood that any Plan change introduced through the present Collective Agreement is subject to the approval of the government authorities responsible for the supervision of the Plan.

1. Eligibility and Participation in the Plan

The participation in the Plan is compulsory for any employee who has completed at least six (6) months of continuous employment with the Company.

Effective upon the signing of the collective agreement, new employees will not be eligible to participate in a Company sponsored pension plan.

2. Employee Contributions

Each member must contribute to the Plan an amount equal to 3.2% of his earnings.

Effective July 1, 2000, each member must contribute to the Plan an amount equal to 4.6% of his earnings. For purposes of this paragraph, earnings mean basic earnings, excluding overtime, taxable benefits, special payments or indemnities and reimbursement of expenses.

Effective July 1, 2008, each member must contribute to the Plan an amount equal to 5.5% of his earnings.

Effective July 1, 2009, each member must contribute to the Plan an amount equal to 6.0% of his earnings thereafter.

3. Normal Retirement Date

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

4. Pension at Normal Retirement Date

The annual pension payable to a member who retires on his normal retirement date is equal to the sum of:

- a) \$480.00 multiplied by his number of years of continuous employment prior to January 1, 1986, and
- b) 1.25% of his Final Average Earnings multiplied by his number of years of continuous employment from January 1, 1986 to June 30, 2000, with proportionate allowance for completed months, during which the member has made the required contributions to the Plan, and
- c) 1.65% of his Final Average Earnings multiplied by his number of years of continuous employment after June 30, 2000, with proportionate allowance for completed months, during which the member has made the required contributions to the Plan.

However, the annual pension payable to a member with respect to his period of continuous employment from January 1, 1986 to May 31, 1993, shall be at least equal to 50% of the contributions made by the member to the Plan during such period.

For purposes of this paragraph, "Final Average Earnings", means the average of the members' earnings during the five years of continuous employment preceding his retirement, during which such earnings were the highest; for purposes of this definition, the term "Earnings" shall be as defined in paragraph 2 above.

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

5. Early Retirement

- a) **A** member may elect early retirement on the first day of any month after his attainment of age 55. The annual early retirement pension then payable, shall be equal to a percentage of the pension calculated in accordance with the formulas described in paragraph 4 above, such percentage being determined from the following table:

<u>Age at Early Retirement</u>	<u>Percentage Applicable if the Member has Completed:</u>	
	<u>At Least 20 years of Age of Continuous Employment</u>	<u>Less than 20 years of Continuous Employment</u>
64	100%	94%
63	100%	88%
62	100%	82%
61	100%	76%
60	100%	70%
59	100%	64%
58	100%	58%
57	92%	52%
56	84%	46%
55	78%	40%

Notwithstanding the above, upon retirement before age 60, if the sum of the member's age and years of continuous employment at the date of retirement totals less than 80, the percentage applicable shall be at least equal to 100% less $\frac{1}{4}\%$ for each month by which the early retirement date precedes the earlier between age 60 and the date as at which the sum of the member's age and years of continuous employment would have totalled 80, had the member continued his employment until such date.

- b) A member who elects early retirement after having attained at least age 58 and completed at least 20 years of continuous employment, shall receive a bridging supplement commencing on his early retirement date and ending on the earlier of the first day of the month following the attainment of age 65 or the first day of the month following the date of his death. The amount of the bridging supplement shall be calculated as follows:
 - i) For a member who retires on or before attainment of age 60, \$36.00 times the number of years of continuous employment not exceeding 30 with proportional allowance for completed months reducing on the first day of the month following attainment of age 60 to \$20.00, times such service.
 - ii) For a member who retires after attainment of age 60, \$20.00, times the number of years of continuous employment not exceeding 30 with proportional allowance for completed months.

6. Form of Pension

- a) Normal Form of Pension: Under the normal form, the pension is payable monthly for as long as the member lives after retirement with the guarantee that should he die before he has received 60 monthly payments, the payments shall be continued to his designated beneficiary until 60 monthly payments in all shall have been made.

- b) Automatic Form of Pension: A member who has a spouse and who is not living separate and apart from his or her spouse on the date of his retirement, shall be deemed to have elected a joint and survivorship pension providing for the continuation of at least 60% of his pension to his spouse after his death unless both the member and his spouse sign a form waiving the election of such option. The amount of the pension payable under this automatic form of pension shall be adjusted so as to represent the actuarial equivalent value of the pension payable under the normal form of pension described in paragraph a) above.
- c) Optional Forms of Pension: A member who does not have a spouse or who is living separate and apart from his or her spouse on the date of his retirement or a member who has a spouse on the date of his retirement but who waived, jointly with his spouse, the automatic form of pension described in paragraph b) above, may elect to receive his pension under one of the following optional forms of pension:
- i) a life pension without any guaranteed period;
 - ii) a life pension with a guaranteed period of 10 or 15 years;
 - iii) a life pension continuing at the rate of 50%, 66 $\frac{2}{3}$ %, 75% or 100% to his designated joint annuitant;
 - iv) a life pension integrated with the Old Age Security pension.

The amount of the pension payable to a member who elects one of the optional forms of pension described above shall be adjusted to represent the actuarial equivalent value of the pension payable under the normal form. The election of an optional form of pension must be in writing on the form prescribed by the Company and must be filed with the Company prior to the normal retirement date or prior to the date on which the pension payments are due to commence, if earlier.

7. Termination of Employment

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

- a) If the member has completed less than two (2) years of membership in the Plan as at the date of his termination of employment, he shall receive a refund of his contributions accumulated with interest to the date of his termination.
- b) If the member has completed at least two (2) years of membership in the Plan as at the date of his termination of employment, he shall also be entitled to a deferred pension commencing on his normal retirement date, equal to his pension determined in accordance with the formulas described in paragraph 4 above.

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

9. Death Benefits

- a) If a member dies before the commencement of his pension, his designated beneficiary (or his estate, if there is no designated beneficiary), shall receive a refund of his contributions with credited interest. However, if the member had completed at least two (2) years of membership in the Plan as at the date of his death, the refund payable in respect of contributions made on or after January 1, 1987 shall be at least equal to the commuted value of the pension accrued in respect of such service plus the portion, if any, by which the contributions made by the member after January 1, 1987 with interest exceed 50% of such commuted value less

any other employer-paid death benefit payable to the recipient of the refund; furthermore, the beneficiary of the death benefits payable in respect of continuous employment after January 1, 1987 shall be the spouse of the member or, if there is no spouse, his designated beneficiary or, if there is no designated beneficiary, his estate.

- b) If a member dies after the commencement of his pension, the benefits payable, if any, shall be determined in accordance with the form of pension elected by the member prior to his retirement.

10. Disability Pension

A member who has completed at least fifteen (15) years of continuous employment and who, becomes through some unavoidable cause, totally and permanently incapacitated, shall be entitled to receive a disability pension under the Plan provided he has not attained the age of 65 and is not in receipt of benefits under any Company sponsored long term disability plan. Such disability pension shall be equal to the member's accrued pension calculated in accordance with paragraph 4 above.

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

APPENDIX “E”

The following pages in Appendix “E” relate to an twelve (12) hour shift operation and will apply for any employee working an twelve (12) hour schedule, or in the case of the plant returning to the twelve (12) hour shift schedule of operation.

ARTICLE 8 - HOURS OF WORK

Schedules will be mutually agreed to between the Company and the Union. If no agreement can be reached, the scheduled will be based on a 3-2, 2-2, 2-3 schedule, 12 hour shifts.

All hours worked will be paid at straight time rates with overtime rates applicable outside of the scheduled hours of work and for all hours worked on Sunday or a holiday.

Section 1 - Definition of Work Week

The "Work Week" is made up of seven (7) days, Sunday through Saturday. For the purpose of this Agreement, Sunday shall be regarded as commencing at 7:00 am. on Sunday morning.

Section 2 - Definition of Day and Work Day

A day is a twenty-four (24) hour period. A work day is twelve (12) consecutive hours of work within the twenty-four (24) hour period.

Section 3 - Hours of Work

The hours of work for seven (7) day twelve (12) hour shift operation will be from:

7:00 a.m. to 7:00 p.m.

7:00 p.m. to 7:00 a.m.

The mutually agreed to schedule will be twelve (12) hours and shall function on a 2-2,3-2,2-3 with Friday off.

Unless changed by mutual agreement between the Company and the Union.

Section 4 - Corrugator Department

Unless otherwise agreed to the Corrugator Crew as a result of continuous operation on the corrugator machine, shall take their lunch period during the first one and one-half (1½) hours starting no later than the end of the fourth (4th) hour of their shift and the second lunch period will be taken during the first hour and one-half starting no later than the eighth (8th) hour of their shift.

Section 5 - Shipping Department

The Shipper-Receiver's hours of work shall be from 7:00 a.m. to 7:00 p.m.

Section 6 - Lunch Periods

A thirty (30) minute paid lunch period will be provided after **(4)** hours of work and a thirty (30) minute paid lunch period will be provided on or around the (8th) hour of work. the actual time of the lunch/break periods will vary depending on production requirements, but the Company shall be responsible to see that the lunch and break periods are commenced in such a way **as** to use the four (4) and eight (8) hour points as benchmarks.

Section 7 - Rest Periods

There will be no formal rest periods. The parties recognize that every employee will have a least one rest period and that production not be halted during each half shift. Therefore, believing that both aims can be attained, we propose no formal rest periods. We rely on the integrity of all the employees to see that the efficiency of the department is not affected by too many rest periods. Also, that the employees will cooperate in supplying relief when requested. We rely on the good judgement of the supervisory staff to see that rest periods take place and if conditions permit, more than one rest period in each half shift will be attainable as long as production is not adversely affected. Properly designated smoke areas will be available to all plant personnel.

Section 8 - Operational Flexibility

The parties agree that the Company may implement operational flexibility with self-relief, if appropriate. Local discussion to develop implementation of plan with the understanding that following local discussions, the Company will have the right to implement such practices of running through breaks and lunch periods.

Section 9 - Seven (7) Day - 24 Hour Continuous Operations

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

In the event the Company decides to do so, the applicable provisions of the Labour Agreement will be amended as follows:

- Two weeks notice is given
- Minimum run of 90 day obligation

General

It is the understanding of the parties that should any changes be required to ensure the commencement of seven (7) day operations, the parties will work together to bring about the smooth implementation of this change with the knowledge that it is the Company's ultimate right to implement the continuous seven (7) day operation only subject to the agreed items of the Collective Agreement.

ARTICLE 9 – OVERTIME

Section 1 - Definition of Regular Straight Time Hourly Rate

The regular straight time hourly rate means an employee's hourly rate as defined in Exhibit "A" Wage Schedule.

All hours worked will be paid at straight time rates with overtime rates applicable outside of the scheduled hours of work and for all hours worked on Sunday or a Statutory holiday.

Section 2 - Overtime Premium Pay

Any time worked outside of the employee's scheduled hours in accordance with Article 8 shall be paid at the rate of time and one-half (1½) and two (2) times the straight time hourly rate shall be paid for all hours worked in excess of eleven (11) hours continuous work.

Section 3 - No Duplication of Overtime Pay

Payment of overtime rates shall not be duplicated. (pyramided)

Section 4 - Overtime Distribution –

1. The Company will divide overtime work as impartially as is practicable among the permanent employees in the department by job classification. If the employees in the job classification refuse, the qualified employee in the department with the lowest overtime hours will be asked.
2. Employees will be credited with all overtime hours worked or refused. Employees who cannot be contacted verbally when overtime is being arranged will only be charged for hours refused when a supervisor telephones the employee in the presence of a Union representative.
3. Departmental overtime lists indicating overtime hours worked or refused will be posted on a weekly basis.

4. The Company will not contact an employee who has worked the 7:00 p.m. to 7:00 a.m. shift before 3:00 p.m., following the shift without first contacting the Union.
5. Employees should be informed, if possible, of what job they will be requested to perform on overtime.
6. Employees with the lowest overtime hours in the plant will be given the first opportunity to work any overtime required outside their department providing they are capable of performing the work.
7. New employees who have completed their probationary period will assume the average overtime hours in their classification.
8. Commencing January 1st of each year, all overtime hours will revert to zero (0).
9. "Relief", who have completed their thirty (30) day probationary period will be permitted to work overtime during the basic work week after all permanent employees on shift have been requested to work.
10. A copy of the overtime lists will be made available for the Union vice-president each week.
11. Anyone on vacation will not be charged for overtime in their absence. Anyone on sick leave or authorized leave of absence for more than one month will assume the averaged overtime hours within his permanent classification.
12. The executive committee (president, vice-president, treasurer and recording secretary) and safety committee members will not be charged for overtime when on official business.
13. When employees overtime hour totals are equal, seniority will be the determining factor.

14. Employees will cooperate to the fullest possible extent, within reason, to fulfil any overtime work required by the Company. The Union will not interfere with the Company or the employees from carrying out this responsibility.

ARTICLE 10 – WAGES

Section 5 - Call-In's for Replacement Overtime

When called in on their day or days off, employees will be paid as follows:

- Sunday - Double time for all hours.
- Saturday - Time and one half (1½) for the first five (5) hours and double time for the balance of the shift.
- Monday to Friday - Time and one half (1½) for the first eleven (11) hours and double time for the last hour.

All Call-In's for replacement overtime will be for a period of twelve (12) hours.

Section 7 - Reporting Time

Any employee who reports for work on his scheduled shift shall be provided with a minimum of twelve (12) hours work unless previously notified of his shift before not to report.

This reporting time section is not applicable if such circumstances are out of the Company's control. In such circumstances every reasonable effort will be made to notify employees not to report.

ARTICLE 11 – HOLIDAYS

Section 1 - Recognized Holidays

All recognized holidays shall be for a duration of twenty-four (24) consecutive hours starting at 7:00 am. of the recognized holiday until 7:00 am. of the following day unless mutually agreed to otherwise.

For the July 1st holiday, the Company and the Union agree to discuss and determine as to when it shall be taken with the understanding that it is preferable to give those that are working a greater number of consecutive days off.

The following holidays shall be granted with pay as provided in this Section:

New Year's Day	Third Friday in February
Good Friday	Victoria Day
Canada Day	Civic Holiday
Labour Day	Thanksgiving Day
Christmas Day	Boxing Day

1 ■ and 12 - Two additional days to be scheduled between the last working day preceding Christmas Day and the first working day following New Year's Day, at the Company's discretion.

Section 2 - Pay for Unworked Holidays

On each of the above mentioned holidays, employees shall be paid twelve (12) hours at their scheduled rate provided they would have worked on this day if it had not been a holiday or twelve (12) hours at their permanent posted rate if not scheduled that week subject to Sections 3, 4, and 5 of this Article.

Section 3 - Eligibility for Holiday Pay

An employee shall receive holiday pay if he has worked his last scheduled shift prior to the holiday and his first scheduled following the holiday and the employee has worked sometime within the ninety (90) calendar days preceding the plant holiday.

An employee who is absent due to certified sickness, absent due to an approved leave of absence, or absent due to a layoff, will be paid an amount equivalent to holiday pay on his return to active duty provided he has complied with the conditions set out in this section.

No holiday pay shall be paid to any employee for a holiday following the effective date of a quit or discharge unless such discharge is reversed through the grievance or arbitration procedure.

Relief people are entitled to Statutory Holiday pay when they meet the following criteria:-

- a) They have completed thirty (30) working days of employment.
- b) They have worked their last scheduled shift prior to the holiday and their first scheduled shift following the holiday and the employee has worked sometime in the ninety (90) calendar days prior to the holiday.

Section 4 - Holidays During Vacation

If a holiday occurs during an employee's vacation, the employee will have the option of taking the holiday pay at that time in addition to his vacation pay or he may choose to take an extra day's vacation with pay at a later date during the calendar year provided this is arranged with Management in advance of the holiday in question.

Section 5 - Pay for Holidays When Worked

When an employee works on a holiday covered by this section, he shall be paid at the rate of one and one-half (1½) times his straight time hourly rate for the first five (5) hours and double (X2) time thereafter, in addition to the holiday pay. If an employee agrees to work on such a holiday and fails to report for work on that day, he shall forfeit the holiday pay unless reasonable cause exist.

Section 6

When a Holiday falls on an employee's scheduled day off, he will have one of the following options:-

- a) Employees may select to take the Holiday Day at a later date.
- b) Employees may elect to take the Holiday Pay.

All Statutory Holidays must be either taken or paid out by December 31st of the year in which they fall.

Should a Holiday fall on a Sunday (Premium Day), employees scheduled to work this day will be paid twelve (12) hours at the premium rate. An employee not scheduled to work on a Premium Day will be paid twelve (12) hours at his regular scheduled rate.

ARTICLE 12 - VACATIONS

Section 1(a) - Vacation Entitlement

All vacation weeks for employees working the twelve (12) hour schedule will be converted to hours of vacation entitlement, i.e. an employee with four (4) weeks of vacation will have one hundred and sixty (160) hours of vacation.

ARTICLE 13 - SENIORITY

Section 6 - Notice of Layoff 12 hours

Employees who are to be laid off shall be notified by the Company as far in advance of the layoff as is practicable, but in any event no later than the end of the shift preceding the employee's last workday. Should the Company fail to provide such notification, the employee will be paid twelve (12) hours at his posted rate in lieu of such notice.

The Union Executive will be notified of any lay off notices the Company has given out.

Section 7 – Temporary Job Posting

There will be one (1) posted backup on each of the four crews for the shipping and plateroom department. The procedure for filling these positions will be by the Back-up job posting procedure.

Section 9 - Rules Governing Lines of Progression

Job progression is based on the principle that all permanent employees can progress systematically from the bottom job in a department to the more senior positions according to their seniority within each classification.

PROMOTION

Once a permanent move has been established, the most senior employee next in line for promotion in the line of progression, if working on the same shift as where the permanent vacancy exists, shall automatically take the move.

If the most senior employee is not working on the same shift as where the permanent vacancy exists, then that employee will be first to be asked if they want to move to the shift where the permanent vacancy (promotion) exists.

If that person refuses the move to the open shift then the person next in line for promotion on the shift where the vacancy exists shall automatically take the move up.

Although the senior person refuses the move because they do not want to cross shifts, they will not be considered frozen in their present position. However, the employee who has taken the promotion shall remain ahead of the person who refused the promotion from that position upward.

ARTICLE 17 - LEAVE OF ABSENCE

Section 3 - Bereavement Leave

Reference to days in this section refers to twelve (12) hour days if the employee had worked **on** the day in question.

The employee will be granted a paid leave of absence of three (3) days, five (5) days when death occurs to an employee's spouse (legal definition) and child at the employee's regular straight time rate for twelve (12) hours per day, provided such leave is taken within seven (7) days starting with the date of death provided the employee would otherwise have worked on the days in question.

Section 4 - Leave for Jury or Subpoenaed Witness Duty

The Company shall grant a leave of absence without loss of seniority to an employee who serves as a juror or subpoenaed witness in any court. In any matter to which the Company has no detrimental interest, the Company shall pay such employee the difference between his normal earnings and the payment he received from such service, excluding payment for travelling, meals or other expenses regardless of what shift the employee was scheduled to work on such day. The employee will provide proof of service and attendance and the amount of pay and expenses received.

For those employees who are summoned for Jury Duty but not selected, the following will apply:

7:00 p.m. to 7:00 a.m. Shift

Prior Shift

Work - 7:00 p.m. to midnight (has to come in)

Pay - midnight to 7:00 a.m.

If not selected:

- if not released within four (4) hours, reports for work at 12:00 midnight and completes shift. Pay for twelve (12) hours.
- if released within four (4) hours, reports for work at 7:00 p.m. Pay for twelve (12) hours.
- Employees are obliged to notify the personnel department immediately upon release.

7:00 a.m. to 7:00 p.m.

- if not selected, to return to work immediately upon release. If employee does not return, does not get paid.

Weekends while serving Jury Duty & not Sequestered

Scheduled for Day Shift - works Saturday & Sunday.

Scheduled for Night Shift - works Saturday & 7:00 p.m. to midnight on Sunday.

