

LABOR AGREEMENT

**THIS AGREEMENT BY AND BETWEEN
SIMPSON TACOMA KRAFT COMPANY
Tacoma, Washington**

and the

**UNITED PAPERWORKERS
INTERNATIONAL UNION
and its affiliated Locals No. 237 and 586**

September 1, 1998 through August 31, 2003

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THIS AGREEMENT by and Between **Simpson Tacoma Kraft Company**, Tacoma, Washington hereinafter referred to as the Signatory Company, party of the first part, and the **UNITED PAPERWORKERS INTERNATIONAL UNION** (an unincorporated association) and its affiliated Locals No. 237 and 586, hereinafter referred to as the Signatory Union, party of the second part, executed as of September 1, 1998.

WITNESSETH:

SECTION 1 - GENERAL PURPOSE OF AGREEMENT:

- 1.01 The general purpose of this Agreement is, in the mutual interest of the employer and employee, to provide for the operation of the plant hereinafter mentioned under methods which will further, to the fullest extent possible, the safety, welfare and health of the employees, economy of operation, quality and quantity of output, cleanliness of plant and protection of property. It is recognized by this Agreement to be the duty of the Company and the employees to cooperate fully, individually and collectively, for the advancement of said conditions.
- 1.02 Management of the Signatory Company agrees to explain fully the terms of this Agreement to all officials, foremen and the others engaged in a supervisory capacity.

SECTION 2 - RECOGNITION:

- 2.01 Simpson recognizes the United Paperworkers International Union acting as the sole collective bargaining representative for all employees performing production work listed in the wage schedule of this agreement, but does not include employees engaged as clerical or professional employees, security or supervisory employees as defined by the N.L.R.A. sales, engineering, drafting, research or technical occupations requiring professional training. Such recognition is limited to employees of Simpson working at the facilities of the Simpson Tacoma Kraft Company located at 801 Portland Avenue, Tacoma, Washington, and no others.
- 2.02 In the hiring of the employees, the Signatory Company will give preference to former employees who are qualified to perform the work available.
- 2.03 All employees shall, as a condition of employment, become and remain a member of the Signatory Union on or after the thirtieth day following the beginning of such employment, or the effective date of this Agreement, whichever is the later. The period of thirty days named above may be extended, as to any individual employee, by mutual agreement between the Local Union concerned and the local management of the Signatory Company.

In the event that the Local Union and the local management do not agree as to the propriety of any such extension, the extension may be made by mutual agreement between the Signatory Union and the Signatory Company. Any such extension shall be for the purpose of avoiding hardship or inequity to the employee concerned, and for promoting the general purpose of this Agreement.

2.04

The Signatory Union, or its Local Union involved, may request the Signatory Company to discharge an employee on account of his or her failure to comply with the provisions of this Section 2. Any such request shall be in writing and shall include written evidence offered in support thereof, and copy shall be delivered to the Company and the employee involved. Within ten days after receipt by both the Company and the employee of such request, and after the Company has held a hearing, if demanded by any affected party, the Company shall determine and, in writing, notify the Union and employee of its finding. If such findings be adverse to the employee, he or she shall thereupon be discharged, effective as to the commencement of his or her next shift. Should Simpson discharge any employee at the direction of the Union and findings later indicate that the discharge was incorrect, the Union will hold the company harmless for any subsequent penalties or back pay liability that may result.

2.05

This recognition clause shall not be construed to alter any party's rights regarding the transfer of work or contracting out of work.

SECTION 3 - PAYROLL DEDUCTION OF UNION DUES:

3.01

Upon the filing with the Signatory Company, by the Financial Secretary of the Local Union, of a written authorization, in form satisfactory to the Company, signed by any individual employee who is a member of said Local Union, the Company during the life of this Agreement shall deduct from the wages due such employee the amounts specified in said authorization on account of Union initiation fees and dues. Each such authorization shall be irrevocable until the termination date of this Agreement or until one year from the date of the authorization, whichever occurs sooner. The authorization shall thereafter remain in force until revoked by the employee by written notice to the Company.

3.02

The Financial Secretary of the Local Union, or an authorized representative of the Local Union, whose authorization has been filed in writing with the Company shall certify to the Company (1) that he has witnessed the employee's signature of the authorization, and (2) that the Signatory employee is a member of the Local Union, and (3) the amount of regular dues to be deducted, which may be revised only by written notice from the Financial Secretary given in advance to the Company.

3.03 The Signatory Company shall pay over to the Financial Secretary of the Local Union the amount of deductions made in accordance with authorization filed and shall receive therefore the written receipt of the said Financial Secretary in the name of the Local Union. The details as to making of deductions and payments of same to the Local Union shall be arranged by the said Financial Secretary and the Signatory Company in such manner as most conveniently fits into the established payroll procedures of the Company and results in payments to the Local Union once a month or oftener.

3.04 Any deductions made by the Company under the provisions of this Section shall be deemed trust funds until remitted to the Local Union, but such funds need not be kept separate from the Company's general funds. The Signatory Union agrees the Company shall be saved harmless with respect to all deductions made and paid to its Local in accordance with the provision of this Section.

SECTION 4 - JURISDICTION:

4.01 It is understood that the Signatory Company will not be asked to act upon any question regarding jurisdiction which may arise between the Signatory Union and any other Union affiliated with the American Federation of Labor and Congress of Industrial Organization.

4.02 This section recognizes that there are many cooperative work practices existing under the current Labor Agreement. This section is not meant to change those existing practices, but to enhance the current practices to ensure the efficient operation of the mill.

4.03 The Company and the Union will form a committee made up of representatives of the Company and the Union to meet periodically and discuss ways to enhance the use of this section and discuss concerns about the use of this section prior to utilizing the formal grievance procedure. If there is an issue of dispute the committee will try and resolve the dispute in accordance with the intent of this Agreement. If the committee cannot resolve the dispute, the issue may be submitted to arbitration by either party, without going through the grievance procedure. It is understood that the committee may involve others who may contribute to the resolution as they mutually decide. During the period of any dispute the Company agrees not to continue or implement the disputed practice.

4.04 Although employees will be expected to work primarily in their regular jobs, employees will be expected to assist each other, and

perform work outside of their regular assignment anywhere in the mill to the extent their skills permit, in order to mitigate immediate safety risks, quality problems, environmental disruptions, or production loss. Employees temporarily assigned to other work under this paragraph will not be replaced on their regular jobs, unless the assignment is necessary in order to provide skills which are not available without the assignment.

4.05 An employee whose regular job is not operating may be assigned to any other work within their Union's jurisdiction for which they are qualified. Employees will be assigned to work outside of their jurisdiction with their consent. Extra Board employees may be assigned to any other work without regard to Union jurisdiction.

4.06 It is understood that all employees are expected to assist other employees as needed to the extent their skill and availability allows, in the preparation and performance of maintenance repair.

4.07 Employees will not receive formal training in order to be assigned under this section. Employees may receive minimal training and orientation in order to complete necessary work and work safely. Employees will not be disciplined for improper work when assigned to work for which they have not received the necessary training.

SECTION 5 - NO INTERRUPTION OF WORK:

5.01 It is expressly agreed that during the term of this contract there shall be no work slowdowns, stoppages, strikes, or sympathy strikes nor picketing of any kind or form whatsoever; these no-strike provisions shall be broadly construed to prohibit all strikes by employees, no matter the reason for the strike. It is agreed there shall be no lockouts by the Signatory Company during the period of this Agreement.

5.02 In the event that in violation of the provisions of the preceding paragraph, a strike, walkout, or other interruption of work shall occur in the mill of the Signatory Company, neither the Signatory Union nor the Local Union shall be subject to financial liability for such violation provided that the Signatory Union and the Local Union involved immediately after the beginning of such violation shall have (1) publicly declared such action a violation of this Agreement, and (2) in utmost good faith used its best efforts to terminate such violation, it being further agreed that any employee participating in such violation shall in the discretion of the Signatory Company be subject to immediate discharge or other disciplinary action.

SECTION 6 - HOLIDAYS:

6.01 There shall be fourteen (14) holidays during each year, namely:

Designation	(Hrs.)	Starting Time	Ending Time	Restricted
Memorial Day	24	8:00 a.m.-Memorial Day	8:00a.m.-Day After	no
July 3rd	24	8:00a.m.-July 3	8:00a.m.-July 4	no
Independence Day	24	8:00a.m.-July 4	8:00a.m.-July 5	no
Labor Day	24	8:00a.m.-Monday	8:00a.m.-Tuesday	no
Thanksgiving Day	24	8:00a.m.-Thanksgiving	8:00a.m.-Friday	no
Day After Thanksgiving	24	8:00a.m.-Friday	8:00a.m.-Saturday	no
Day Before Christmas	24	8:00a.m.-December 24	8:00a.m.-December 25	no
Christmas Day	24	8:00a.m.-December 25	8:00a.m.-December 26	no
Day After Christmas	24	8:00a.m.-December 26	8:00a.m.-December 27	no
New Year's Day	24	8:00a.m.-January 1	8:00a.m.-January 2	no
Floating Holidays (4)	24	8:00a.m.-Day Selected	8:00a.m.-Day After	no

6.02 Employees who work four (4) or more consecutive hours during the July 3, Independence Day holiday period shall be given one additional floating holiday. Employees who work four (4) or more consecutive hours during the December 24, 25 and 26 holiday period shall be given one additional floating holiday.

6.03 In each department, the time of ending of each holiday specified above, shall be varied from the 8:00 a.m. above prescribed whenever necessary to coincide with the time nearest to 8:00 a.m. which is the regular starting time for the day shift in such department; and in the cases where such variation is so made, the starting time shall be correspondingly varied to comply with the prescribed length of the holiday. The time of starting and ending each holiday, in addition to any variation which occurs pursuant to the preceding sentence, may be further varied by mutual agreement of the management and the Union Standing Committee.

6.04 Subject to compliance with all the conditions set forth below, an employee who is on the payroll of the Signatory Company on any one of the holidays listed in this Section will be granted eight (8) hours holiday pay at the straight time rate of the job plus such additional compensation to which he is entitled under other sections of the Agreement.

6.05 The employee must have been on the payroll for not less than ninety (90) days just preceding the holiday, and must have worked at least 260 hours during such ninety days, provided, any employee whose failure to so work 260 hours caused by curtailment of operations, shall nevertheless be deemed to be in compliance herewith if he has been on the payroll of the Signatory Company for the one hundred and eighty (180) days

just preceding the holiday and has worked at least 520 hours during such 180 days, and

6.06 The employee must have worked his scheduled work day before and his scheduled work day after such holiday, unless failure to work his scheduled workday before or after the holiday was due to any of the following events:

6.07 (a) When the employee is on his regularly authorized paid vacation;

6.08 (b) When the employee is unable to work by reason of an industrial accident as recognized by the Worker's Compensation Board provided such Holiday occurs within twenty-four (24) months or until weekly workers compensation benefits cease, whichever occurs first.

6.09 (c) When the operation in which the employee is engaged is curtailed or discontinued by the decision of management and which curtailment or discontinuance changes or eliminates the employee's scheduled workday before or his scheduled workday after such holiday;

6.10 (d) When a trade in shifts agreed upon between employees and approved in advance by management results in a temporary change of the scheduled workday before or the scheduled workday after a holiday, provided the employee works the shift agreed upon;

6.11 (e) When bona fide sickness or bona fide compelling reasons beyond the control of the employee prevents the employee from working all or part of his scheduled workday before or his scheduled workday after a holiday, provided the employee affected, or the Local Union in his behalf, brings the case to management's attention within a reasonable time and management approves such reasons as being bona fide and beyond the control of the employee;

6.12 (f) When the employee prior to a holiday has made a written request to be excused from working all or part of his scheduled workday before and/or after such holiday and has received the written approval of management. Failure to grant approval will not be subject to the adjustment procedure but the Union Standing Committee may discuss with the Company any action which appears to it to be discriminatory.

6.13 It is understood and agreed, however, that an employee shall not receive the holiday pay provided above in 6.04 of this section if he is directed to work on his regular job (or relief job if he is then working on a relief job) on such holiday and fails or refuses to work, except in the case where a bona fide sickness or other bona fide reason approved by management prevents his working on such holiday.

6.14 In the event an employee has established his Floating Holiday with his supervisor, and then is required to work that day due to production requirements, he shall be allowed to reschedule the holiday or receive time and one-half plus holiday pay at the discretion of the employee. Employees will not be required to receive pay in lieu of scheduling a future holiday, provided the employee requests a scheduled Holiday in accordance with the paragraph below.

6.15 Any floating holidays not scheduled or taken by the end of the contract year will be paid to the employee at the rate of eight (8) hours straight time rate.

6.16 Once a floater is approved by management, it will not be changed by management unless for emergency reasons.

6.17 Requests for a floating holiday submitted between April 1st to May 1st will be given seniority preference. Requests after May 1st will be received forty-five (45) days or less prior to the date to be taken. Such requests will be granted on a first-come, first-serve basis. Approval for a day off will be given at least thirty (30) days in advance.

SECTION 7 - WAGES:

7.01 Wage rates in accordance with Exhibit A, attached hereto and made a part hereof, shall be paid.

SECTION 8 - HOURS OF WORK:

8.01 Both parties to this Agreement are committed to maintain, but not guarantee, the principle of a basic work week of forty (40) hours in the Signatory Mill; but agree that additional time may be worked to permit the operation or protection of the mill when paid for as shown in Exhibit A.

SECTION 9 - DEFINITIONS:

9.01 Whenever used in this Agreement, including Exhibits, the male noun or pronoun is used to include the female noun or pronoun, where applicable, and:

9.02 The words REGULAR EMPLOYEE mean an employee filing a position listed in Exhibit A on a regular scheduled basis or an employee regularly employed in a utility capacity, unless such employee has been personally notified in writing that his employment is extra, temporary or probationary.

9.03 The words TOUR WORKERS mean employees when engaged in operations scheduled in advance for at least twenty-four (24) hours continuous running, it being understood, however, that if a tour worker is temporarily assigned to work not connected with the continuous operations on which he is usually employed, his status as to tour or day worker during such temporary assignment is determined by the nature of such assignment. All other employees are considered day workers.

9.04 EXTRA BOARD EMPLOYEES are those employees who are hired for no specific positions and may be assigned to any position as a temporary replacement to supplement regular employees within the Company to perform temporary work either as a day worker or as a Tour Worker.

9.05 The word DAY means a period of twenty-four (24) hours beginning at 8:00 a.m., or at the regular hour of changing shifts nearest to 8:00 a.m. in the particular mill.

9.06 The word WEEK means a period of seven (7) consecutive calendar days beginning at 8:00 a.m. Monday, or at the regular hour of changing shifts nearest to 8:00 a.m. on Monday.

9.07 The words LOCAL UNION mean the Local of the Signatory Union concerned in which employees of the Signatory Company are members and which shall act as the representative of the Signatory Union in the performance of those provisions of this Agreement which provide for action by a Local Union.

9.08 The words UNION STANDING COMMITTEE mean a committee appointed by a local union which shall represent the Local Union concerned in the performance of those provisions of this Agreement which provide for action by a Union Standing Committee.

SECTION 10 - SCHEDULING EMPLOYEES' WORKING TIME AND DAYS OFF:

10.01 In scheduling employees' working time and days off, the Company will comply with the following obligations and restrictions:

10.02 The Company shall assign two (2) days off each week for each

regular employee, except where this is inconsistent with the schedules involved, in which case, one (1) day off shall be assigned. The Company shall make reasonable and diligent effort to so arrange schedules that the designated day off of any employee and any scheduled day off for the same employee shall be consecutive. DESIGNATED DAY OFF means the second day off in a week when applied to an employee who has two assigned days off in that week and means the single-assigned day off when applied to an employee who has one assigned day off in that week. SCHEDULED DAY OFF means only the first day off in a week when applied to an employee who has two assigned days off in that week.

10.03 An employee transferred after the start of the week, from one job or shift or schedule to another, shall, solely for the application of the Call Time and Overtime provisions, retain his assigned day or days off but only for the remainder of that week. This provision does not apply to Extra Board employees who will be scheduled for two (2) days off within each work week. The first day off will be considered the Scheduled Day off and the second (2nd) day off will be considered the Designated Day off.

10.04 The Company will not, solely for the purpose of avoiding the payment of overtime, change the day or days off of a regular employee in a week in which a holiday specified in Section 6 occurs.

10.05 An employee who has been required to work on his assigned day or days off shall not be laid off on one of his scheduled workdays in the same week solely for the purpose of limiting his hours of work to forty (40).

10.06 When an employee is off work due to a shutdown of his job, department, or plant extending for not less than forty-eight (48) hours in excess of that normally encountered in his projected work schedule, the assigned days or days off previously applicable to such employee shall not be in effect.

10.07 When the weekly crew schedule is prepared, hourly employees will not be scheduled as relief supervisors, or on special projects, if in doing so overtime is assigned to fill vacancies in the line of progression.

SECTION 11 - ALLOWANCE FOR FAILURE TO PROVIDE WORK:

11.01 In case any employee reports for work, whether it be one of his regular days, or on his days off, having been ordered to report for such work, and then no work is provided, he shall nevertheless receive three (3) hours pay for so reporting, provided, however, that if there has been insufficient time for notification of the

employee by the employer or if the employer has been unable to notify the employee after making a reasonable effort, no allowance for so reporting shall be paid.

11.02 In any day where an employee has commenced work on his regular scheduled shift, he shall receive a minimum of four (4) hours pay, at straight-time rate, except in cases of breakdown, accident, or interruption of power. This exception shall not apply to employees commencing work on any shift beginning later than eight (8) hours after the discovery of the breakdown, accident or interruption of power.

11.03 **Note:** It is agreed that, in case of power or equipment failure, the Company is to provide work for employees or notify them as to the duration of interruption or the time for resumption of operation. In the latter case, Call Time will be paid to employees who are not provided with work or who are not held on the job and are recalled to work during the same day.

SECTION 12 - CALL TIME:

12.01 Regular hourly-paid employees will be paid three (3) hours Call Time at the straight-time day rate in addition to the actual hours worked, subject to the following conditions:

12.02 Call Time will be paid if, in accordance with instructions from management, an employee works on his designated day off as defined in Section 10 and Section 11, subject to the following exceptions marked (1), (2) and (3):

12.03 (1) When an employee works beyond his shift into his designated day off for a period not to exceed four (4) hours, no Call Time is payable.

12.04 (2) When an employee starts his following day's work within his designated day off, no Call Time is payable if the period of work within the day off does not exceed two (2) hours and if at least thirty-six (36) hours notice thereof has been given prior to the start of such work.

12.05 (3) No Call Time will be payable if thirty-six (36) hours advance notice is given of the required work assignment.

12.06 Call Time will be paid if, in accordance with instruction from management, an employee works on a scheduled day off as defined in Section 10 and Section 11, subject to the following

exceptions marked (1) and (2):

- 12.07 (1) When an employee works beyond his shift into his scheduled day off for a period not to exceed four (4) hours, no Call Time is payable.
- 12.08 (2) No Call Time will be payable if thirty-six (36) hours advance notice is given of the required work assignment.
- 12.09 Call Time will be paid if, in accordance with instruction from management, an employee punches out, either during or at the end of his regular shift and reports for work again in the same day subject to the following exceptions marked (1), (2) and (3):
- 12.10 (1) When the additional period of work in the same day results from a reasonable meal period, no Call Time is payable.
- 12.11 (2) When the additional period of work in the same day results from a single recall during a shift after a suspension of work of one hour or more due to a failure of equipment or interruption of power, no Call Time is payable.
- 12.12 (3) When the additional period of work in the same day extends into the starting time of the employee's established shift on the following day, no Call Time is payable if the period of work within the same day does not exceed four (4) hours and if at least thirty-six (36) hours notice thereof has been given prior to the start of such work.
- 12.13 Call Time will be paid if, in accordance with instructions from management, the starting time of an employee's work is changed to a new starting time either earlier or later than the previously established starting time subject to the following exceptions marked (1), (2) and (3):
- 12.14 (1) When notice of the change in starting time is given at least thirty-six (36) hours prior to the newly established starting time, no Call Time is payable.
- 12.15 (2) When the change in starting time is for a temporary period only, no Call Time is payable for the second change in starting time when the employee changes back to his previously established starting time at the end of the temporary period.
- 12.16 (3) When the change of starting times is made to Extra

Board employees.

- 12.17 It is agreed that the starting time of an employee's work may be changed at any time by the management.
- 12.18 It is further understood and agreed that in the payment of Call Time on the basis provided in this Section, not more than one basis shall be used to cover the same period of work, nor will Call Time be added to or paid in lieu of allowance payable under Section 12 or Section 13.

SECTION 13 - ALLOWANCE TO TOUR WORKERS: Changes - Fourdrinier Wires and Clothing

- 13.01 Tour workers who put on Fourdrinier wires, and/or clothing, shall be paid for the time worked plus four (4) hours, but no less than a total of four (4) hours on any one wire.
- 13.02 All machine wash-up done preparatory to putting on such a Fourdrinier wire and/or clothing shall be construed as clothing or wire time and paid for as such.
- 13.03 In cases where more than one machine is involved, the above allowance shall be paid for each machine.
- 13.04 Pay for the allowance time provided above shall be figured at straight time even though the actual time worked is paid for at the overtime rate.
- 13.05 Provisions of this article will apply to tour workers assigned as day workers.

SECTION 14 - STARTING AND STOPPING WORK OF TOUR WORKERS:

- 14.01 When a tour begins, each tour worker is required to be in his place. At the end of a shift, no tour worker shall leave his place to wash up and dress until his mate has changed his clothes and reported to take on responsibility of the position. If a tour worker does not report for his regular shift, his mate shall notify the foreman. He shall then remain at his post until a substitute is secured and, if necessary, he shall work an extra shift. It is the duty of a tour worker to report for his regular shift, unless he has already arranged with his foreman for a leave of absence. If unavoidably prevented from reporting, he must give notice to his foreman or at the office at least four (4) hours before his tour goes on duty.

SECTION 15 - STARTING AND STOPPING WORK OF DAY WORKERS:

15.01 Day workers shall be at their respective posts ready to begin work at the time their pay starts and shall not quit work in advance of the time their pay stops. For example, if a mechanic's pay time is from 8:00 a.m. to 12 noon, and from 1:00 p.m. to 5:00 p.m., he shall be at his post ready to work at 8:00 a.m. and 1:00 p.m. and shall not quit work until 12 noon and 5:00 p.m.

15.02 Where employees have scheduled lunch and rest breaks, such scheduled periods may be changed to meet operating conditions and rescheduled at a different time as soon as possible.

15.03 Employees are normally not expected to leave plant premises after the start of their scheduled shift. Should it be necessary to leave the plant during lunch or rest periods, employees will inform their supervisor prior to leaving and punch out and back in on the time clock.

SECTION 16 - HIRING, WARNINGS, SUSPENSIONS AND DISCHARGE:

16.01 The Company has the sole right to hire, discipline, and/or discharge any employee. Simpson agrees to exercise its right to discharge and discipline when it has just cause. If any employee or the Union feels that a discharge is unjust, it may request to take the matter up with his supervisor within seven (7) calendar days following the discharge or the date Union notification is made whichever is later. If the issue has not been resolved within five (5) workdays, the employee or Union may proceed to utilize the grievance and arbitration sections commencing at Step II of the procedure.

16.02 The Company reserves the exclusive right to establish reasonable company working rules which shall be binding on all employees when they are reduced to writing and posted on specified bulletin boards. New rules, or changes in rules, may be subject to discussion between the Union Standing Committee and Local management. In case of disagreement, the grievance procedure may be used.

16.03 The following are examples of causes of immediate discharge, but this listing is not meant to be all inclusive and is subject to change in accordance with the provisions of this Agreement.

16.04 (1) Possession, sale, or use of dangerous drugs or narcotics, or drinking related to employment.

16.05 (2) Disobedience.

16.06 (3) Smoking in prohibited areas.

16.07 (4) Deliberate destruction or removal of Company's or another employee's property.

16.08 (5) Negligence.

16.09 (6) Refusal to comply with posted Company rules.

16.10 (7) Disorderly conduct.

16.11 (8) Falsification of Company records or information used to obtain benefits.

16.12 (9) Giving or taking a bribe of any nature, as an inducement to obtaining work or retaining a position.

16.13 (10) Failure to report for duty without bona fide reasons.

16.14 (11) Sexual harassment or harassment calculated to inflict mental anguish or distress to fellow employees or other persons having a business relationship with the Company.

16.15 Discharge or suspension of an employee (not including a temporary layoff) shall be based on just and sufficient cause with full explanation given to the employee in writing. The Standing Committee of the Local Union will be notified of the discharge or suspension as soon as possible following the action taken.

SECTION 17 - BULLETIN BOARDS:

17.01 The employer shall supply adequate enclosed official bulletin boards for the use of the Signatory Unions in posting of officially signed bulletins.

SECTION 18 - SAFETY:

18.01 Employees and Signatory Company are to comply with all safety rules as established by the Company from time to time.

18.02 Supervisors are to confine their instructions and procedures within the generally accepted standards of safe practices.

18.03 The Local Union and the Company shall cooperate in selecting one or more safety committees which will meet at least once a month to consider all safety problems and safety rules.

18.04 After one (1) year on the payroll, the Company will pay up to \$75 toward the purchase of safety shoes per contract year. Such shoes may be purchased through the mill safety shoe program or

through any vendor chosen by the employee provided that the shoes purchased meet the standards established by the Company. In order to be reimbursed, the employee will be required to provide proof of purchase.

- 18.05 Effective September 1, 2000 the Company will pay up to \$100 toward the purchase of safety shoes per contract year.
- 18.06 It is understood that working more than sixteen (16) continuous hours is not desirable to maintain a safe working environment and will be avoided if possible. If it is necessary to work more than sixteen (16) continuous hours an employee will be relieved upon the employee's request or when the supervisor believes the employee cannot perform the work in a safe manner.

SECTION 19 - SENIORITY:

- 19.01 In promotions and layoffs, the principles of seniority will govern, qualifications considered. In any case of promotion, layoff, or reemployment, the Union Standing Committee shall be consulted by the management and be privileged to present recommendations which will be considered by the management prior to the decision by the management. In cases where time does not permit such prior consultation, the management shall take temporary action only, until recommendations of the Union Standing Committee can be obtained. Management shall give the Union Standing Committee written notice in each instance in which it, without the agreement of the Union Standing Committee, decides to and does promote, layoff or reemploy, out of seniority, on the ground that a senior employee is not qualified. The Local Union may pursue a complaint as the management's evaluation of qualifications provided that within ten (10) days after receipt of such written notice of management's decision, Local Union gives written notice to management that it desires consideration of the complaint by the Mill Manager and the Local Union concerned. If a satisfactory settlement is not reached at that level, the Union may carry the issue through all further steps in the manner and under the provisions of the Agreement covering adjustment of complaints.
- 19.02 The following seniority program shall be applied:
- 19.03 When a temporary layoff of regular jobs occurs lasting more than seven (7) work days, or is anticipated to last more than seven (7) work days, the junior employees in the mill will be the first to be laid off. Beginning on the 8th day or at the usual time for scheduling the week's work, employees, whose jobs are being curtailed will use their mill seniority to bump junior mill employees provided they are qualified to perform the work.

- 19.04 When a permanent layoff of regular jobs occurs the following curtailment procedures will apply:

- 19.05 If the curtailment is in the Paper Mill, employees whose jobs are to be curtailed may use their progression seniority to displace the junior employee in order of jobs previously held within the progression ladder. Employees who do not have enough seniority to stay in the progression ladder will use their Paper Mill seniority to bump the junior employees from the Paper Mill bid positions. Employees who do not have enough seniority to stay in the Paper Mill will bump the junior employees on the Extra Board. Employees who are displaced from the Paper Mill Extra Board may displace the junior employees on the combined Mill Extra Board. While on the Extra Board, Paper Mill employees will use their total mill service for non-bid purposes. For bid purposes in the Paper Mill their Paper Mill seniority plus combined Mill Extra Board seniority will be used. For bid purposes in the Pulp Mill only their combined Mill Extra Board seniority will be used.

- 19.06 If there is a permanent curtailment in the Pulp Mill, employees in curtailed jobs may use their Pulp Mill seniority to displace the junior employee on the combined Mill Extra Board. While on the Extra Board, Mill seniority will be used for non-bid purposes. For bid purposes in the Pulp Mill, their Pulp Mill seniority, plus combined Mill Extra Board seniority will be used. For bid purposes in the Paper Mill only their combined Mill Extra Board seniority will be used.

Senior regular employees who incur more than 30 days of consecutive curtailment will be offered training in other areas of the Mill to meet Mill requirements.

Regular employees who are permanently curtailed will retain the right to bid on any posted vacancy. Further, those permanently curtailed employees will retain the right to the next entry level job in the department they were curtailed from, based on their department seniority and qualifications. The rights of this paragraph will terminate upon the acceptance of any other bid job.

- 19.07 Employees who use their seniority to bump other employees must have the qualifications to learn and perform the work before they will be allowed to bump. If the efficiency of the mill would not be effected, employees may be allowed to choose not to exercise their seniority bumping rights and choose to be laid off instead of laying off a junior employee.
- 19.08 Any employee who is laid off, must keep the Company and the Union advised of his whereabouts. Any employee shall have a

reasonable time to report for work after a layoff, having been notified to do so, failing to report, he shall lose all seniority privileges.

19.09 Should an employee elect to transfer from one department to another, the employee will in practically all cases, start in the new department at the lowest paid job. Promotion within the department will be, as far as practicable, by hourly rate. An employee electing to transfer from one department to another or to accept a promotion shall retain seniority rights to his previous job for a period of up to forty-five (45) working days. Promotion or transfer will be approved or disapproved by Management within forty-five (45) working days. The forty-five (45) working days can be extended by mutual consent of the Local Union and the Company for up to an additional forty-five (45) working days. Seniority rights of all employees affected by the transfer or promotion in question shall be protected for the additional period up to forty-five (45) working days.

19.10 An employee may voluntarily decline a promotion for a bona fide reason and shall be permitted to retain his existing job without prejudice.

19.11 When a vacancy occurs in an entry level position of any department, (except the jobs designated with an "*" on the wage rate schedule) notices will be posted on designated bulletin boards, giving employees five (5) days to make application in writing for such a job.

A job bid will be posted within two weeks following the decision to fill an entry-level vacancy. In situations where the job is designated and announced as temporary for less than 6 months, the job may be filled by assignment. If the temporary situation extends past 6 months the Union and the Company will meet to decide the best method of filling the job.

An employee will only be the successful bidder for one bid position at any time, provided that the training begins in 45 days of the posting selection and the training is completed within 6 months of the posting. If the training is not commenced or completed within the specified period, the employee may bid on other relief jobs without penalty or loss of rights to the first bid. No employee will be permitted to successfully bid on more than two job bids in any consecutive 12-month period. If the employee is disqualified by the Company, the employee will not be charged with a bid under this paragraph.

19.12 Application of employees who are absent on vacation shall be honored for not more than three (3) days after their return to work.

19.13 The Company will grant a leave of absence as a matter of right to any employee who is elected to an official position, or is delegated by the Union to perform work which necessitates temporary cessation of work for the Company for a period of not over six months if such leave of absence does not interfere with or hinder continued operation of the plant in any way without loss of accumulated seniority or the right to continued employment, upon the completion of the work such person is performing for the Union.

19.14 The Company will notify the Union in advance of curtailments, layoffs, and promotions in advance of implementation. If the Union requests, a meeting will be held to discuss the issue.

19.15 Newly hired regular employees shall be considered as probationary employees for a period of ninety (90) working days following the last date of hire. However, if the employee is retained in the employ of the Company after the expiration of the ninety (90) day probationary period, his seniority shall revert to such last day of hire. The probationary period may be extended by mutual consent.

19.16 Probationary employees only have rights and benefits as specified in the Labor Agreement and may be terminated without recourse to the grievance and arbitration procedure.

19.17 A regular employee who has a bona fide reason, such as a certified medical condition may be permitted to demote in the line of progression to a level that will allow the employee to work up at least one level in the line of progression. If no such job exists in the line of progression, or the employee so chooses, the employee will be placed on the extra board. An employee so demoted will lose all rights to the previous job, and will become the senior employee in the new job classification. The job secured by demotion will be considered as the employee's regular job for future actions.

19.18 When qualified production employees are required to work during a shutdown, in the event enough qualified volunteers cannot be secured, the junior qualified employee in that classification will be required to work.

19.19 Medical Leave - an employee, after having served the required probationary period, may be granted a leave of absence for medical reasons upon the presentation of a certificate from a reputable physician setting forth the reasons justifying the request. Such leave of absence shall begin at the time recommended by the physician retained by the employee, and shall continue until such time as the physician determines the

employee is physically able to resume the normal duties for which the employee was employed.

- 19.20 Employees returning to work from a leave of absence will be returned to the job they occupied at the time their leave became effective, provided they are qualified (physically and job-wise), and have the necessary retained seniority.
- 19.21 Seniority and employee rights to employment shall cease under any one of the following conditions:
- 19.22 (1) When an employee voluntarily leaves the employ of the Company;
- 19.23 (2) When an employee is discharged unless reversed through the grievance procedures;
- 19.24 (3) When an employee fails to return from leave of absence as scheduled;
- 19.25 (4) When an employee fails to return from lay-off upon recall as specified herein;
- 19.26 (5) When an employee has been on lay-off for one (1) year;
- 19.27 (6) When an employee has been disabled from work due to a compensable industrial illness or injury for twenty-four (24) consecutive months;
- 19.28 (7) When an employee has been on non-industrial illness or injury leave for eighteen (18) months;
- 19.29 (8) When an employee is medically certified to being totally disabled from further employment.

SECTION 20 - MEALS:

- 20.01 If requested, one meal, which shall be hot if practical, shall be furnished at a usual meal time by and at the expense of the employer to any employee who:
- 20.02 (1) Is required to work eleven (11) consecutive hours, or
- 20.03 (2) Is notified to report for work with less than one (1) hour prior notice and is required to work four (4) consecutive hours.
- 20.04 If requested, an additional meal, which shall be hot if practical, shall be furnished at a usual meal time by and at the expense of

the employer to an employee qualifying above for each additional four (4) consecutive hours worked beyond eleven (11) hours, and to an employee qualifying if he is required to work for eight (8) consecutive hours; provided that an employee other than a regular employee shall not be entitled to the benefit above unless he then has an established work schedule.

- 20.05 Meal tickets issued in lieu of receiving a hot meal will be voided if not used within thirty calendar days of their date of issue.

SECTION 21 - VACATIONS:

- 21.01 Employees as defined in this Agreement shall be granted one (1) week of vacation with pay subject to the following terms and conditions:
- 21.02 To be eligible for a week of vacation during the year subsequent to any June 1st, the employee must be on the payroll of the Signatory Company on said June 1st and either:
- 21.03 (1) Have been an employee for not less than one (1) year prior to said June 1st, during which year the employee worked a minimum of 1,000 hours, or
- 21.04 (2) Have worked a minimum of 1,200 hours prior to said June 1st.
- 21.05 Provided that, with respect to either (1) or (2) above, if a termination of employment occurred in the eligibility period, credit for length of employment or for hours worked prior to the termination of employment shall not be included.
- 21.06 Employees as defined in this Agreement shall be granted two (2) weeks vacation with pay subject to the following terms and conditions:
- 21.07 To be eligible for two (2) weeks vacation during the year subsequent to any June 1st, the employee must be on the payroll of the Signatory Company on said June 1st and have worked a minimum of 1,000 hours during the year just preceding said June 1st, and in addition must:
- 21.08 (1) Have been an employee for not less than two (2) years prior to said June 1st, or
- 21.09 (2) Have worked a minimum of 1,200 hours prior to June 1st in the first year of his employment and have been an employee for not less than one (1) additional year.

- 21.10 Provided that, with respect to either (1) or (2) above, if a termination of employment occurred in the eligibility period, credit for length of employment or for hours worked prior to the termination of employment shall not be included.
- 21.11 Employees as defined in this Agreement shall be granted (3) weeks vacation with pay subject to the following terms and conditions:
- 21.12 To be eligible for three (3) weeks vacation during the year subsequent to any June 1st, the employee must be on the payroll of the Signatory Company on said June 1st and have worked a minimum of 1,000 hours during the year just preceding said June 1st, and in addition must:
- 21.13 (1) Have been an employee for not less than five (5) years prior to June 1st, or
- 21.14 (2) Have worked a minimum of 1,000 hours prior to June 1st in the first year of his employment and have been an employee for not less than four (4) additional years.
- 21.15 Provided that, with respect to either (1) or (2) above, if a termination of employment occurred in the eligibility period, credit for length of employment or for hours worked prior to the termination of employment shall not be included.
- 21.16 Employees as defined in this Agreement shall be granted four (4) weeks vacation with pay subject to the following terms and conditions:
- 21.17 To be eligible for four (4) weeks vacation during the year subsequent to any June 1st, the employee must be on the payroll of the Signatory Company on said June 1st and have worked a minimum of 1,000 hours during the year just preceding said June 1st, and in addition must:
- 21.18 (1) Have been an employee for not less than ten (10) years prior to June 1st, or
- 21.19 (2) Have worked a minimum of 1,000 hours prior to June 1st in the first year of his employment and have been an employee for not less than nine (9) additional years.
- 21.20 Provided that, with respect to either (1) or (2) above, if a termination of employment occurred in the eligibility period, credit for length of employment or for hours worked prior to the termination of employment shall not be included.

- 21.21 Employees as defined in this Agreement shall be granted five (5) weeks vacation with pay subject to the following terms and conditions:
- 21.22 To be eligible for five (5) weeks vacation during the year subsequent to any June 1st, the employee must be on the payroll of the Signatory Company on said June 1st and have worked a minimum of 1,000 hours during the year just preceding said June 1st, and in addition must:
- 21.23 (1) Have been an employee for not less than fifteen (15) years prior to June 1st, or
- 21.24 (2) Have worked a minimum of 1,000 hours prior to June 1st in the first year of his employment and have been an employee for not less than fourteen (14) additional years.
- 21.25 Provided that, with respect to either (1) or (2) above, if a termination of employment occurred in the eligibility period, credit for length of employment or for hours worked prior to the termination of employment shall not be included.
- 21.26 Employees as defined in this Agreement shall be granted six (6) weeks vacation with pay subject to the following terms and conditions:
- 21.27 To be eligible for six (6) weeks vacation during the year subsequent to any June 1st, the employee must be on the payroll of the Signatory Company on said June 1st and have worked a minimum of 1,000 hours during the year just preceding said June 1st, and in addition must:
- 21.28 (1) Have been an employee for not less than twenty (20) years prior to June 1st, or
- 21.29 (2) Have worked a minimum of 1,000 hours prior to June 1st in the first year of his employment and have been an employee for not less than nineteen (19) additional years.
- 21.30 Provided that, with respect to either (1) or (2) above, if a termination of employment occurred in the eligibility period, credit for length of employment or for hours worked prior to the termination of employment shall not be included.
- 21.31 Time lost as a result of an accident, as recognized by the Worker's Compensation Board, suffered during the course of employment, shall be construed as time worked in applying the above

provisions for the first twenty-four (24) months from the date disability occurs.

21.32 For the purpose of determining the qualification for vacations of an employee with five (5) or more years of continuous service, time lost by him for which non-industrial sickness or accident benefits are paid to him under the Company's Welfare Plan shall be construed as time worked in applying the provisions of subparagraphs 21.11, 21.16, 21.21, and 21.26 of this Section 21. Provided,

21.33 (1) Time so lost shall be computed at eight (8) hours per day and forty (40) hours per week, and

21.34 (2) If the time lost so computed exceeds 520 hours in any contract year, only 520 hours shall be considered as worked under the provisions of this subparagraph.

21.35 It is agreed that any employee who has left the employ of the Signatory Company prior to June 1st for the purpose of serving in the armed forces, but who otherwise has fulfilled the qualifications for a vacation during the year just preceding that June 1st, will be granted vacation pay. The vacation pay will be mailed to the employee immediately following said June 1st, provided satisfactory proof has been furnished to the Company that the employee is serving in the armed forces.

21.36 Any returning serviceman who:

21.37 (1) Was on the payroll of the Signatory Company at the time of induction into the armed forces; and

21.38 (2) Made application to return to the employ of the Signatory Company within ninety (90) days after being relieved from duty in the armed forces; and

21.39 (3) Actually performed work for the Signatory Company on, or before, the June 1st immediately following his return from the armed forces; and

21.40 (4) Had qualified for one (1) week of vacation while in the employ of the Signatory Company in the eligibility period in which he was inducted, or in the next preceding eligibility period, or whose service with the Signatory Company immediately preceding his induction, plus his service since his return from the armed forces immediately preceding June 1st, is sufficient to qualify him for a vacation under the requirements existing at the time he returns, shall be granted one (1) week of vacation pay, whether or not

he worked 1,000 hours in the eligibility period immediately prior to said June 1st.

21.41 Any returning serviceman, when he has qualified for one (1) week vacation on any of the basis made available to him and whose total length of service with the Signatory Company, including the time spent in the armed forces, is sufficient to qualify him for a longer vacation, shall be granted the longer vacation without applying the requirements of hours worked to that period spent in the armed forces.

21.42 It is understood that there shall be but one vacation for each eligibility period.

21.43 The allotment of vacation time is to be decided by management. No employee is to have the privilege of drawing the vacation pay and continuing to work in lieu of taking the vacation except as provided herein.

21.44 The vacation must be taken within the June 1 through May 31 vacation base year; that is, it may not be accumulated to be used the following year.

21.45 The vacation pay for an employee who qualifies is to be computed as fifty (50) hours per week at the higher of:

21.46 (1) The job rate of his regular job as such rate exists on the day his vacation starts, or

21.47 (2) The weighted average straight time hourly rate paid to the employee in the prior contract year, adjusted for the change, if any, in his average rate effective on the first day of June next preceding the time at which his vacation is taken. Said average rate (1) for an employee who worked at the same job rate during the entire prior contract year is that job rate, and (2) for an employee who worked at more than one job rate in the prior contract year shall be determined by the following procedure: Multiply the number of hours he worked in said year at each job rate by that job rate; add the amounts so computed; and divide the sum by the total number hours he worked in said year.

21.48 Employees will schedule at least four (4) weeks of vacation (if applicable). The Company agrees to issue proper forms by March 1 of each year for the purpose of vacation scheduling. Employees will have until April 1 of each year to submit preferred vacation time according to the guidelines established by the Company. Employees who schedule vacation during this

period will have their vacation scheduled on the basis of seniority so far as practicable. The Company will announce by May 15 the approval of vacations scheduled during this period. Employees who schedule vacation outside of this period will be considered on a first submission basis. Prior to the March 1 posting, the Company will meet with the Union to review and discuss the vacation scheduling guidelines and limitations. Within the established guidelines the Company will assure that there will be adequate vacation time to cover scheduled vacation of all employees throughout the vacation year.

- 21.49 Employees may receive pay in lieu of vacation time off for weeks of vacation over four (4) weeks at any time by submitting their request in writing at least 15 days in advance of the requested payment. Vacation that is not scheduled and used by the end of the vacation year will be paid to the employee within 15 days following the completion of the vacation year.
- 21.50 It is further agreed to permit each eligible employee to take all weeks of his total yearly vacation entitlement on a shift-to-shift basis.
- 21.51 If it is not possible to step up the shift on which the vacancy occurs, the Company will ask the employees in the next lower classification to change shifts and step up according to seniority. Should all employees in that classification refuse, the junior qualified employee will be required to change shifts and take the step up.
- 21.52 Employees will not have their scheduled vacation cancelled within two (2) calendar weeks from the start of the scheduled vacation, without approval of the employee, except in cases of emergency.

SECTION 22 - ADJUSTMENT OF COMPLAINTS:

- 22.01 This section governs adjustments of all grievances except those arising from discharge or suspension.
- 22.02 Standing Committees:
- 22.03 (1) The Mill Manager shall appoint a Company Standing Committee of three (3) individuals, which will represent the Company.
- 22.04 (2) The United Paperworkers International Union shall select from the membership of its Locals 237 and 586 Union Standing Committees consisting of three (3) members from each Local which shall represent that Union for the purpose stated in this Agreement.

- 22.05 (3) In order to be eligible for membership on any such committee, an employee must have been actually engaged in the plant for one year preceding his selection.
- 22.06 (4) The Company Standing Committee and the Union Standing Committee has the authority to make the final decision, consistent with the current Labor Agreement, on matters coming before them. Either party may express reservation that it desires to refer the question under consideration to higher authority.
- 22.07 (5) Conclusions reached in Steps III and IV shall be prepared and signed by the appropriate parties. Copies shall be supplied to each Local Union.
- 22.08 Should there be any dispute or complaint as to the interpretation of any provision of this Agreement, or any grievance arising out of the operation of this Agreement, herein collectively referred to as grievances, the employee shall work as directed by Management, pending final adjustment of the grievance.
- 22.09 **Step I.** Such grievance shall first be taken up by the employee with his supervisor within ten (10) working days after the occurrence of a grievance is known to the grievant. The employee may have a Shop Steward accompany him when he discusses the grievance with his supervisor. If no satisfactory settlement is made, the employee may
- 22.10 **Step II.** Within thirty (30) days of the date of occurrence, the grievance will be submitted by the Union Standing Committee.
- 22.11 (a) Within five (5) days of date of written notification by Union Standing Committee to the Company Standing Committee of the existence of the grievance, the two committees shall meet. Subjects not listed on the written notification may be dealt with by mutual agreement.
- 22.12 (b) If the two committees are unable to arrive at a satisfactory settlement within five (5) days of their initial meeting, to be timely the Union Standing Committee must

- 22.13 **Step III.** Refer the grievance in writing to the Human Resources Manager within fifteen (15) days of the expiration of the five (5) day period in Step II (b).
- 22.14 (a) Within seven (7) days of date of such written notice, the Human Resources Manager or his representative and Local Union shall meet.
- 22.15 (b) If the Human Resources Manager or his representative and the Local Union are unable to arrive at a satisfactory settlement within seven (7) days of their initial meeting, to be timely the Local Union must
- 22.16 **Step IV.** Refer the grievance in writing within twenty-five (25) days of the expiration of the seven (7) day period in Step III (b) to the President of the Signatory Union concerned, or his representative, and the Mill Manager or his representative, neither of whom has previously judged the grievance in accordance with this section. (Copy of referral shall be delivered to Mill Manager.)
- 22.17 (a) Within twenty-five (25) days of date of such written notice these two shall meet.
- 22.18 (b) If these two are unable to arrive at a satisfactory settlement within twenty-five (25) days of their initial meeting, to be timely the Union concerned must
- (1) proceed to Step V or
 - (2) if the Local Union and the Mill Manager are unable to arrive at a satisfactory settlement at the fourth step, either party may elect to refer the grievance to a mediation process prior to proceeding to Step V of the grievance procedure. The mediator will be selected by mutual agreement and scheduled in at the earliest possible time. The mediator will attempt to mediate a resolution of the issue that must be accepted by the union and the company. In the event a resolution is not acceptable, the Mediator will make a bench opinion as to the possible outcome in future arbitration which will not be binding on the parties.

Recommendations by the Mediator or settlement discussions by the parties during the mediation process will not be introduced in any subsequent arbitration of the issue. The parties will share equally in the cost of the mediation process in the same manner as that used for arbitration.

The parties may refer the issue to Step V – Arbitration within the specified time limits following the conclusion of the mediation process.

- 22.19 **Step V.** Submit the grievance to arbitration as provided in Section 23 of this Agreement within thirty (30) days of the expiration of the twenty-five (25) day period of Step IV (b).
- 22.20 The parties in Step II, in Step III and in Step IV may by mutual agreement in writing, extend the time limit specified in Step II (b), in Step III (b), and in Step IV (b) for a period not to exceed thirty (30) days.
- 22.21 In cases of grievances affecting substantial groups within the mill or the Local Union, an official or some other representative appointed by the Local Union shall be privileged to take the matter up directly with the Human Resources Manager in accordance with Step III.
- 22.22 It is understood that in all discussions concerning grievances, any officer or representative of the Signatory Union involved may accompany local adjustment committees in their meetings and the officer, or representative, may call upon members of adjustment committees or any other employee to accompany them in their meeting with Company officials.
- 22.23 Records of verbal or written warnings shall not be used as part of the employee's disciplinary record for longer than one year provided that no further disciplinary actions(s) are issued within that time, except for any program established or agreed to by Management that may have less time periods for maintaining and using disciplinary records.

SECTION 23 - ARBITRATION:

- 23.01 If a complaint is not resolved in the above procedure, the Union or the Company may submit the matter to Arbitration, by written notice to the other party. Such notice of appeal to Arbitration

must be received within thirty (30) days after the Company's answer in Step IV of the procedure for adjustment of complaints.

- 23.02 The party desiring arbitration may apply to the Federal Mediation and Conciliation Service to be furnished with a list of eleven qualified arbitrators. Within thirty (30) days from receipt of such list of arbitrators, the Union and the Employer shall select the arbitrator by alternately striking a name from the list until one name remains as the chosen arbitrator. A flip of the coin shall decide who strikes the first name.
- 23.03 The arbitrator shall be authorized and issue a decision and award in writing on any grievance as defined above presented for arbitration. The fees and expenses of the arbitrator shall be shared equally by the Employer and the Union. All other expenses shall be borne by the party which incurs them. The decision of the arbitrator, rendered in accordance with this Agreement, shall be final and binding, however, the arbitrator shall have no authority to modify this Agreement, whether by adding to or subtracting from the terms of this Agreement. Provided, however, the arbitrator may not find that the Union or the Employer violated this Agreement if the action of the Union or Employer was required, by law, to be done, this proviso includes, but is not limited to, any settlement agreement made with any governmental agency, to resolve allegations of alleged employment discrimination. Proof of any issue of fact before the Arbitrator shall be decided on the basis of the preponderance of the evidence.
- 23.04 The rights and duties to request/demand arbitration under this Section shall apply only to matters occurring or arising prior to termination of this Agreement. A dispute which is based, in whole or in part, on events that occur after termination of this Agreement is not subject to the arbitration provisions of this Section 23.

SECTION 24 - EFFECT OF AGREEMENT:

- 24.01 It is the intent of the parties that the provisions of this Agreement will supersede all prior agreements and understandings, oral or written, expressed or implied, between such parties and shall govern their entire relationship and shall be the sole source of any and all rights or claims which may be asserted in arbitration hereunder or otherwise. Where previous contract language has been renewed, verbatim, in this Agreement, it is intended that such language shall continue to have its prior meaning and effect.
- 24.02 Subject only to the specific provisions of the Agreement, the management of the facilities and the direction of the working force shall be the exclusive right of the Employer.

SECTION 25 - PROVISIONS FOUND TO BE IN CONTRAVENTION OF LAWS:

- 25.01 If any provision of this Agreement is in contravention of the laws or regulations of the United States or of the State in which the mill covered by this Agreement is located, such provision shall be superseded by the appropriate provisions of such law or regulation so long as same is in force and effect but all other provisions of this Agreement shall continue in full force and effect. If the parties are unable to agree as to whether or not any provisions, hereof is in contravention of any such laws or regulations, the provisions hereof involved shall remain in effect until the disputed matter is settled by the court or any authority having jurisdiction in the matter.

SECTION 26 - OVERTIME:

- 26.01 Subject to the conditions set forth in Paragraph 26.09 of this Section, any employee paid on an hourly basis will, in addition to his straight time pay, receive overtime at one-half the straight time hourly rate of the job for:
- 26.02 (a) All work performed on Sunday.
- 26.03 (b) All work performed on any of the holidays listed in Section 6.
- 26.04 (c) All work performed in excess of eight (8) straight time hours in any one day.
- 26.05 (d) All work performed in excess of forty (40) straight time hours in any one week.
- 26.06 (e) All work performed in excess of eight (8) continuous hours worked when such period of work extends across the end of a workday into the succeeding day provided that such continuous period of work begins four (4) or more hours before the start of the succeeding day.
- 26.07 (f) All work performed on scheduled or designated days off, as such days are defined in Section 10, provided, however, that this subparagraph (f) shall not apply if the work so performed results because a regular scheduled or designated day off has been traded for another day at the request and for the convenience of the employer, or employees, involved.
- 26.08 Any employee paid on an hourly basis will, in addition to his

straight time pay, receive overtime at the full time hourly rate of the job for all work performed in excess of sixteen (16) consecutive hours.

- 26.09 In applying the provisions of Paragraph 26.01 of this section, the following conditions shall be in effect:
- 26.10 (a) No hour worked qualifies as an overtime hour on more than one of the above six basis, except that work on a holiday may also qualify under 26.05 (d). Time worked on a holiday will be credited toward the forty (40) hour qualification.
- 26.11 (b) Should an hourly paid day worker on a Monday through Friday work week be required to work sufficient hours after midnight to prevent a normal rest period before assuming the duties of his next scheduled shift, and should be required to work the next following Saturday, he will be credited with any normal shift hours so missed in the computation of overtime for work on such Saturday.
- 26.12 If any workers are requested to work overtime, employees will be expected to do so within reasonable limits unless excused for good cause.
- 26.13 An employee who accepts a job outside the bargaining unit will not perform bargaining unit work later the same day unless it is done within that employee's regularly scheduled shift.
- 26.14 Employees who work in excess of eight (8) hours during a holiday will be compensated at double time for those hours worked in excess of eight (8) hours.

SECTION 27 - NIGHT SHIFT DIFFERENTIAL:

- 27.01 A night shift differential of sixty cents (60¢) per hour shall be paid in addition to the hourly job rate on any shift wherein one-half or more of the scheduled shift hours fall after 6:00 p.m. and before 12 midnight.
- 27.02 A night shift differential of eighty-three cents (83¢) per hour shall be paid in addition to the hourly job rate on any shift wherein one-half or more of the scheduled shift hours fall between 12 midnight and 6:00 a.m.
- 27.03 Such night shift differential shall not be deemed a part of the hourly job rate when applying the provisions of this Agreement except in the payment of overtime as provided for in Section 26.

SECTION 28 - JURY DUTY ALLOWANCE:

- 28.01 Any employee who has completed one or more years of continuous employment who is required to perform jury duty or is required to appear as a witness in a court trial by subpoena in which the employee is not a litigant, will be entitled to reimbursement at the straight time hourly rate of his regular job for the hours necessarily lost as a result of serving on the jury or reasonable time for appearing as a witness. Provided, however, that such reimbursement shall not exceed eight (8) hours per day or forty (40) hours per week, less pay received for jury duty or witness service. When subpoenaed as a witness in order to obtain the benefits of this section, notice to the Company and written proof of subpoena service must be given at least 36 hours in advance of appearance requirement. The employee will be required to furnish a signed statement from a responsible officer of the court as proof of jury service and jury duty pay received.
- 28.02 Hours paid for jury duty will be counted as hours worked for the purpose of computing vacation and holiday pay, but will not be counted as hours worked for the purpose of computing any overtime.

SECTION 29 - FUNERAL LEAVE:

- 29.01 When death occurs to a member of a regular employee's immediate family, the employee, at his request, will be granted reasonable necessary time off as funeral leave of absence to attend the funeral. If the employee attends the funeral, he will be compensated at his regular straight time hourly rate for hours lost from his regular schedule on any of the days prior to the funeral, the day of the funeral, and/or the two (2) consecutive calendar days following the funeral provided they are regularly scheduled work days, with a maximum of three (3) days compensation.
- 29.02 The Company will agree to provide funeral leave benefits of five (5) days with pay in the event of the death of an employee's spouse or the employee's natural or adopted children.
- 29.03 Members of an employee's immediate family shall be limited to the employee's spouse, mother, father, brothers, sisters, sons, daughters, mother-in-law, father-in-law, grandparents, grandchildren, spouse's grandparents, step-children, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-law.
- 29.04 Compensable hours will be counted as hours worked for the purpose of computing vacation and holiday pay and will be counted as hours worked for the purpose of computing weekly overtime.

SECTION 30 - WAGE RATES:

- 30.01 The wage rates will be specifically as listed in the Wage Schedule attached hereto and are effective as indicated on the Wage Schedule.
- 30.02 The rates described in the preceding paragraph shall remain in force until the termination of this Agreement, excepting as to any changes which may be made by (1) mutual agreement between the Signatory Parties, or (2) adjustments resulting from provisions of the wage increase portion of the agreement.
- 30.03 When major changes are made in the mill which create new jobs or substantially change duties of existing jobs, management will evaluate the job and inform the Union concerned of the new rate or rates, without delay. The Union, if not satisfied with the new rate, may negotiate the rate with management provided such request to negotiate is made within thirty (30) days from the date the new rate has been established. If no satisfactory rate can be established, the Union Standing Committee may implement the grievance procedure if they so desire. If there is no resolution of the grievance by the end of 4th step of the grievance procedure the rate of pay dispute will be deferred to the next negotiation for renewal with the Labor Agreement.
- 30.04 Effective the first pay period coincident with or following September 1, 1998, a 2.0% per hour general wage increase shall be applied.
- 30.05 Effective the first pay period coincident with or closest to September 1, 1999, a 2.5% per hour general wage increase shall be applied.
- 30.06 Effective the first pay period coincident with or closest to September 1, 2000, a 2.25% per hour general wage increase shall be applied.
- 30.07 Effective the first pay period coincident with or closest to September 1, 2001, a 3.0% per hour general wage increase shall be applied.
- 30.08 Effective the first pay period coincident with or closest to September 1, 2002, a 3.0% per hour general wage increase shall be applied.

SECTION 31 - TERM OF AGREEMENT AND CHANGES IN AGREEMENT:

- 31.01 This Agreement shall be in effect from September 1, 1998, up to and including August 31, 2003, and shall be automatically

renewed thereafter from year to year unless notice to terminate is given by either party as hereinafter provided.

- 31.02 All notices given under the provisions of this Section on behalf of the Signatory Union shall be given by the President (or Vice President) of the Signatory Union and shall be given to the Mill Manager; similarly, notices on behalf of the Signatory Company shall be given by said Mill Manager to said President.
- 31.03 This Agreement may be modified as follows:
- 31.04 Either party desiring any modification shall mail to the other party notice in writing by registered mail sixty (60) days prior to August 31, 2003, or prior to any subsequent August 31st on which this contract is in effect, that a modification is desired; and if no such sixty (60) day notice is given prior to any August 31st, the earliest time at which such notice may later be so mailed is sixty (60) days prior to August 31st of the next year.
- 31.05 If notice of desire for modification has been given, the parties shall as soon as agreeable to the parties following such notice, meet for collective bargaining, the Signatory Company being represented in such negotiations by a bargaining committee appointed by the Mill Manager and the Signatory Union being represented by a bargaining committee selected by said Union. Any agreement or modification arrived at in such negotiations and approved by a majority of the membership of the Signatory Union shall be binding upon the parties to this Agreement. If such negotiations cannot be completed prior to August 31st, following the day on which such notice was given, any changes in compensation to employees shall nevertheless be retroactive to said August 31st.
- 31.06 In case negotiations conducted in accordance with (31.05) break down, either party may terminate this Agreement upon the expiration of ten (10) days written notice mailed by registered mail, to the other party, at any time after the August 31st with reference to which the notice of modification has been mailed as provided in (31.03).
- 31.07 Should the parties be unable to agree to the terms and conditions of the reopener, either party may elect to terminate the Agreement in accordance with Section 31 of the Labor Agreement.

SECTION 32 - WELFARE PLAN:

- 32.01 The Company shall make available to such of its employees as elect to participate, a Welfare Plan as follows:
- 32.02 An insurance plan consisting of:

- 32.03 Effective upon ratification, the Life Insurance and AD & D benefits will be increased to \$32,000 each.
- 32.04 Effective September 1, 2001, the Life Insurance and AD & D benefits will be increased to \$34,000 each.
- 32.05 Effective upon ratification, Accident & Sickness Weekly Benefits (non-occupational), with a maximum of 52 weeks benefits in the amount of \$335 per week for illnesses or injuries beginning on or after September 1, 1998.
- 32.06 Effective September 1, 2000, increase the A & S benefit to \$345 per week for non-occupational illnesses or injuries beginning on or after September 1, 2000.
- 32.07 Effective September 1, 2002, increase the A & S benefit to \$355 per week for non-occupational illnesses or injuries beginning on or after September 1, 2002.
- 32.08 The parties agree in principle that clinics, which are staffed with licensed physicians, will be considered the same as accredited hospitals for purposes of providing emergency room treatments.
- 32.09 The Company will contribute \$385.61 toward the cost of employee selected HMO coverage. The employee will pay the difference in cost between \$385.61 paid by the Company and the HMO cost.
- 32.10 The cost of providing dental and vision coverage will be paid by the Company for employees selecting either medical option.
- 32.11 The Company will notify the Union and the employees in writing each year of any increases in the HMO monthly premiums, including contributions employees will be required to pay to continue such coverage.
- 32.12 The Company will pay a maximum of \$385.61 towards the employee medical plan plus 75% of any additional cost of the plan for the remainder of the contract term. Employees through payroll deduction will be charged for 25% of any increased cost. Changes to contribution rates may be made each July 1. Employees who elect an HMO option will continue to pay the difference between \$385.61 and the HMO selection.
- 32.13 The Company will pay the total cost of other health and welfare benefits for the duration of the agreement.
- 32.14 If requested, the Company and the Union will meet 180 days prior to the renewal of each health care plan to explore the cost

- 32.15 and benefits of the current health care plans. Any change in carrier or coverage will be made by mutual agreement.
- 32.16 Early retirees between the ages of 62 and 65, and for disability retirees age 55 but less than 65 will be eligible for retiree medical coverage for the retiree and eligible dependents on the same cost basis as for active employees until the retiree reaches age 65, when all coverages shall cease.
- 32.17 As agreed on April 1, 1994, employees who retire through March 31, 2004 who are at least 62 with at least ten years of service or a disability retiree when they retire and who were not eligible to retire from Champion on or before August 28, 1985 will be eligible for benefits as follows:
Simpson will continue the employee's medical coverage and that of the eligible dependents until the employee reaches age 65 at which time all coverage will end unless the legal spouse is then under age 65 in which event eligible dependent and spousal coverage will be maintained until the spouse reaches age 65 at which time all coverage will end, except as provided by law.
- 32.18 During the above period the Company will contribute the same toward the cost of retiree medical coverage as for active employees. The retiree or spouse will be required to pay the difference if any to maintain coverage.
- 32.19 Coverages for HMS will be the same as the options selected by the employee while an active employee, including any modifications made to the plan at a later date.
- 32.20 Upon ratification, increase the Pension Plan benefit level for Simpson service, for active employees retiring on or after September 1, 1998 to \$34 for each year of credited benefit service.
- 32.21 Increase the Pension Plan benefit level for Simpson service, for active employees retiring on or after September 1, 2000 to \$38 for each year of credited benefit service.
- 32.22 Increase the Pension Plan benefit level for Simpson service, for active employees retiring on or after September 1, 2001 to \$39 for each year of credited benefit service.
- 32.23 The Company will allow a retiree who has selected a joint survivor option and whose spouse predeceases him/her to have remaining pension benefits recalculated to a single life annuity form of payment.
- 32.24 For vesting eligibility only, former Champion employees hired by

Simpson at the time of purchase will be credited with their Champion/St. Regis credited service for purposes of vesting and eligibility in the Simpson pension plan but not for the purpose of accruing additional benefits.

- 32.24 The Company agrees to offer a 401(k) savings plan as outlined in the benefits booklet.
- 32.25 The Company will contribute fifty cents (\$.50) for each dollar saved to a maximum of four percent (4%) of each employees contribution.
- 32.26 Effective September 1, 2000, the Company will contribute fifty cents (\$.50) for each dollar saved to a maximum of five percent (5%) of each employee's contribution.

SECTION 33 - NONDISCRIMINATION:

- 33.01 There shall be no discrimination against an employee as prescribed by any Federal, State Law, Executive Order and/or future anti-discrimination laws including but not limited to age, race, sex, religion, color, national origin, mental or physical disability, veterans of any U.S. Armed Services, union membership or union activity.
- 33.02 It is understood that where the pronoun "he" is used in this Labor Agreement, it is meant to mean both "he" and "she".
- 33.03 The parties for this agreement agree to comply with their obligations under the Americans with Disabilities Act.

SECTION 34 - SEVERANCE PAY:

- 34.01 In instances of addition, elimination or modification of equipment, or discontinuance of an operation or location, which results in employment of fewer employees, the following formula shall apply to those employees laid off.
- 34.02 An employee who has completed five (5) years but less than ten (10) years of continuous service shall receive an amount equal to 4% of his last twelve months basic earnings as severance pay.
- 34.03 An employee who has completed ten (10) years or more continuous service shall receive 6% of his last twelve months basic earnings as severance pay.
- 34.04 Such severance pay shall only apply to employees permanently laid off for three (3) months following the date of layoff.

34.05

An employee's recall rights will not be affected in any manner because of the payment of severance pay. However, if recall occurs before the time when a severance payment is due, no such payment will be made. Or, if any employee is offered recall according to the applicable recall provision in this case, and it is refused, all recall and severance pay rights are automatically canceled.

34.06

If an employee is recalled after having received the severance pay due him, he will begin again, as of the date of return, accumulating a new period of time as outlined in paragraphs (34.02) and (34.03), which will be credited toward any future layoff.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed.

SIMPSON TACOMA KRAFT COMPANY

By: Al Fortener	Don Johnson	Jim Burg
John Conkle	Tim Jaeger	Larry Larsen
Margo Wine		

UNITED PAPERWORKERS INTERNATIONAL UNION

By: Al Lippincott

LOCAL NO. 237

LOCAL NO. 586

By: Mike Arndt	By: James Crosby
Chuck Gierke	Tim Handy
Frank Huie	Rocky Jennings
Wallace Simms	Marty Warren
Charles Whitt	Bob Weber

EXHIBIT A

WAGE SCHEDULE

Job Classification	OCC	9/1/98 2%	9/1/99 2.5%	9/1/00 2.25%	9/1/01 3.0%	9/1/02 3.0%	
Chip Handling & Storage:							
- Chip Processing Operator	102	19.33	19.81	20.26	20.87	21.50	
- Dozer Operator	110	19.20	19.68	20.12	20.72	21.34	
- Chip Loader Operator	119	18.44	18.90	19.32	19.90	20.50	
- Rail Operator	117	17.80	18.25	18.66	19.22	19.80	
- Clean-Up (Prior 6/1/84)	118	16.35	16.76	17.14	17.65	18.18	
- Clean-Up (After 6/1/84)	114	15.71	16.10	16.46	16.95	17.46	
- Chip Tester - Day *	115	18.45	18.91	19.34	19.92	20.52	
Digesters:							
- Continuous Digester #2	302	22.45	23.01	23.53	24.24	24.97	
- Continuous Digester #1	303	21.08	21.61	22.10	22.76	23.44	
- Digester Batch Cook	304	20.75	21.27	21.75	22.40	23.07	
Wash & Screen Rooms:							
- Washer Operator	321	23.15	23.73	24.26	24.99	25.74	
- Washer Assistant	323	19.45	19.94	20.39	21.00	21.63	
Bleach Plant:							
- Bleach Operator	400	22.17	22.72	23.23	23.93	24.65	
- Bleach Assistant	401	19.64	20.13	20.58	21.20	21.84	

Job Classification	OCC	9/1/98	9/1/99	9/1/00	9/1/01	9/1/02	
Yard:							
- Lead Utility	901	18.90	19.37	19.81	20.40	21.01	
- Utility #1	903	17.52	17.96	18.36	18.91	19.48	
- Utility #2	904	16.91	17.33	17.72	18.25	18.80	
- Truck Driver	905	16.58	16.99	17.37	17.89	18.43	
- Laborer (Prior 6/1/84)	908	16.35	16.76	17.14	17.65	18.18	
- Laborer (After 6/1/84)	906	15.71	16.10	16.46	16.95	17.46	
Lubrication:							
- Oiler (All Areas)	992	20.50	21.01	21.48	22.12	22.78	
Miscellaneous:							
- Recycle Operator	677	20.67	21.19	21.67	22.32	22.99	
- Recycle Assistant Operator	678	17.73	18.17	18.58	19.14	19.71	
- Waste Treatment Operator	861	21.28	21.81	22.30	22.97	23.66	
Stock Preparation:							
- Beater Engineer	520	22.54	23.10	23.62	24.33	25.06	
- Beater Helper #1	541	18.99	19.46	19.90	20.50	21.12	
- Starch Operator	521	17.90	18.35	18.76	19.32	19.90	
Machine Room - General:							
- Spare Hand	605	16.46	16.87	17.25	17.77	18.30	
Paper Machine - #13:							
- Machine Tender	610	25.30	25.93	26.51	27.31	28.13	
- Back Tender	611	24.47	25.08	25.64	26.41	27.20	
- Third Hand	612	21.46	22.00	22.50	23.18	23.88	
- Fourth Hand	613	18.34	18.80	19.22	19.80	20.39	
- Fifth Hand	614	17.58	18.02	18.43	18.98	19.55	
- Sixth Hand	615	16.87	17.29	17.68	18.21	18.76	

Job Classification	OCC	9/1/98	9/1/99	9/1/00	9/1/01	9/1/02
Paper Machine - #14:						
- Machine Tender	630	28.17	28.87	29.52	30.41	31.32
- Back Tender	631	24.81	25.43	26.00	26.78	27.58
- Third Hand	632	21.56	22.10	22.60	23.28	23.98
- Fourth Hand	633	18.25	18.71	19.13	19.70	20.29
- Fifth Hand	634	17.60	18.04	18.45	19.00	19.57
- Sixth Hand	635	16.91	17.33	17.72	18.25	18.80
Loading & Shipping - Paper:						
- Day Checker	710	20.57	21.08	21.55	22.20	22.87
- Checker	712	20.57	21.08	21.55	22.20	22.87
- Scale Operator	716	18.80	19.27	19.70	20.29	20.90
- Car Loader	713	17.56	18.00	18.41	18.96	19.53
- Conveyor Operator	715	16.58	16.99	17.37	17.89	18.43
Technical - Paper:						
- Day Tester	801	19.44	19.93	20.38	20.99	21.62
- Senior Paper Tester	802	18.35	18.81	19.23	19.81	20.40
- Paper Tester	803	17.67	18.11	18.52	19.08	19.65
- Sample Person *	804	17.05	17.48	17.87	18.41	18.96
Extra Board:						
Laborer Employees Hired Before 6/1/84		16.35	16.76	17.14	17.65	18.18
Laborer Employees Hired After 6/1/84:						
- New hires to the Extra Board will receive this amount during their probationary period regardless of assignment for the duration of the contract.		9.48	9.72	9.96	10.26	10.57
- Upon completion of the probationary period new hires to the Extra Board will receive this amount when assigned to laborer work and \$1.50/hour less than the scheduled rate of the job when assigned to other work for the next 12 months or no longer becomes an Extra Board person whichever comes first.		11.51	11.85	12.21	12.58	13.02
- Upon completion of 12 months after probationary period		15.71	16.10	16.46	16.95	17.46

* Non-Bid Jobs

Job Classification	OCC	9/1/98	9/1/99	9/1/00	9/1/01	9/1/02
Drying and Baling - Pulp:						
- Machine Tender	500	21.01	21.54	22.02	22.68	23.36
- Back Tender	501	19.40	19.89	20.34	20.95	21.58
- Grader	502	18.06	18.51	18.93	19.50	20.09
- Layboy	503	17.77	18.21	18.62	19.18	19.76
- Line Operator	504	17.66	18.10	18.51	19.07	19.64
Causticizing Building:						
- Recast Operator	200	21.45	21.99	22.48	23.15	23.84
- Kilo Operator	201	19.16	19.64	20.08	20.68	21.30
Recovery:						
- As Recovery Operator	221	23.39	23.97	24.51	25.25	26.01
- Evaporator Operator	223	20.29	20.80	21.27	21.91	22.57
- As Recovery Helper	224	19.53	20.02	20.47	21.08	21.71
Loading & Shipping:						
- Car Loader	731	17.04	17.47	17.86	18.40	18.95
Technical - Pulp:						
- Day Tester	821	19.16	19.64	20.08	20.68	21.30
- Pulp Tester *	736	17.50	17.94	18.34	18.89	19.46
Instrument Shop:						
- Instrument Technician *	931	23.03	23.61	24.14	24.86	25.61