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K8053

EXHIBIT "A"

MEMORANDUM OF AGREEMENT

Between

INTERNATIONAL PAPER – BUCKSPORT MILL

And

PAPER, ALLIED-INDUSTRIAL, CHEMICAL & ENERGY WORKERS INTERNATIONAL
UNION AND ITS LOCAL UNIONS #1-1188 AND #1-0261

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS AND
ITS LODGE #1821

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS AND ITS LOCAL
#1777

FROM MARCH 1, 2004 TO JULY 31, 2007

1. Amend Team Concept Language

The make-up of the Steering committee will be amended to four representatives for the unions and company.

III. STEERING COMMITTEE

The Company and the Union recognize the need for a representative group of mill employees that will assist in the implementation of team concepts. This group will help guide the implementation of team concept so as to allow for a maximum concern for efficiency, cost, productivity, and a maximum concern for employees.

The group will consist of **four (4)** union bargaining unit employees, **one from each local**, and a group of no more than **four (4)** management representatives.

The function of the team will be to assist and guide the process of implementing team concept by:

- helping employees understand team concept;
- assist in the planning of training necessary for implementation;
- devising feedback and evaluation methods;
- discussing problem areas of implementation and suggest alternatives;
- identifying on-going communication methods to promote understanding of the concept;

- to act as a resource to expand the concept to the fullest potential.

Both the Company and the Union recognize the successful implementation of team concepts must be an on-going collaborative effort. To that end, the team will continue to meet on a regular basis providing guidance until such team concepts are firmly understood and practiced throughout the mill.

The committee will revisit, refine and reinstate the current Team Concept plans. In addition the committee will address those flexibility issues raised by the company at these discussions, as well as any other issues referred to the committee by the company.

This concept will be subject to review by representatives of the International Unions and the HR Manufacturing Director. This group will be provided with monthly progress reports from a local monitoring group comprised of one representative from each of the local unions and four local management representatives during the first 6 months of implementation. Thereafter, quarterly progress reports from the local monitoring group will be provided. If requested by either party, the HR Manufacturing Director will meet with International Representatives and the local monitoring group to discuss concerns or issues.

Examples of issues (not all inclusive) that will be discussed are as follows:

- Supercalendar roll changes: E/I, operators (or others) to assist with roll changes
- Operators change rolls at 6A&B Supers
- Add remote controls for all bridge cranes and operate from the floor by any trained person
- Magazine loaders grease excavators and perform minor maintenance and assist maintenance on major repairs.
- Operators assist maintenance during repair days and outages: fire watch, vessel entry, assist w/ lubrication, work with maintenance employees as helpers.
- Operators perform minor maintenance
- Boiler House Operating Engineers assist with maintenance work on paper machine and pulp mill repair days
- Power Plant Operators synch in G2 and G3
- Operators clean rock pits

2. Accept Benefits Architecture program plan provisions and program parameters

As soon as administratively possible following ratification, the Benefits Architecture program will be implemented. Current hourly retirees will also be covered by the provisions of International Paper's Benefits Architecture program as outlined below.

- Pre 1/1/90 retirees are grandfathered with the pre 65-retiree contribution equal to the Medicare Part B premium; no Post 65 coverage is available.
- For retirements effective 1/1/90 through 7/1/07, if the active employee was eligible to retire as of 1/1/90, Pre 65 coverage is available with the retiree contribution equal to the Medicare Part B premium; Post 65 coverage is available only if Pre 65 IP coverage is in effect on the

Benefits Architecture implementation date and is continuously maintained by the retiree until age 65 or Medicare eligibility; retiree will pay full retiree cost for Post 65 coverage.

- For retirements effective 1/1/90 through 7/1/07, if active employee was NOT eligible to retire as of 1/1/90, the Pre 65 retiree contribution will be determined using the age + service table (referenced in Section 18 of current Labor Agreement) applied to a blended rate of the active and Pre 65 retirees participating in the Benefits Architecture program. Post 65 coverage is available only if Pre 65 IP coverage is in effect on BA implementation date and is continuously maintained by the retiree until age 65 or Medicare eligibility; the retiree will pay full retiree cost for Post 65 coverage.
- For ALL future retirees on or after 7/31/07, the retiree contribution will be the full cost of Pre and Post retiree coverage. Pre 65 phase in to unblended rates **does not** apply.

Eligible to apply for participation in IP's Primary Mill Joint Pension Council at the levels described in the attached EXHIBIT "A" and under the provisions of the attached Summary Plan Description (EXHIBIT "B"). Upon acceptance into the Council, the current hourly LTD plan will be eliminated.

3. Effective March 1, 2004 Modify Sections 9.6, 9.7:

9.6 Those employees working on July 3, July 4, Labor Day, the Sunday before Labor Day, December 24 and December 25 will receive **straight** time for hours worked in addition to holiday pay. Employees working on July 4, Labor Day, December 24 and/or December 25 may forego their holiday pay by request on a form provided and take another day off with pay by the following May 1st. The day off will be with supervisory approval. The Company will also accept qualified volunteers to replace employees scheduled for July 4, Labor Day, *December 24 and *December 25 who wish to have the day off. If qualified volunteers are unavailable, the scheduled employee will work.

9.7 Those employees working on the following holidays: New Year's Day, Memorial Day, Thanksgiving Day and on their Floating Holidays will receive **straight** time for hours worked in addition to holiday pay. This does not prevent a supervisor allowing an employee to take the New Year's Day, Memorial Day, or Thanksgiving Day holidays off, provided the operation is adequately manned and the necessary skills and ability are available to maintain efficient operations.

9.10 The company agrees to compute paid holidays as time worked for overtime purposes provided the holiday falls before completion of forty (40) hours. There will be no pyramiding.

For employees who are working the twelve (12) hour schedule, the Company agrees to compute paid holidays as time worked (maximum of eight (8) hours for each holiday) for overtime purposes provided the holiday falls before the completion of forty (40) hours. There will be no pyramiding.

4. Amend Sections 20.11 and 20.12 – Safety shoe allowance

Effective upon ratification Sections 20.11 and 20.12 of the current labor agreement will be amended to read:

20.11 Safety shoe program to provide for 100% of cost, paid by the Company, for the purchase of one pair of safety shoes per contract year for permanently assigned employees in the Wood Processing Departments and the following positions in the Pulp Mill; Magazine Loaders, Groundwood Screen Deck Assistant Operators, and Grinder Room Operators. This would include assigned pool spares of these departments. Safety shoes must meet ANSI-Z41 Class 75 standards.

20.12 For employees not covered under 20.11, the company will authorize reimbursement, upon presentation of a receipt of payment, up to \$110.00 towards the purchase of safety shoes during each contract year of the agreement. Safety shoes must meet ANSI-Z41 Class 75 standards.

Exceptions to the safety shoe policy will be negotiated with the appropriate local union(s).

5. Eliminate the following contractual agreements that require scheduled overtime.

Upon ratification eliminate the following scheduled overtime agreements and practices:

1. Maintenance and E/I working 1 in 5 Sundays
2. GMS working 1 and 5 Sundays
3. Power Plant overtime for water techs and operating engineer employees
4. Safety overtime hours for maintenance and E/I
5. Holding safety meetings on overtime – 20.9
6. Switch room operators working seven twelve hour shifts
7. Drive Techs. working on weekends

6. Amend Section 31- use of contractors for General Mill Service work

PACE Local 1-1188 and the company agree:

1) That any reduction from the current nine (9) General Mill Services (GMS) employees will occur by attrition as long as the mill remains in the current configuration. Should any of the conditions as referenced in Section 13 of the current labor agreement occur, the company reserves its rights provided in Section 6 of the current labor agreement to determine the staffing of GMS. Attrition will be deemed to occur if an employee bids out of GMS, retires, is promoted to a management position or otherwise permanently leaves the department.

2) PACE 1-1188 and management representatives will meet to determine an appropriate schedule that will provide for no more than three (3) GMS employees working at straight time on weekends and eliminate required overtime on weekends. As attritions occur and/or weekend workload decreases, the company will determine appropriate weekend staffing.

3) Section 31 will be revised to read:

SECTION 31 Contract Work

31.1 The Company agrees that it will not contract maintenance work (new construction and/or major modifications excluded) normally performed by employees in the bargaining unit(s), except in the event the Company does not have the necessary equipment, available employees within the job classification(s) affected and with the necessary skills, or when the volume of work on any particular job precludes the possibility of completion within reasonable scheduled time limit.

31.2 The company shall have the right to enter into agreements with independent contractors to perform any General Mill Services work.

31.3 No employees within the job classification(s) affected will be laid off where it is necessary to contract out work under this section.

31.4 Prior to entering into a contract for such work, the Maintenance & ~~Engineering~~ Manager will discuss the scope, duration and reasoning with the Union(s) involved.

31.5 If there remains a controversy after this meeting as to the assignment of the work, the ~~Vice President Operations~~ Mill Manager will review and discuss the work with the Union(s) prior to making a final decision.

31.6 The Parties agree to form a joint union/management committee to study work currently being outsourced/contracted and mutually recommend the most cost effective way to get the work done.

31.7 The Company agrees to notify the affected Local Union(s) of vendors doing work in the Mill before work begins. This notification shall be limited to vendors who are performing tasks which may impact the operation or safety of employees, equipment/systems currently maintained or utilized by bargaining unit employees.

7. Add new subsection 22.6 – Make 12 hour shifts cost neutral

The following new subsection 22.6 will be incorporated into the Memorandum of Agreement:

“22.6 Effective 1/1/2005 the cost of the 12 hour shift schedule will become neutral to the 8 hour shift schedules in place previously. To accomplish this, a 12-hour rate deck will be established for all wage rates shown in Appendix A of the current collective bargaining agreement. The 12-hour rate will be calculated by multiplying the current wage rate by 0.9773. Any employee working a 12-hour schedule will be paid the 12-hour rate for hours worked.”

8. Amend Section 32 Tool Allowance

Amend Section 32 Tool Allowance to read:

SECTION 32 Tool Allowance

Mechanical and E/I Maintenance employees who furnish their own tools will be entitled to a yearly tool allowance as follows:

Effective May 1, 2000 - \$210.00
Effective May 1, 2001 - \$220.00
Effective May 1, 2002 - \$230.00
Effective May 1, 2003 - \$240.00

No additional increase will be made to the tool allowance for the duration of the extended Labor Agreement.

The tool allowance will be paid on the second Thursday after ratification of this agreement or after May 1 in any year, whichever comes later. Anyone completing their probationary period after May 1 in any year but prior to March 1 in any year will receive their tool allowance on the second Thursday following completion of their probationary period or acceptance of the job, whichever is applicable.

10. Amend Section 15.2 – continuous shift differential

Section 15.2 will be amended as follows and will be incorporated into the Memorandum of Agreement:

SECTION 15 Wages

15.2 A shift differential for all four (4) crews, swing shift, four workers will be paid at zero (0) cents per hour for such employees working the day 12-hour shift; and fifty (50) cents per hour for the night 12-hour shift. The 0/25/40 shift differential shall remain in effect for all other workers.

11. Amend Section 15.1 – wage rates

The following language will be incorporated into the Memorandum of Agreement:

- “Except for all the changes as specified herein, the Parties agree to extend the current collective bargaining agreement through and including July 31, 2007. A general wage increase of 2.5% will be delayed until May 1, 2006.

- A one-time lump sum bonus paid within 30 days after ratification of \$1,500.00 for each active hourly employee in the bargaining unit. In addition, on 1/1/2005 a one-time lump sum bonus of \$700.00 paid to active hourly employees in the bargaining unit.
- The Company agrees to continue to provide red circle rates as provided under the Quantum Leap Memorandum of Agreement ratified on 11/25/2002 through the duration of the extended agreement.

EXHIBIT "C"

HOURLY INCENTIVE PLAN

Preamble:

The Bucksport mill Hourly Incentive Plan is unique to the financial situation at the Bucksport mill. Active hourly employees will participate in this plan during the term of the extended agreement. The Company retains the right to modify the safety and financial budgets on an annual basis.

Plan Design:

For the plan to payout, all 3 conditions below must be met:

- I. Must meet safety performance rate hurdle (for 2004 hurdle is 3.4 TIR).
- II. Nominal (actual) ROI must be greater than budget (for 2004 budget is 2.1%).
- III. Payout - 15% of the gain above the current year price neutral budget

Notes:

1. Current year price neutral budget excludes the impact of sales price and purchased pulp price. Payments will be made quarterly. Maximum employee payout will not exceed 3% of W-2 earnings.
2. Only active hourly employees are eligible for the plan.
3. Safety and financial budgets to be adjusted annually by the Company.

Examples:

1. If actual ROI is 1.8% and price neutral EBIT improvement gain is \$3.13 MM (see next page), then payout is zero due to not meeting second hurdle.

2. If actual ROI is 2.5% and price neutral gain is \$3.13 MM, then payout is 1% of wages (see next page for various scenarios)

**International Paper
Bucksport Mill
Hourly Incentive Plan - Payout Examples that Exceed Nominal ROI Hurdle**

Scenario	EBIT Improvement (millions)	Payout (000's)	% of Wages	Payout \$/employee	Payout Impact on ROI	Percent EBIT gain shared with employees
A	\$ 1.57	\$ 235	0.5%	\$ 343	0.05%	15%
B	\$ 3.13	\$ 470	1.0%	\$ 685	0.10%	15%
C	\$ 4.70	\$ 705	1.5%	\$ 1,028	0.15%	15%
D	\$ 6.27	\$ 940	2.0%	\$ 1,370	0.20%	15%
E	\$ 7.83	\$ 1,175	2.5%	\$ 1,713	0.25%	15%
F	\$ 9.39	\$ 1,409	3.0%	\$ 2,054	0.30%	15%

Signed by the parties this ____ day of February, 2004

For the Company

For the Unions:

Dennis Castonguay, Mill Manager

David Lowell, IAM&AW Int'l Rep

David Libby, S&HR Manager

Kendal Dunbar, President
IAM&AW Lodge 1821

Steve Moser, Maintenance Superintendent

Brian Simpson, VP IAM&AW Lodge 1821

Dale Wibberly, HR Professional

Raymond Hinckley, PACE Int'l Rep

Donald E. Sorey, HR Professional

Bruce Robertson, President
PACE Local 1-0261

Donald J. Sorey, VP PACE Local 1-0261

Stephan Donnell, President
PACE Local 1-1188

Greg Saunders, VP PACE Local 1-1188

Lance Raymond, President
IBEW Local 1777

Brian LaMarche, VP IBEW Local 1777

MEMORANDUM OF AGREEMENT

Between

PACE Local 1-1188

PACE Local 1-0261

IAM&AW Lodge 1821

IBEW Local 1777

And

International Paper – Bucksport Mill

Notwithstanding the provisions of any current agreements to the contrary, this Memorandum of Agreement contains the full and complete agreement on all issues pertaining to Quantum Leap cost reduction activities, including the impact of staffing reductions, between the parties. As a result of this agreement, the Unions agree to participate in the Quantum Leap process.

The Unions agree to the following:

1. All 4 Locals and the Company intend to renew their efforts to implement the terms of the Team Concept language, as it exists in the current Labor Agreement.
2. All 4 Locals and the Company agree to start the Quantum Leap idea generation process in the first quarter of 2003 and complete the identification of ideas ninety (90) days after started. It is recognized that implementation of ideas will be ongoing.
3. A. Section 15.5 remains unchanged:
15.5 When a new job is created, or when changes are made in the operation of an existing job which result in substantial changes in job duties and/or responsibilities, negotiations between the Company and the Union for the establishment of a rate shall begin not later than sixty (60) days after the job is started unless extended by mutual agreement and the rate shall be determined within thirty (30) days thereafter. The rate so determined shall be made effective not later than thirty (30) days after the job started. Changes in jobs resulting from the implementation of Team Concept will not be considered in determining whether or not a job has been substantially changed. Team Concept will not be considered under this section.
B. Permanent change to contract language in Section 15.6 for all wage adjustment requests under Section 15:
15.6 If an agreement cannot be reached within ninety (90) days, management will set the rates, which are binding until the next contract negotiation session.
4. During the Quantum Leap discussions the Unions and Company have discussed numerous examples that confirmed the Company's rights under Section 6 of the current Labor Agreement. Examples include the restructure of the Off Machine Coater line of progression, the reduction in force in the Finishing department, the reduction in force in the Mechanical Maintenance department, and the restructure of work in the Switch Room. It is agreed that these examples are not violations of the labor agreement.

SECTION 6 Management Rights

6.1 The Unions signatory to this Labor Agreement agree not to hinder or interfere with the management and operation of the Company and its Bucksport Mill including, but not limited to, the assignment of work, the direction of the work force, the right to hire, suspend or discharge for proper cause, and to lay off employees because of lack of work or for other good and sufficient cause. The Company shall not exercise any of its management prerogatives for the purpose of discriminating against any employee. Nor

COMPANY BEST OFFER

shall the Company exercise any prerogative that would conflict with the rights employees have as specifically enumerated in this Labor Agreement.

The Company agrees to the following:

1. Voluntary severance program as outlined on Page 2.
2. Severance calculation and severance pay method – see Page 3.
3. Enhanced retirement \$100.00 per month lifetime supplement – see Page 3.
4. Access to EAP until 12/31/2002 or 3 months after termination date, whichever is longer – see page 3.
5. Red Circle Rate Protection – see Page 3.
6. Attrition language – see page 4.
7. In exchange for the language change in Section 15.6, a one-time lump-sum payment of \$600.00 will be paid to remaining active hourly employees in the bargaining unit on March 1, 2003. Any volunteers approved for a severance package are not eligible for a one-time lump sum payment. The Company recognizes that the following wage adjustment requests will be processed using the contract language in 15.6 in existence prior to this agreement unless otherwise resolved:
 - a. Stock Prep Thick Stock Screening
 - b. Stock Prep Additive Mixer
 - c. Pulp Mill Excavators
 - d. Finishing & Shipping Self-Direction
 - e. Stores – SAP
 - f. IAM – SAP
 - g. IBEW – SAP
 - h. IBEW – Tour shop switchroom
8. For Local 1-0261, employees displaced out of a 1-0261 line of progression shall retain recall rights to that line in the reverse order displaced from said line (last out, first in).

VOLUNTARY SEVERANCE

Notes: This offer is on a non-precedent setting basis.

It must be understood that the Company cannot deplete critical skills within a given department or line of progression/classification. Therefore, the specific guidelines below will be followed for the consideration of candidates for such a “voluntary severance” program.

Voluntary severance packages will be offered within the affected department first. Management will determine the maximum number per line of progression (LOP) and/or department to be determined based upon need to maintain operations.

All those interested in participating in the voluntary severance program will complete a form in the human resources department. Any employee who chooses to participate and is approved for a severance package will be considered a voluntary resignation and will not have any recall rights for future employment at the Bucksport mill.

Any employee who requests and is approved by the Company for the “voluntary” severance program will be released by the Company as soon as practical. However, the services of some employees who are approved for the “voluntary” severance program may be required for training and other transitional work past the period the announced changes are made. The Company retains the right to determine and/or change the actual termination dates. The Company will not rescind an approved voluntary severance package in the 90-day period prior to the planned voluntary retirement date occurring under Quantum Leap.

COMPANY BEST OFFER

Any employee who is approved for the "voluntary severance" program who leaves the employment of the mill before he/she is released by the Company will forfeit his/her "voluntary severance" payments.

The only way the Company will approve a severance package is when an employee's employment is terminated under Quantum Leap and results in a headcount reduction. If attrition occurs in other ways, no additional severance packages will be offered.

INVOLUNTARY SEVERANCE

If an employee's employment is involuntarily terminated under Quantum Leap and results in a headcount reduction, this enhanced severance package will be offered. Any employee who chooses to participate in, and is approved for, an enhanced severance package will be considered a voluntary resignation and will not have any recall rights for future employment at the Bucksport mill. Any employee who chooses not to participate in the enhanced severance package will be considered a layoff per the labor agreement and will have recall rights as set forth in Section 7.11.

SEVERANCE CALCULATION

The Company will use the following to calculate severance payments.

ENHANCED FORMULA (Whichever is higher)

2000 or 2001 or Previous Full Year W-2 Earnings x 3% x years of service

Or

40 Hours x Employee Card Rate x 52 Weeks x 3% x years of service (only for those employees whose W-2 earnings were negatively impacted by layoff or approved leave)

RETIREMENT

To employees electing voluntary severance and who are pension eligible as provided for in the labor agreement, the Company will add \$100.00 per month lifetime supplement.

MEDICAL COVERAGE

Per the provision of Section 18.4 of the current labor agreement, employees retiring between the age of 55 and 65 will be able to continue their group medical insurance until they are eligible for Medicare and will be required to contribute a percentage of the cost of such coverage based upon service and age in accordance with the schedule as outlined on page 23.

EMPLOYEE ASSISTANCE PROGRAM

Employees and their immediate family as defined in the EAP program will be eligible to utilize the services of the Company's Employee Assistance Program. An employee will have EAP coverage for three months from the date of his/her termination.

RED CIRCLE RATE PROTECTION

The Company will offer on a non-precedent setting basis the following regarding the concept of red circle of rates for employees reassigned as a result of actions taken under Quantum Leap.

An employee who is reassigned as a result of the job eliminations, will, for the remaining time of the current Labor Agreement following such reassignment receive his/her former regular rate at the time of the reassignment, unless the employee is set up, scheduled or promoted to a job paying more than the former regular rate in which event the employee will be paid the higher job rate.

COMPANY BEST OFFER

The red circling of rates will end no later than 4/30/2005.

Note: Provisions of the multi-local bargaining unit (Section 15.8) apply to the red circling rate provisions above.

ATTRITION PROVISION

For the first 100 positions eliminated, up to 30 of those positions can be attrited naturally without providing severance packages. For additional position eliminations above 100, all can be attrited naturally, without providing severance packages.

Note: Not filling an existing vacancy or job opening does not count toward our minimum headcount reduction of 100 hourly employees.

Signed by the parties this ____ of November, 2002:

For the Company:

For the Union:

Fred Oettinger, Mill Manager

Duane Lugdon, PACE Int'l Rep.

David Libby, HR Manager

David Lowell, IAM&AW Int'l Rep.

Jeff Hamilton, Operations Manager

Jeff Snowman, PACE Local 1-1188

Stacy Lee, No. 5 Line Manager

Bruce Robertson, PACE Local 1-0261

Don Sorey, HR Professional

Kendal Dunbar, IAM&AW Lodge 1821

Jim Duplessis, HR Professional

Lance Raymond, IBEW Local 1777

Dale Wibberly, HR Professional

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**LABOR AGREEMENT
BETWEEN
INTERNATIONAL PAPER
BUCKSPORT MILL
BUCKSPORT, MAINE
AND
PAPER, ALLIED-INDUSTRIAL, CHEMICAL AND ENERGY
WORKERS INTERNATIONAL UNION
LOCAL NO. 1-0261
AND
LOCAL NO. 1-1188
AND
INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS
LODGE NO. 1821
AND
INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS
LOCAL NO. 1777**

SECTION 1. Parties

1.1 International Paper, Bucksport Mill and all organizations signing this Agreement become parties to it.

SECTION 2. Term of Agreement

2.1 This Agreement shall be in effect from **May 1, 2000** to and including **April 30, 2005** and from year to year thereafter subject to amendment or termination by either party giving written notice to the other party of desire to amend or terminate sixty (60) days in advance of any anniversary date.

2.2 The parties shall be obligated to negotiate in good faith all proposed amendments with the intent of reaching a written Agreement prior to the anniversary date.

2.3 If the parties have not reached an Agreement on all proposed amendments before the anniversary date, all the provisions of this Agreement shall remain in effect until a new Agreement is reached unless specifically terminated in accordance with the provisions of the following paragraph.

2.4 At any time after the anniversary date, if no Agreement has been reached either party may give written notice by registered mail, return receipt, of intention to terminate, which termination shall become effective ten (10) days following receipt of said notice.

2.5 It is mutually agreed to by International Paper, Bucksport, Maine and the respective International and Local Unions hereinafter signatory to this understanding that future labor negotiations will be conducted on the same basis as has been customary in the past except as is indicated as follows:

1. In the ratification process, the International Union(s) will operate as individual entities.
2. For those Union(s) ratifying the contract, the bargaining process is completed and these

- respective Union(s) and their membership will have a contract with International Paper which they will honor regardless of the activities of any other non-ratifying Union(s).
3. Should a Union(s) not ratify, they may request further meetings with the Company and should such meetings not conclude in a satisfactory agreement, such Union(s) may, having satisfied Section 2 of the Labor Agreement, exercise their lawful right up to and including economic recourse.

SECTION 3. Jurisdiction

3.1 It is understood that the Company will not be requested to act upon any questions regarding jurisdiction which may arise between the Unions.

SECTION 4. Recognition Clause

4.1 The Company recognizes the Signatory Unions as the exclusive bargaining agencies for all employees in the appropriate units as certified by the National Labor Relations Board. **Only the local president may sign agreements for his/her local.**

4.2 Under this Agreement, all employees eligible for membership in the Signatory Unions shall, as a condition of employment, become members of the proper Signatory Union on and after completion of thirty (30) days worked. Summer temporaries returning after their first year will be considered automatically reinstated for automatic dues deductions.

The employer agrees upon demand by the proper Signatory Union to dismiss all employees who, on and after completion of thirty (30) worked days, have failed to become members or maintain membership in the proper union. The Company will notify the proper Signatory Union's Financial Officer in writing upon completion of the thirty (30) accumulative days. Superintendents, Assistant Superintendents, Supervisors, Professional employees, Non-Union Office Forces and Security Forces are part of the Management of the Company.

4.3 Management employees including foremen and spare foremen will not do work normally done by bargaining unit employees, except for the purpose of instruction and training.

4.4 When an employee, either a present or future member of the Union, individually, and voluntarily signs a form authorizing the deduction of dues from his pay, the Company agrees to honor such authorization during the life of this Agreement and while the employee is in the bargaining unit, in accordance with the terms of the authorization.

The authorization form referred to above shall be submitted by the Union.

Money so deducted shall be turned over to the Financial Secretary of the Local Union or their designate. All authorization for deductions must be presented to the Human Resources Manager in writing by the duly designated Financial Secretary or Treasurer of the Local Union at least seven (7) days prior to the said pay period. The Union agrees to hold the Company harmless from any and all liabilities, arising out of the deduction of the Union membership dues as outlined in this section and assumes full responsibility for the distribution of the funds so deducted upon receipt by the Financial Secretary of the Local Union or their designate.

SECTION 5 Nondiscrimination

5.1 There shall be no discrimination against any employee or applicant for employment as prescribed by any Federal Law, State Law, Executive Orders, and/or future anti-discrimination laws including, but not limited to age, race, sex, religion, color, national origin, mental and physical handicap, veterans of U.S. Armed Services, Union membership or legally protected Union activity. Employees may process any and all complaints regarding this section according to Section 14, Grievances, as contained within this Agreement.

5.2 All job titles in the masculine pronoun issued or referred to in this Agreement include both male and female employees.

SECTION 6 Management Rights

6.1 The Unions signatory to this Labor Agreement agree not to hinder or interfere with the management and operation of the Company and its Bucksport Mill including, but not limited to, the assignment of work, the direction of the work force, the right to hire, suspend or discharge for proper cause, and to lay off employees because of lack of work or for other good and sufficient cause. The Company shall not exercise any of its management prerogatives for the purpose of discriminating against any employee. Nor shall the Company exercise any prerogative that would conflict with the rights employees have as specifically enumerated in this Labor Agreement.

SECTION 7 Seniority

7.1 All new employees shall serve a probationary period of **2,000 hours worked or one (1) year of employment, whichever comes last, and shall not accrue seniority during that period. Employees will be eligible for all other negotiated benefits after (480) hours worked. Employees serving a New Hire Probationary period are not allowed to bid on regular classified positions, but are subject to assignment if there are no qualified applicants.** During said probationary period, the Company may, at its option, lay off or dismiss said probationary employees and such employees shall not have recourse to the grievance procedure. Employees retained at the expiration of the probationary period shall become regular employees and shall be credited with seniority from the date of hire. A new employee shall mean a person with no previous employment with the Signatory Company or a person rehired after a discharge or voluntary separation.

7.2 For the purpose of this Agreement, there shall be four types of seniority: Job, Department, Mill and Company.

1. **JOB OR CRAFT SENIORITY** is defined as the date of assignment to their current job or craft.
2. **DEPARTMENT SENIORITY** is defined as the date of permanent assignment to a department.
3. **MILL SENIORITY** is defined as the time an employee is a member of the bargaining unit.
4. **COMPANY SENIORITY** is defined as the date of employment with the Company.

For the purpose of this Agreement, there shall be three types of employees: Temporary, Probationary and Regular.

1. **TEMPORARY EMPLOYEE:**

- Temporary employee is defined as a person who may be employed for summer vacation replacements.
- Temporary employee(s) may also be employed for specific periods of time by mutual

consent.

- Temporary employee(s) will not accrue seniority.

No temporary employee will become a regular employee unless they are hired as a regular employee and complete a new probationary period.

2. PROBATIONARY EMPLOYEE is defined as an employee hired with the intent to become a regular.

3. REGULAR EMPLOYEE is defined as an employee who has completed his probationary period.

7.3 A permanent vacancy will be filled, if possible, first from within the department. Apprentice vacancies are excluded. **Secondly, effective May 1, 2001 bottom jobs in departments and dead-end jobs not filled within the department, as well as GMS vacancies, shall be posted mill-wide. For bidding purposes GMS is considered a separate department. It is understood that departmental pools are considered as bottom jobs in the departments.** The bid will be posted for seven days (excluding Saturdays, Sundays and holidays). Employees can submit bids at the Human Resources Department during the posted period.

The successful bidder will not be held in their department more than 28 calendar days, from the date the bid is awarded. **In a meeting with the local(s) involved, deviations may be made by mutual agreement.**

It is agreed to give each of the union Presidents copies of the millwide job postings when they are posted and at the end of the bidding process indicating who were the top 3 candidates for the position and who the successful bidder was replacing in that department.

7.4 An employee may not successfully bid more than twice per contract year. This does not include permanent setups in a line of progression.

7.5 Employees may indicate to the Human Resources Department prior to leaving on vacation those jobs in which they have interest. The job posted will be awarded to the senior qualified bidder. Mill seniority shall be the seniority used in such situations.

Determining qualifications - Set up a process in each department to determine qualifications for entry level and special jobs. The process would be reached by mutual agreement between company and the union(s) holding jurisdiction over the job. Factors such as experience in work directly applicable to the job being filled, training which bears directly on the job being filled, etc. may be considered.

In the event a reasonable disagreement about the senior applicant's qualifications exists, he/she will be offered a trial period.

7.6 The probationary period, referenced in 7.9 below, shall apply should the employee decide to return to his former job without loss of seniority and will also apply should the Company need to remove the employee because of failure to qualify. Before such action is taken the employee and Union will be notified.

7.7 Bids will not be accepted from an employee who is on a probationary period in their current job.

7.8 Employees laid off from a department will revert to spare list in accordance with mill seniority except as provided for in Local 1-1188's Recognized Agreement No. 2.

7.9 In cases of transfers from one department to another the Company will be allowed 240 hours worked to determine whether or not the transferred individual can do the work. In the event that it is decided the individual cannot do the work, or does not want the job, they shall be returned to their former department with no loss of seniority. Should the company disqualify the employee from a job/department which provides greater than a 240 work hour probationary period, the employee shall be returned to his/her former department/job without loss of seniority. Upon completion of the probationary period, said individual shall lose seniority in their former department and start accumulating seniority in the new department from the date on the bid. The probationary period in newly created departments will be worked out with the Union(s) involved.

It is understood that deviations from the above may be made by mutual agreement of the local(s) involved.

7.10 If employees are promoted, those older in point of service and properly qualified have preference. In the event of a layoff, the employees with the least department seniority shall be the first laid off in each department and shall be returned to work in reverse order.

7.11 Seniority referenced in this section shall refer to Mill Seniority as defined in Section 7.2. If an employee with one (1) year seniority or less is laid off for less than twelve (12) months due to lack of work, their seniority remains unbroken. If an employee with more than one (1) year seniority is laid off for less than eighteen (18) months due to lack of work, their seniority remains unbroken. If more than twelve (12) months or eighteen (18) months respectively, their seniority starts anew. If an employee is recalled and offered employment at their regular kind of work within the twelve (12) month or eighteen (18) month period respectively, and does not report, their seniority will be broken.

7.12 In the event of a temporary curtailment of operations which does not exceed sixteen (16) continuous days, the following guidelines are established to Local 1-1188 and the E&I Department.

1. Every reasonable effort will be made to give people time off during the curtailment if they request it. Scheduled vacations will be honored first.
2. Positions will be filled by department seniority with the employees following their own crews, when possible. Seniority means most senior qualified.
3. No employee will be scheduled for more hours than they would normally be scheduled. Qualified Day Workers who bump to a Tour Crew will work the crews' schedule and visa versa.
4. Employees scheduled in accordance with paragraph 2 and 3 will not be scheduled to work additional hours until all qualified department employees not scheduled have an opportunity to be scheduled.
5. Unanticipated openings will be offered to the most senior qualified person not scheduled per paragraph 2, 3 or 4.
6. Openings not filled per paragraph 5 will be filled by the department's regular overtime agreement.

These guidelines do not apply to Mechanical Maintenance.

7.13 PACE LOCAL 1-0261 TEMPORARY/PERMANENT LAYOFF PROCEDURE

The following temporary layoff procedures apply within functional areas:

FUNCTIONAL AREAS		
<u>PAPERMACHINES</u> Papermachines Off Machine Coater, Clothing Specialist and Transitional Clothing Technician	<u>SUPERCALENDARS</u> Supercalendars Winders Rewinder Broke Operator	<u>STOCK PROPORTIONER</u> Stock Prep. 4&5 and 1&2 and Additive Mixer

1. AFTER TWENTY-FOUR HOURS

Twenty-four (24) hours from the time the position is temporarily shutdown, the permanent classified employee assigned to that position, may according to department seniority, displace pool members.

2. FIRST SEVEN (7) DAYS

For the first seven (7) days there will be no bumping of permanent classified employees.

Any work that is performed on the machine that is shut down by machine personnel will not be counted as day(s) worked for the purpose of counting the first seven (7) days of a machine shutdown.

3. EIGHTH (8TH) DAY

After the first seven (7) days, layoffs will be made by departmental seniority within the individual line of progression. Employees laid off in one line of progression will move to another line of progression, if applicable, and displace employees in order of departmental seniority from the bottom up to but not including:

- A. Paper Machines- Coater Operator and above, and Clothing Specialist and Transitional Clothing Technicians
- B. Supercalendars- Assistant Operators and above

4. TWENTY-SECOND (22ND) DAY

In the event the temporary curtailment exceeds twenty-one (21) working days, the Company, on the day following, will make promotions and recall employees laid off in accordance with the existing Labor Agreement. Employees laid off in one line of progression will move to another line of progression, if applicable, and displace employees in order of departmental seniority from the bottom up as far as necessary to place the senior laid off employees.

5. SECOND OCCURRENCE IN SIX MONTHS

Once the twenty-one (21) cumulative days referenced in Step (4) have been exhausted in the preceding six (6) month period and, it is necessary to take the machine down again, Step (4) will be instituted on the first day of successive shutdown.

PERMANENT LAYOFF
THE FOLLOWING PROCEDURES APPLY TO THE ENTIRE PRODUCTION
DEPARTMENT

On the day following, employees will be displaced in order of departmental seniority from the bottom up as far as necessary to place the senior laid off employees even if it requires crossing functional areas in order to do so.

7.14 Employees promoted from the bargaining unit to supervisory positions within their department prior to May 1, 1984, shall not accumulate departmental seniority after the date of promotion. If at a later date, management has to return the employee to the bargaining unit for some reason, they will be allowed to return with departmental seniority previously accumulated to the time of the promotion, provided no employee is displaced in the department affected. It is understood that the decision whether or not to return such employee to the bargaining unit is solely that of management.

7.15 The Company will give the Union written notice of any promotions from the bargaining units to supervisory positions. An employee promoted after May 1, 1987 will have a maximum six (6) month period from the date of promotion to decide whether he/she desires to return to his/her former position and/or to establish satisfactory performance of the duties in his/her new position. During this six (6) month period, his/her former job and departmental seniority will continue to accumulate.

7.16 Employees promoted from the bargaining unit to supervisory positions outside their department shall not retain departmental rights in their former department unless returned to their former department within thirty (30) working days from the date of promotion.

For those employees working the Twelve Hour Schedule, "working days" means work days of the department in which an employee is promoted.

7.17 A vacancy in a supervisory position will be filled for a maximum of twenty-six (26) weeks from the bargaining unit. Extensions beyond twenty-six (26) weeks will be by mutual agreement with the employee's local union.

7.18 If a line of progression employee is out of work or anticipated to be out of work for more than six (6) months on long term absence, the Company may make temporary long term setups. Set-ups of less than six (6) months will be made by mutual agreement.

7.19 Selection of spare foreman will be made at management's discretion. The supervisor will discuss the reasons for not selecting a senior employee with the employee.

7.20. In matters where seniority applies within the Mechanical Maintenance Department, department seniority will be used in determining the senior qualified employee. However, vacation and lay-off procedures will follow the 1990 Mechanical Maintenance Redesign language. This supersedes any prior agreement(s) between the parties to the contrary.

SECTION 8 Frozen Employees

8.1 Freezing shall be authorized by management only for verifiable medical reasons. There shall be no "voluntary" freezes.

8.2 Employees who are considered frozen must submit an updated medical slip for review and authorization during January of each year in order to continue with frozen status.

8.3 Frozen employees are expected to assist and transfer in conjunction with Team Concept.

SECTION 9 Holidays

9.1 During the period of this Agreement, holiday periods shall be as follows:

NEW YEAR'S DAY - 8 a.m. January 1 to 8 a.m. the following day - twenty-four (24) hours.

MEMORIAL DAY - 8 a.m. on the last Monday in May to 8 a.m. on the following day - twenty-four (24) hours.

THIRD OF JULY - 8 a.m. July 3 to 8 a.m. July 4 - twenty four (24) hours.

FOURTH OF JULY - 8 a.m. July 4 to 8 a.m. July 5 - twenty-four (24) hours.

SUNDAY PRIOR TO LABOR DAY - 8 a.m. on Sunday to 8 a.m. LABOR DAY -twenty-four (24) hours.

LABOR DAY - 8 a.m. on the first Monday in September to 8 a.m. on the following day - twenty-four (24) hours.

THANKSGIVING DAY - 8 a.m. Thanksgiving Day to 8 a.m. the following day - twenty-four (24) hours.

CHRISTMAS EVE DAY - 8 a.m. December 24 to 8 a.m. December 25 - twenty-four (24) hours.

CHRISTMAS DAY - 8 a.m. December 25 to 8 a.m. December 26 - twenty four (24) hours.

FLOATING HOLIDAY - Four (4) requested by employee in the contract year.

NOTE: Mill Operating Holidays: If the Company options not to operate the mill on these days, the Unions will be notified at least thirty (30) days in advance. Such notice shall not apply in case of emergency shutdowns.

NOTE: For employees who are working the twelve-(12) hour schedule, thirty (30) days to mean thirty (30) calendar days.

9.2 FLOATING HOLIDAYS

Floating holidays will be requested by the employee by the Wednesday preceding the week in which the employee desires to take the holiday subject to Company approval. Employees that schedule their floating holidays before June 1st will be granted their request by order of seniority. An employee who signs up for floating holidays by June 1st of a contract year will not be bumped by a Senior employee requesting the same day off who neglected to sign up by June 1st. Employees who sign up after June 1st will be scheduled, first come, first serve. In all cases, floaters taken on an employee's actual birthday will take precedence over any other Floating Holiday, and should a

conflict arise where both employees have the same birthday holiday, then the senior employee will have preference.

9.3 It is agreed to that employees who have neither taken or scheduled floating holidays prior to April 1 of the contract year may, at the Company's discretion, be paid eight (8) hours straight time pay in lieu of time off.

For employees who are working the twelve (12) hour schedule, it is agreed that employees who have neither taken or scheduled floating holidays prior to April 1 of the contract year may, at the Company's discretion, be paid eight (8) hours straight time pay in lieu of time off provided the one hundred and four (104) hours of pay fund has not been exhausted.

9.4 SPECIAL PROVISIONS DECEMBER 24TH AND DECEMBER 25TH HOLIDAYS

1. The department supervisors, crews, and Union officials will jointly evaluate and determine minimum manning requirements and shift schedules on these two (2) days to allow the greatest number of employees off while assuring adequate operations manning. The manning and shift schedule plan by each department must be approved by the mill V.P. - Operations Manager and the applicable Union(s).

2. The Company will first seek volunteers through a departmental sign up sheet. If enough qualified employees volunteer for work on these two days, no employee will be required to work. An employee will also be allowed to volunteer for open work assignments in other departments provided he/she is qualified.

3. The Company will also make every effort to hire qualified temporary employees to help supplement any shortages in lower skilled jobs which may occur due to an inadequate number of volunteers signing up. To accommodate the hiring of temporaries, the volunteer sign-up procedure must be concluded on or before November 15th.

4. It is understood that an employee regularly scheduled to work on these days will not be denied his/her rightful work opportunity to work his/her scheduled shift.

5. Spare foremen will not be setup during these two (2) days unless mutually agreed to between the Company and the appropriate Union.

6. Unscheduled maintenance employees who volunteer will be allowed to work eight (8) hours on December 24th and December 25th. Those employees that volunteer to work on December 24th and December 25th will not be allowed to defer the holiday under Section 9.6.

7. In accordance with Section 9.6 employees working on December 24th and/or December 25th may forego their holiday pay and take another day(s) off with pay by the following May 1st.

NOTE: While the above special provisions are provided to address various issues involving operating the mill on December 24th and December 25th, the parties understand and agree that it will also take the full cooperation and participation of all employees. In view of this, the parties agree to continue to work together seeking ideas from employees and problem solving various ways to meet the concerns of the employees and the mill.

**MEMORANDUM OF UNDERSTANDING
IAM&AW, LODGE 1821 AND PACE, LOCAL 1-1188 AND IBEW, LOCAL 1777
AND INTERNATIONAL PAPER, BUCKSPORT, MILL**

**MAINTENANCE WORK SHOULD THE COMPANY SHUTDOWN ON DECEMBER 24TH
AND DECEMBER 25TH**

The Company will be governed by the following understanding should it be necessary to shut down on December 24th and December 25th.

The Company does not want any more employees to work than is absolutely necessary and the following procedures to determine what work is to be performed and the manner in which the available labor will be determined will be utilized.

The Company will provide a list of proposed work to the union presidents approximately fifteen (15) days prior to the holiday. Work items to be included on this list would fall within the following three (3) categories which were agreed to during the 1967 contract negotiations.

A. Emergency jobs which are necessary in management's judgement in order to ensure uninterrupted production on resumption of operation.

B. Jobs requiring any and all of our utilities (water, power and steam) being off.

C. Jobs which cannot be done within the normal time limits of our scheduled wire cleanup repair shutdowns.

The Company will meet with all unions involved approximately ten (10) days prior to the holiday to discuss and answer questions relative to the work list. The Company will endeavor to accomplish such work by first asking for qualified volunteers and secondly, scheduling the qualified employee by reverse seniority with their respective crafts, keeping in mind the necessary skill requirement for the work to be done.

9.5 In addition, if the Company options not to operate on December 24th and 25th, the Company agrees that it will do its utmost to release the employee required to work on December 24th not later than 5 p.m. on the respective holiday. If the necessary work cannot be completed by 5 p.m., the Company will endeavor to accomplish such work by first, asking for volunteers and secondly, if unable to secure enough volunteers, by scheduling within their respective crafts keeping in mind the necessary skills required for the work to be done.

(NOTE: This provision does not include Power Plant, Wastewater Treatment, Shift E&I or other operations requiring manning when the mill is not operating.)

9.6 Those employees working on July 3, July 4, Labor Day, the Sunday before Labor Day, December 24 and December 25 will receive double time for hours worked in addition to holiday pay. Employees working on July 4, Labor Day, December 24 and/or December 25 may forego their holiday pay by request on a form provided and take another day off with pay by the following May 1st. The day off will be with supervisory approval. The Company will also accept qualified volunteers to replace employees scheduled for July 4, Labor Day, *December 24 and *December 25 who wish to have the day off. If qualified volunteers are unavailable, the

scheduled employee will work.

9.7 Those employees working on the following holidays: New Year's Day, Memorial Day, Thanksgiving Day and on their Floating Holidays will receive time and one-half for hours worked in addition to holiday pay. This does not prevent a supervisor allowing an employee to take the New Year's Day, Memorial Day, or Thanksgiving Day holidays off, provided the operation is adequately manned and the necessary skills and ability are available to maintain efficient operations.

9.8 Employees will receive a sum equal to eight (8) hours straight time pay for time not worked during the twenty-four (24) hour period - 8 a.m. to 8 a.m. of the above holidays, providing they work their regularly scheduled shifts prior to and immediately following the holiday except in case of those employees who are unable to do so on account of sickness, accident, vacation and authorized leaves limited to six (6) months period.

As of May 1st each year, employees who are working the twelve (12) hour schedule will be entitled to a fund of one hundred and four (104) hours of pay (13 holidays x 8 hours each). The employee will receive eight (8) hours or twelve (12) hours of straight time pay, employee option, for time not worked during the twenty-four (24) hour period - 8:00 a.m. to 8:00 a.m. of the above holidays, providing they work their regularly scheduled shifts prior to and immediately following the holiday except in case of those employees who are unable to do so on account of sickness, accident, vacation and authorized leave limited to a six (6) month period.

9.9 Temporary employees will not be entitled to holiday pay unless they have been on the payroll ninety (90) days or more, worked eight (8) hours or more during the holiday week and meet the other eligibility requirements.

9.10 The Company agrees to compute paid holidays as time worked for overtime purposes provided the holiday falls before completion of forty (40) hours. There will be no pyramiding.

For employees who are working the twelve (12) hour schedule the Company agrees to compute paid holidays as time worked (maximum of eight (8) hours for each holiday) for overtime purposes provided the holiday falls before the completion of forty (40)hours. There will be no pyramiding.

SECTION 10 Interruption of Work

10.1 There shall be no strikes, walkouts, lockouts, slowdowns or work stoppages during the term of the Agreement or any extension thereof.

SECTION 11 Cooperation

11.1 The Company agrees to inform the Union of significant changes in operation as soon as possible.

11.2 In order to maximize our joint efforts in becoming more competitive, the parties encourage every crew and every individual (whether represented by the Union or Management) to work together to improve safety, cost, quality and productivity within the full scope and provisions of the Labor Agreement.

11.3 One of our common goals is to enhance our relationships, not only with our customers but also with each other, to create higher profits and empower all employees to make decisions in an environment which encourages everyone to come to work with purpose and direction. To this end, the parties have expressed their commitment to consider successful approaches to the total quality concept. These efforts will begin within one year after the signing of the 2000 labor agreement, and eventually a successful program will evolve.

SECTION 12 Vacations

12.1 The Company agrees to give all hourly paid employees who have been in the employ of the Company one (1) year, one (1) week vacation with pay at their regular rate.

12.2 All employees who have been in continuous service with the Company for three (3) years or more shall receive two (2) weeks vacation pay at their regular rate.

12.3 All employees who have been in continuous service with the Company for eight (8) years or more shall receive three (3) weeks vacation with pay at their regular rate.

12.4 All employees who have been in continuous service with the Company for twelve (12) years or more shall receive four (4) weeks vacation with pay at their regular rate.

12.5 All employees who have been in continuous service with the Company eighteen (18) years or more shall receive five (5) weeks vacation with pay at their regular rate.

12.6 All employees who have been in continuous service with the Company for twenty-five (25) years or more shall receive six (6) weeks vacation pay at their regular rate.

12.7 To qualify for a vacation, an employee must have worked at least 1,200 hours during the contract year.

12.8 There will be no deductions from the employee's time in service when absent due to sickness or authorized leaves. The suspension of any employee terminates continuous service although reinstatement in special cases will be considered on their merits.

12.9 Employees on union business, as it pertains to International Paper (International sponsored conventions, seminars, conferences. It does not mean time off for the purpose of working for the International), will be granted credit for hours lost to be applied toward vacation benefit. It is understood that the Employee Relations Manager must be notified of hours lost in order to arrange credit.

12.10 Vacation pay for each week of vacation entitlement shall be equal to two percent (2%) of the previous calendar year earnings with a minimum of forty-two (42) hours pay at the employee's straight time hourly rate, provided otherwise qualified.

12.11 The new employee completing the first year of employment and who meets the qualifying hours shall receive vacation pay in the amount of two percent (2%) of total earnings earned during the first twelve (12) months of employment. The forty-two (42) hour minimum as referred to above is in effect.

12.12 Vacations may be taken at any time during the contract year upon management approval. Employees may, at their discretion, receive vacation pay in lieu of time off **or direct such payment to their individual International Paper Savings Plan in accordance with the following schedule.**

Vacation Eligibility	Receive Pay or Direct to Savings Plan
1 week	1 week
2 weeks	1 week
3 weeks	1 week
4 weeks	2 weeks
5 weeks	2 weeks
6 weeks	3 weeks

Employees who elect to direct their eligible vacation pay to their International Paper Savings Plan must do so in accordance with the procedures provided for in the Summary Plan Description.

12.13 Any vacations not scheduled by January 1, will be scheduled by seniority, by the scheduler, starting on the last available week in April and working back to January 1, distributing the unscheduled weeks evenly over the available weeks to efficiently spread out these vacations. Individuals with the weeks scheduled in this manner could change weeks, but not bump, as long as the vacancy can be properly filled. Changes in this procedure can be made by mutual agreement with the appropriate local.

12.14 The following provisions will govern the administration of the vacation clause relating to (a) retiring and terminated employees, (b) employees who have otherwise met the eligibility requirements but have failed to meet the required 1,200 work hour qualification because of absence due to sickness and (c) employees who are absent from work due to an occupational injury.

(a) Retiring and Terminated Employees

Employees who retire or resign giving proper notice of at least two weeks to the Company or die will be granted accrued vacation pay on the following basis:

Employees who retire or resign from the Company or die will be granted vacation pay for the current contract year prorated on the basis of one-twelfth (1/12) normal vacation pay for each full month completed on the active payroll by the employee during the contract year in which they retire, resign or die.

(b) Employee Absent Due to Sickness

Employees who are absent due to sickness will be allowed forty-two (42) hours per week, up to maximum period of six (6) months or 1,092 hours. This allowance will be added to the employee's actual hours worked during the contract year to determine whether or not such employees meet the 1,200 hour qualification. Actual hours worked plus allowable sick time must total the required minimum 1,200 hours to qualify for vacation benefits. In order for the hours of sickness to be acceptable, a sickness must qualify under provisions of our group insurance plan.

(c) Employees Absent Due to Occupational Injury

Employees who are absent due to an occupational injury will be allowed the vacation for which they are eligible during the year in which they are injured, if they have not already taken it. When they return to work during the next or any subsequent contract year, they will be entitled to vacation for that year. Returning to work is defined as returning to work for at least thirty (30) days.

Those employees referred to in (b) and (c) above shall for vacation pay purposes receive credit toward total earnings for the calendar year equal to forty-two (42) hours times the employee's regular straight time hourly rate for each full week of sickness or accident up to a maximum of twenty-six (26) weeks.

SECTION 13 Severance Pay

13.1 In instances of addition, elimination or modification of equipment which results in employment of fewer employees, the following formula shall apply to those employees laid off as a result of such addition, elimination or modification of said equipment:

(a) An employee who has completed five (5) years but less than ten (10) years of continuous service shall receive an amount equal to three percent (3%) of their last twelve (12) months basic earnings as severance pay.

(b) An employee who has completed ten (10) years or more of continuous service shall receive an amount equal to five percent (5%) of their last twelve (12) months basic earnings as severance pay.

13.2 Such severance pay shall only apply to employees permanently laid off for three (3) months or more and payment will not be made until three (3) months following the date of layoff.

13.3 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 an employee is offered recall according to the applicable recall provision, and it is refused, all recall and severance pay rights are automatically canceled.

13.4 If an employee is recalled after having received the severance pay due them, they will begin again, as of the date of return, accumulating a new period of time as outlined in Paragraphs 13.1 (a) and 13.1 (b) which will be credited toward any future layoff.

13.5 State or Federal Law Provisions

It is understood that should the State or Federal law provide a greater severance allowance those affected employees would receive the higher amount. In order to qualify for these higher benefits, such employees would have to be terminated per the conditions of the applicable law.

SECTION 14 Adjustment of Complaints or Grievances

14.1 It is understood that only matters specifically covered under the individual sections of this Labor Agreement or Appendices may be grieved about and be subject to the arbitration procedure.

14.2 A difference arising out of the interpretation or application of the terms of this Agreement may be submitted to the grievance procedure within five (5) scheduled working days of the occurrence giving rise to the grievance, otherwise the grievance will be barred. The grievance shall be disposed

of as follows:

The aggrieved person will endeavor to adjust the complaint with their immediate supervisor. If no satisfactory settlement is reached within two (2) working days, the matter may be referred in writing to **Step I**.

Step I: If the Union committee with the aggrieved employee and the Superintendent fail to reach a satisfactory settlement within three (3) working days, the Union may refer the grievance to the Employee Relations **Manager** who will schedule and attend a **Step II** meeting with the appropriate department/line manager.

Step II: If the department/line manager and the Union committee fail to reach a satisfactory settlement within five (5) working days, then the Union may refer the grievance to **Step III**.

Step III: The International Representative and/or the Union committee and the Vice President-Operations Manager of the Company and/or the company committee will meet to attempt to resolve the grievance. If the parties are unable to reach a satisfactory settlement of the dispute within ten (10) working days, the matter may be referred, by either party, to **Step IV**.

Step IV. The grievance/matter may be submitted to arbitration by either party, or upon mutual agreement to non-binding mediation, within thirty (30) days after the Company's answer has been given.

The company and Unions agree to meet once a month to discuss Step II Grievances. The day will be agreed to by each individual Local and the Company.

14.3 Neither party will refuse any reasonable request for extension of the time limits.

If the Company causes a delay in processing a grievance by exceeding the time limits provided for in steps (II) and (III) and an extension of time limits has not been requested, the meeting provided for in these steps, when held, will not result in a loss of pay for scheduled work by the Union committee members and/or grievant(s), up to a total of three (3) such participants.

14.4 Should the grievance be referred to arbitration as provided herein by this agreement, the Company and the Union shall select an impartial arbitrator to hear the case. The Company or the Union shall request the American Arbitration Association to furnish a panel of arbitrators in accordance with the American Arbitration Association's rules of arbitration. Should the grievance be referred, by mutual agreement, to non-binding mediation, the parties must agree on the choice of mediation.

14.5 It shall be the function of the arbitrator to hear the evidence of both sides and render a decision involving disputes arising out of the interpretation or application of the terms of this Agreement within thirty (30) days after the close of the hearings (unless extended by mutual consent of the parties in writing) such decision to be final and binding upon the parties. The arbitrator shall have no power to add to, subtract from, modify or in any way alter any of the terms of this Agreement.

14.6 Each party shall bear its own expense with respect to the preparation of the matter to the arbitrator/mediator. The parties further agree that they will jointly share the expenses of the arbitrator/mediator and the expenses, if any, incurred in providing a hearing room or other facilities

for the arbitration/mediation hearing.

14.7 Within thirty (30) days following the Company's answer at Step III, the parties may mutually agree to refer an unresolved grievance to a mediator who shall be mutually selected by the parties. It is understood that the use of the mediator shall be non-binding upon the parties and such use of a mediator shall not restrict either party's right to refer a grievance to arbitration as provided for in Section 14.2. Either party may refer a grievance to arbitration within thirty (30) days following the meeting with the mediator. The expense of the mediator and the expenses, if any, incurred in providing a meeting room or other facilities for the mediation meeting shall be equally shared by the Union and the Company.

SECTION 15 Wages

15.1 Rates effective May 1, 2000 are shown in Appendix A. **Timekeeping pay increments will be based on one-tenth (1/10) of an hour.**

15.2 A shift differential for all four (4) crews, swing shift, tour workers will be paid at fifty (50) cents per hour for such employees working the first shift; fifty (50) cents per hour for the second shift; and fifty (50) cents per hour for the third shift. The 0/.25/.40 shift differential shall remain in effect for all other workers.

15.3 The parties agree that if a day worker, with the approval of management, is required to work without lunch break during the period between 11:00 a.m. and 1:00 p.m., such employee will be allowed to leave the plant twenty (20) minutes early with pay.

15.4 Trainers shall receive a rate of 5% above their card rate, or 5% above the rate of the job to which they would have been set-up for that week. Set-ups of less than one scheduled week do not apply. Full-time participants on Redesign Teams or Implementation Teams will receive the greater of their card rate or full week set-up rate. All employees involved as Trainers, Redesign Team members or Implementation Team members may work a number of hours equivalent to their scheduled hours.

15.5 When a new job is created, or when changes are made in the operation of an existing job which result in substantial changes in job duties and/or responsibilities, negotiations between the Company and the Union for the establishment of a rate shall begin not later than sixty (60) days after the job is started unless extended by mutual agreement and the rate shall be determined within thirty (30) days thereafter. The rate so determined shall be made effective not later than thirty (30) days after the job started. Changes in jobs resulting from the implementation of Team Concept will not be considered in determining whether or not a job has been substantially changed. Team Concept will not be considered under this section.

15.6 If an agreement cannot be reached within ninety (90) days and a grievance results, the only issue in the event of arbitration will be the reasonableness of the rate applied to the job. The arbitrator will retain jurisdiction, for the purpose of determining the reasonableness of the rate, until the matter is resolved.

15.7 Computing Pay While On Company Business

PURPOSE

International Paper Policy is to compensate hourly employees in accordance with the

applicable state and federal laws for time away from work or home while engaged in authorized company business.

COMPANY BUSINESS

Company business is defined as time an employee is authorized to engage in travel, training, or other activity, for the benefit of the company, which prevents him/her from working on his/her job on his/her regular schedule.

SCHEDULED TIME

Scheduled time is defined as the hours an employee would have been scheduled to work if he/she had worked on his/her job on his/her regular schedule.

TRAVEL TIME

Travel time is defined as the time required for the employee to reach his/her destination as if he/she had left from the Bucksport mill. This destination may be a place of lodging, if any, or the location of the activity for which they traveled. Travel time will be counted as time worked.

ACTIVITY TIME

Activity time is defined as the time an employee is engaged in an activity at the site of the activity. Activity time will be counted as time worked.

WORK TIME

Work time is defined as time the employee works on his/her job. Work time will be counted as time worked.

TIME WORKED

Time worked is defined as the total of Travel time, Activity time, and Work time. This total is counted as time worked for overtime purposes.

OVERTIME

Overtime is defined as Time worked in excess of eight (8) hours consecutively or eight (8) hours in a twenty-four (24) hour period or in excess of forty (40) hours in any given pay week.

Overtime will be paid on a daily or weekly basis, whichever is greater, but shall not be paid on both.

COMPUTING PAY

1. If time worked is less than or equal to Scheduled time in that pay week, the employee will be paid for Scheduled time.
2. If time worked is greater than Scheduled time in that pay week, the employee will be paid for all Time worked.
3. There will be no pay for missed overtime or setup opportunities at the mill while engaged in company business, (as defined above).
4. Employees will not be paid for those periods which the person may use the time for their own purpose, (non travel time, non activity time, non work time, etc., while away from home)

15.8 Spare Pay Provisions

Employees hired on or after July 22, 1996 into spare positions under the jurisdiction of PACE Local Union 1-0261 and/or Local Union 1-1188 will receive the Spare/Process Spare Rate for all work performed for the duration of the new hire probationary period as referenced in Section

7.1 of the current Labor Agreement.

Spare employees who have successfully completed the new hire probationary period referenced in Section 7.1 and who have not successfully bid into a regular classified (non spare) position will continue to receive the Spare/Process Spare Rate for a total of 4,000 hours worked from the date of hire. When they complete this requirement, they will be eligible for the Experienced/Operator Spare Rate.

Spare employees who have not successfully bid into a regular classified (non-spare) position will receive the rate of the job worked after completing a total of 12,000 hours worked from the date of hire, and become eligible, where applicable, to begin the certification process.

Current employees hired on or after July 22, 1996 who previously worked at the Bucksport Mill as temporary employees in this bargaining unit, will be given credit for hours worked during their temporary employment.

Employees who bid to a Spare Position in another PACE department will be allowed to carry their current rate status to the new position.

The provisions of this agreement do not apply to employees hired into journeyman or apprentice classifications in the mill.

SECTION 16 Mill Rules

16.1 Rules governing mill employees as issued by the Company are attached (see Appendix B).

SECTION 17 Leaves of Absence

17.1 A non-medical leave of absence is to be agreed upon between management and the individual involved and a letter sent to the local union specifying the time and conditions in each particular case. At no time shall such leave of absence exceed six (6) months except for unusual circumstances and then only upon mutual agreement between the Company, the Union and the employee.

17.2 A permanent 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, if approved by the Company, should 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.

17.3 At no time shall an employee be retained when the employee's physician does not recommend continued employment and should the employee not consult a physician, then the Company, upon notice of an apparent physical condition which may impair the employee's well-being and safety may have that employee's physical condition verified by a Company designated doctor. This section does not apply to employees receiving Long Term Disability Benefits under the Company LTD plan.

17.4 Seniority will accrue to an employee while on medical leave.

17.5 In the event that any of the Internationals require the services of any employee for the purpose

of working for the International, a leave of absence will be granted to not more than one (1) employee from any one (1) International Union upon written request from the International Union. Such leaves of absence will be for a period of up to one (1) year and may be extended in increments not to exceed one (1) year by mutual agreement between the Company and the Union.

SECTION 18 Group Medical and Life Insurance

	EFFECTIVE JANUARY 1, 2001
Life & AD&D	From: \$35,000 To: \$36,000
	EFFECTIVE MAY 1, 2000
A&S Insurance	From: \$330 To: \$360
	EFFECTIVE JANUARY 1, 2002
Life & AD&D	From: \$36,000 To: \$37,000
	EFFECTIVE MAY 1, 2001
A&S Insurance	From: \$360 To: \$360
	EFFECTIVE JANUARY 1, 2003
Life & AD&D	From: \$37,000 To: \$38,000
	EFFECTIVE MAY 1, 2002
A&S Insurance	From: \$360 To: \$370
	EFFECTIVE JANUARY 1, 2004
Life & AD&D	From: \$38,000 To: \$39,000
	EFFECTIVE MAY 1, 2003
A&S Insurance	From: \$370 To: \$370
	EFFECTIVE JANUARY 1, 2005
Life & AD&D	From: \$39,000 To: \$40,000
	EFFECTIVE MAY 1, 2004
A&S Insurance	From: \$370 To: \$380

18.2 Medical Insurance coverage at no cost will be extended for six (6) months to the spouse and dependent children following the death of an active employee.

18.3(a) The group medical plan and dental plan (including dependent coverage) as negotiated between the parties will be continued for an employee on either a non-occupational medical leave or an occupational Workers' Compensation related leave for a period of twelve (12) consecutive months, following the month in which such leave begins. At the end of such twelve (12) month period, the medical plan only (excluding dental coverage) will be continued for such employee and dependents for an additional (12) months.

(b) There is in place a long term disability plan which may integrate with the above for employees who qualify for LTD.

(c) Life and AD&D Insurance will continue at Company cost for the full twenty-four (24) month leave of absence period as specified in (a) above.

(d) Employees currently on such leave will receive full benefit effective the date of contract ratification as defined above.

18.4 Employees retiring between the age of 55 and 65 will be able to continue their group medical insurance until they are eligible for Medicare. All employees age 55 to age 65 with ten (10) years of service on or before 12/31/89 will be entitled, at retirement, to be covered under the medical plan benefits at a cost equivalent to that charged Medicare recipients.

NOTE: Indexed to Medicare part "B" premium and subject to annual adjustment.

All other employees who are eligible to retire in the future will be covered under the active medical plan of benefits and will contribute a percentage of the cost of such coverage based upon service and age in accordance with the schedule below:

SERVICE AND AGE RELATED PREMIUM

Years of Service + Age - 100	% of Total Plan Cost	
	Employee Pays	Champion Pays
	17.75%	82.25%
99	19.90%	80.10%
98	22.15%	77.85%
97	24.20%	75.80%
96	26.35%	73.65%
95	28.50%	71.50%
94	30.65%	69.35%
93	32.80%	67.20%
92	34.95%	65.05%
91	37.10%	62.90%
90	39.25%	60.75%
89	41.40%	58.60%
88	43.55%	56.45%
87	45.70%	54.30%
86	47.85%	52.15%
85	50.00%	50.00%
84	51.50%	48.50%
83	53.00%	47.00%
82	54.50%	45.50%
81	56.00%	44.00%

80	57.50%	42.50%
79	59.00%	41.00%
78	60.50%	39.50%
77	62.00%	38.00%
76	63.50%	36.50%
75	65.00%	35.00%
74	66.50%	33.50%
73	68.00%	32.00%
72	69.50%	30.50%
71	71.00%	29.00%
70	72.50%	27.50%
69	74.00%	26.00%
68	75.50%	24.50%
67	77.00%	23.00%
66	78.50%	21.50%
65	80.00%	20.00%

In both cases, employees may carry dependent coverage until the earlier of 1) the employee's 68th birthday, 2) their death, 3) their spouse's eligibility for Medicare. Retired employees who reach age 68, and have spouses who are not yet eligible for Medicare, will be allowed to purchase medical coverage for their spouse, through the Company at the prevailing COBRA rate (with subsequent increases applied as they become effective), until the spouse becomes Medicare eligible or becomes otherwise ineligible.

SECTION 19 Pension Plan

The pension plan as provided in the current pension brochure and modified as a result of contract negotiations will remain in effect for the term of this Agreement.

Effective 5/1/00	Benefit Level \$29.00
Effective 5/1/01	Benefit Level \$30.00
Effective 5/1/02	Benefit Level \$32.00
Effective 5/1/03	Benefit Level \$34.00
Effective 5/1/04	Benefit Level \$35.00

Employees retiring during the term of the May 1, 2000 to May 1, 2005 contract will receive the current benefit and any increases when they become effective. No increases, subsequent to May 1, 2004 will be applied to persons who retire during the term of the May 1, 2000 Agreement.

SECTION 20 Safety

20.1 The Company and the Union recognize that safety is the mill's #1 priority. As outlined in the Mill Safety Policy booklet, joint Union/Management committees have been established to administer our safety program. However, the Company recognizes that any joint Union/Management Safety Committee acts here exclusively in an advisory capacity and that the International Union, Local Union, Safety Committee, and its Officers, Agents and employees shall not be liable for any work connected injuries, disabilities or diseases which may be incurred by employees.

20.2 Proposed changes in safety rules will be discussed with the Unions prior to any implementation.

20.3 The Act means Public Law 91-596, also known as the Williams-Steiger Act.

20.4 These sections quoted below clearly state responsibilities of employer and employee.

20.5 Section 5A, Paragraph 1 -

"Each employer shall furnish to each of their employees, employment and a place of employment which are free from recognized hazards that are causing or likely to cause death or serious physical harm to their employees."

20.6 Paragraph 2 -

"Each employer shall comply with Occupational Safety and Health standards promulgated under this Act."

20.7 Section 5B -

"Each employee shall comply with Occupational Safety and Health standards and all rules, regulations, and orders issued pursuant to this Act which are applicable to their own actions and conduct."

20.8 In furthering compliance with this Act, the Union and Company agree to cooperate to the fullest extent in promoting accident prevention. Participation in safety meetings is considered part of each employee's job responsibility.

20.9 Safety Meeting Attendance

The Company will schedule meetings to discuss health or safety matters. These meetings will be typically scheduled at least thirty (30) days in advance and will be held at a mutually agreed upon time in each department. Meeting agendas will be posted in the department three (3) working days prior to the meeting. The employees will be expected to attend these meetings as well as any other scheduled health or safety meetings unless excused in advance by their supervisor. If an employee requests to be excused and is denied, such employee may proceed immediately with their request to the Employee Relations Manager. Employees attending these meetings will be paid a minimum of one (1) hour at one and one half (1-1/2) times their regular rate. **The parties agree to delegate the resolution of attendance/meeting problems to the department where such problems exist with the understanding that the Union and Company will work together to encourage attendance.**

20.10 One (1) Safety and Health Committee representative per Local Union will be trained annually and entitled to use testing equipment in the mill in cooperation with the Safety Services Supervisor.

20.11 Safety shoe program to provide for 100% of cost, paid by the Company, for the purchase of not more than two (2) pairs of safety shoes per contract year for permanently assigned employees in the Wood Processing Departments and the following positions in the Pulp Mill; Magazine Loaders, Cleaners, Assistant Grinder Room Operators, Groundwood Screen Deck Assistant Operators, and Grinder Room Operators. This would include assigned pool spares of these departments.

20.12 For employees not covered under 20.11, the company will authorize payment of up to \$165.00 towards the purchase of safety shoes during each contract year of the agreement

Exceptions to the safety shoe policy will be negotiated with the appropriate local union(s).

20.13 Plant Emergency Organization (P.E.O.)

It is agreed that the current procedures covering wages, hours and working conditions are acceptable to the Parties. The Company recognizes that any changes in wages, hours and working conditions, pertaining to bargaining unit members of the signatory unions who are members of the P.E.O. are subject to bargaining.

Call-in pay, not less than six (6) hours time or hours worked at time and one-half, whichever is greater, will be paid to active members of the Plant Emergency Organization (PEO) who are in the mill prior to regular working hours and respond to a PEO call or respond after their regular working hours to a PEO call.

Call-in pay, not less than six (6) hours time or hours worked at time and one-half, whichever is greater, will be paid to active members of the Plant Emergency Organization (PEO) who are already in on another call-in and respond to the PEO.

Notices of openings in P.E.O. will be posted millwide and filled by employees who meet the criteria of the notice. Preference will be given to years of company service. It is understood that this provision does not establish exclusive jurisdiction to this bargaining unit and that all Bucksport hourly and salaried employees are eligible to be considered for these openings.

20.14 Safety Coordinator

Scope of Position: The Safety Coordinator is a bargaining unit position, which furthers the safety effort of the Bucksport Mill by proactively and professionally contributing to the mission of the Environmental, Health & Safety Department. The Safety Coordinator is a resource to all Bucksport Mill employees; however, this position in no way relieves line managers, superintendents, front line foremen and employees of their responsibility and accountability to safety. The Safety Coordinator position is designed as a technical specialist in the area of Safety and Industrial Hygiene. Our Safety and Industrial Hygiene Program is continually evolving to meet the needs of the Mill. Therefore, the position of Safety Coordinator will continually evolve, as will the assignments required of the employee in the position. In order to give general parameters for the Safety Coordinator position, the performance areas described below will reflect the level of skill required of the position. They are not to be construed as exclusively assignable to the Safety Coordinator. Further these assignments may be assigned to positions other than the Safety Coordinator, and other duties substituted as the needs of the Mill warrant. Examples of areas to which the Safety Coordinator might be assigned and associated levels of skill may include:

1. Industrial Hygiene
Examples:
 - A. Chemical exposure monitoring
 - B. Noise monitoring
 - C. Coordinating calibration of industrial hygiene monitoring equipment
 - D. Coordination of equipment repair
 - E. Coordination of replacement sensors, replacement of standard parts
2. Analysis of Safety Data

Examples:

- A. Determine root causes of safety problems, near misses, etc.
 - B. Recommend remedial actions
 - C. Work with stakeholders to implement solutions
 - D. Follow-up in writing; generate reports and learnings
3. Consult to Department Safety Committees
- Examples:**
- A. Work with department safety committees to ensure their success
 - B. Research technical questions generated in meetings
 - C. Communicate key learnings and activities between stakeholders, verbally and in writing
4. Technical assignments as the needs of the Mill require
- Examples:**
- A. Review of LOTO and Confined Space Entry programs
 - B. Task Forces to develop safety procedures
 - C. Training as needed
5. To assist the EH&S Department in monitoring those safety activities related to paper machine washup operations and all other outages as needed or requested and any other special assignments.
6. Respond to employee complaints in the general safety areana
7. Conduct new employee/contractor safety orientations
8. Monitor contractors on site for mill safety rule compliance

Qualifications:

1. Computer Skills
 - A. Word Processing
 - B. Spreadsheet
2. Analytical Skills
 - A. Problem solving
 - B. Listening
 - C. Effective Communications (Written and Verbal)
 - D. Root cause analysis (Kepner/Trego, etc.)
 - E. Planning/scheduling
3. Math Skills (sufficient to accomplish the work)
4. Ability to research and interpret regulations, policies and procedures
5. Effective conflict resolution skills
6. Ability to meet deadlines on required projects/activities
7. Ability to work effectively as part of a team

Professional Development: Professional Development, including formalized training, on-the-job training (OJT), etc., will be provided to meet the requirements of the job. The employee is required to make reasonable progress and demonstrate proficiency after training through performance on the job or through task oriented performance assessment.

1. The Safety Coordinator will be a full-time position, 40 hours per week (7:00 a.m. to 3:00 p.m., Monday to Friday).
2. The Spare will be used for vacation relief, illness and special circumstances, as deemed necessary.
3. The Safety Coordinator will be allowed to return to his/her former position without loss of

seniority.

4. **In the event that the position is vacated, the Spare will be placed in the Coordinator position, and be placed in a probationary status for six (6) months.**

Filling a vacancy: In the event of a vacancy, the Company will agree to post a mill wide bid for a Spare Safety Coordinator. The successful bidder will be selected on the basis of seniority and qualification and will temporarily fill-in for the present Safety Coordinator when required. Also, the employee will remain under the jurisdiction of the Local to which he/she belongs.

SECTION 21 Day Work

21.1 Schedule of hours for day workers shall be from 7 a.m. to 3 p.m. except as mutually agreed. However, the parties recognize that known work outages over twenty-four (24) hours in duration may necessitate a change in the normal work schedule. Should this occur, the parties agree to mutually decide how this will be done.

21.2 The normal work week runs from Sunday through Saturday.

21.3 The normal maintenance day work schedule is Monday through Friday with weekends as scheduled.

SECTION 22 Tour Work

22.1 Those departments on seven (7) days continuous two (2) shift or three (3) shift operations will utilize four (4) crews to accomplish the four (4) week rotation. The intent of this schedule is not to move people between crews. However, the parties recognize that such may be necessary and agree to mutually decide on how this will be done.

22.2 Schedule of hours for tour workers and hours at which tours shall change **may be changed by mutual agreement with the company and appropriate local union(s).**

The normal work week runs from Sunday through Saturday for departments on eight (8) hour shifts. The normal work week runs from Monday through Sunday for departments on twelve (12) hour shifts.

22.4 Wood Processing Schedule

In order to meet the current production imbalance, which may increase in the future as a result of anticipated groundwood efficiencies, the following will apply:

1. **First shift will remain 6:40 to 2:40 unless changed by mutual consent.**
2. **The initial split between shifts will be 2 hours; the second shift will be 4:40 to 12:40.**
3. **If operational needs (ie. keeping wood above the planks) dictate, the company will expand the split the minimum required to meet operational needs.**
4. **In the event that it becomes necessary to expand the split, the company will provide data to support its decision.**
5. **The Union may challenge the reasonableness of the expansion through Section 14 or present alternatives for management's consideration.**
6. **If conditions warrant, the Company will entertain proposals to reduce the split.**

7. Management will provide at least two weeks notice of an anticipated change in schedule

22.5 Wood Processing Schedule Change for Maintenance

In order to accommodate mill maintenance programs, the parties have mutually agreed to change the shift schedule of Wood Processing employees for periods up to twenty-one (21) calendar days. Such re-scheduling programs shall be limited to only two (2) times each calendar year and during such periods of time, it is understood that employees who are normally scheduled to work the day shift shall work the second shift and employees who normally work the second shift the third shift. At least four (4) weeks notice of the pending change in shift will be given. Any other changes in shift schedule shall be made upon mutual agreement between the Company and the Union.

The Company will attempt to better utilize the periodic scheduled shutdowns in the Wood Processing areas with objective of reducing the amount of days required to perform maintenance during the two (2) twenty-one (21) day shutdown periods specified above and/or possibly eliminating one of the two (2) shutdown periods.

Progress toward accomplishing these objectives will be reviewed and discussed with the Union Locals involved on a periodic basis and prior to any major shutdown period.

SECTION 23 Overtime

23.1 Time and one-half shall be paid to an employee for work performed in excess of eight (8) hours consecutively or eight (8) hours within a twenty-four (24) hour period beginning at the start of a designated or scheduled shift or for hours worked in excess of forty (40) hours in any one week. Overtime shall be paid on a daily or weekly basis, whichever is greater, but shall not be paid on both. This overtime provision does not apply for employees doubling up for their own convenience.

23.2 Employees shall not be required to work more than seventeen (17) consecutive hours except by mutual agreement of the supervisor and employee. Employees will not be allowed to work more than twenty-four (24) consecutive hours.

23.3 Employees working the twelve (12) hour schedule shall be paid time and one-half for work performed in excess of twelve (12) hours consecutively or twelve (12) hours within a twenty-four (24) hour period beginning at the start of a designated or scheduled shift or for hours worked in excess of forty (40) hours in any one week. Overtime shall be paid on a daily or weekly basis, whichever is greater, but shall not be paid on both. Employees will not be allowed to work more than twenty-four (24) consecutive hours.

These overtime provisions do not apply for employees doubling up for their own convenience.

23.4 Time and one-half will be paid for all work performed on an employee's regular scheduled day off. This provision does not apply to unscheduled Spare Pool employees.

23.5 Employees working the twelve (12) hour schedule shall not be required to work more than seventeen (17) consecutive hours except by mutual agreement of the supervisor and employee. It is understood that an employee who volunteers for a second consecutive twelve (12) hour shift has committed themselves to work the entire second shift unless excused for sickness or an

emergency.

23.6 There shall be no pyramiding of overtime pay. Only straight time hours will be used for overtime calculations.

23.7 Missed Overtime/Call-in Opportunities/Pay for Time Not Worked

Where there is no evidence of abuse or repetitive errors being made by a supervisor or repetitive instances of missed overtime or call-in opportunities suffered by an individual employee, the Company will offer makeup work as the remedy for such misassignment.

In those instances where an employee or the Union feels that there has been repetitive errors to the above referenced procedures, the Company will agree to meet with the Union to discuss the matter with the parties involved.

Should the issue remain unresolved then the union can submit the issue to the grievance procedure. It is understood at this point, where it has been established that repetitive errors have been made by supervisors, that the Company will have to consider appropriate "Desired Settlements" as proposed by the Union in order to resolve the grievance in good faith.

SECTION 24 Day Work Call Time

24.1 Not less than six (6) hours time or actual hours worked at time and one-half, whichever is greater, will be allowed for day workers called back to work after punching their time cards or called into the mill after regular hours. However, it is understood that workers told to report early on their next scheduled shift will not be entitled to call time. **Workers called and told to report early on their next scheduled shift will be entitled to call time.** Employees completing a shift and told to report back at a later time will be entitled to call time.

24.2 Employees who are called in and complete the job called in for and a second emergency develops and the employee is assigned, such employee will receive an additional call pay of six (6) hours at straight time rate. If the employee called in is assigned by priority on another emergency and after completing the second emergency returns and completes the original or call-in emergency work, such employee will receive an additional call pay of six (6) hours at straight time rate.

SECTION 25 Tour Workers' Call Time

25.1 Tour workers engaged in putting on fabrics/wires at a time other than their regular shifts are to receive six (6) hours time for such work or time and one half for the actual hours worked, whichever is greater as specified in the redesign. A three hour premium will also be paid. If tour workers commence to put on a fabrics/wires before their shift begins, or continue such work after their shift ends, they shall receive pay for the hours worked, plus not less than one (1) hour to cover overtime.

25.2 Tour workers called back to work, not to relieve a mate and after punching their time cards out, will receive not less than six (6) hours straight time pay or time and one-half for hours worked, whichever is greater. However, it is understood that workers told to report early on their next scheduled shift will not be entitled to call time. **Workers called and told to report early on their next scheduled shift will be entitled to call time.** This provision for call time does not apply to

unscheduled Spare Pool employees. If such call time extends into the employee's regular scheduled shift, the call time provisions will cease at the start of their shift.

SECTION 26 Starting and Stopping Work of Tour Workers

26.1 When **an eight (8) hour tour** begins, each tour worker is required to relieve their scheduled mate. At the end of a shift no tour worker shall leave their place to wash up and dress until their mate has changed their clothes and reported to take on responsibility of the position, at which time the relieved employee will be allowed to leave the mill. If a tour worker does not intend to report at the beginning of their shift, they shall notify their supervisor at least two (2) hours before their tour begins. If a tour worker does not report for their regular shift, their mate shall continue at work for a period of two (2) hours, giving the supervisor an opportunity to get a substitute. If it is impossible to secure a substitute at the end of two (2) hours, the tour worker shall finish out the unfinished tour.

26.2 In the event **an eight (8) hour** tour employee is not relieved by their mate after having worked a double (sixteen hours), the Company may require the junior qualified employee on that shift in that line of progression to work even though properly relieved until a replacement can be found. If a replacement cannot be found, the employee will finish out the unfinished tour.

26.3 **When a twelve (12) hour tour begins, each tour worker is required to relieve their scheduled mate. At the end of a shift no tour worker shall leave their place to wash up and dress until their mate has changed their clothes and reported to take on responsibility of the position, at which time the relieved employee will be allowed to leave the mill. If a tour worker does not intend to report at the beginning of their shift, they shall notify their supervisor at least two (2) hours before their tour begins. If a tour worker does not report for their regular shift, their mate shall continue at work for a period of at least two (2) hours, giving the supervisor an opportunity to get a substitute. The Company may draft a junior qualified employee to finish out the unfinished tour.**

26.4 Also see Recognized Agreement No. 7 Unexpected Absence, page 50. This agreement also applies to this Section 26.

SECTION 27 Leaving Company Premises

27.1 Employees leaving the Company premises for any reason other than to perform outside work for the Company **must** punch their time cards when leaving and when returning.

27.2 Those employees that are not required to use a time clock will record their absence appropriately.

SECTION 28 Reporting Time

28.1 When an employee reports for their regular work and none is available, they shall be allowed two (2) hours pay at the appropriate rate scheduled for that day, unless the Company has made a reasonable effort to notify them before their starting time. The employee, if requested by the Company, shall do such work as may be available during the two (2) hour period. No time shall be allowed in cases of fire, accidents and immediate breakdowns, or other causes beyond the control of the Company.

28.2 If the Supervisor or Employee Relations **Manager** knows that the work will not be available, they will notify the employee two (2) hours before the shift starts that no work is available. If the employee cannot be notified by phone, notifications will be sent by the best possible means and this will constitute a notification.

SECTION 29 Deaths, Jury Duty and Military Leave

29.1 An employee shall receive three (3) days off with pay when a death occurs in the immediate family. Immediate family shall be considered to be the employee's father, mother, wife or husband, children, step-children, grandchildren, grandparents, sisters, brothers, step-mother, step-father, step-brother, step-sister, legal guardian and father and mother-in-law. For the computation of the three (3) days maximum pay, the two (2) days preceding the funeral, the day of the funeral and the day after the funeral are the only days to be considered and such days must be taken consecutively. The pay shall be the straight time rate for each day provided they were the employee's regular scheduled working day.

29.2 An employee shall receive one (1) day off with pay to attend the funeral of a sister-in-law, brother-in-law, daughter-in-law, or son-in-law.

29.3 When a regular employee is required to perform jury duty or is subpoenaed by the court to testify as a witness, the Company will reimburse the employee for losses in regular wages which occur as a result of serving on a jury or testifying as a witness. This does not apply to employees who testify as a witness against the Company whether subpoenaed or not. Such reimbursement will be the difference between the pay received from the court and the regularly scheduled hours of work per day. Employees called for jury duty who are later told not to report and who are unable to work their regular shift will be paid for wages lost for regularly scheduled hours of work that day providing confirmation of the cancellation is submitted to the Human Resources Department.

29.4 An employee scheduled to work the **night** shift immediately prior to serving the first day of jury duty will not be expected to work that scheduled shift and will be paid for that shift at their scheduled straight time hourly rate.

29.5 Hours paid for jury duty will not be counted as hours worked for the purpose of computing overtime but will be used for computing vacation pay allowance.

29.6 Employees called for examination prior to entering Military Service shall be allowed one day (8 hours) off with pay.

29.7 Employees serving in Military Reserves and National Guard shall be allowed to use their leave (10 days) (**eighty (80) hours**) on a daily basis.

A. Employees who leave their positions to perform weekly or weekend drills, summer camps or cruises, must request the time off in advance and show orders if requested.

B. If an employee has been continuously employed for one year or more and has the equivalent of active paid employment, the Company will make up the difference between the employee's wages and the amount received from the U.S. government for a period not to exceed two (2) weeks.

C. The employee must present a statement certified by the proper military finance officer showing the amount earned during the training period.

D. An employee's regular weekly wage is the straight time hourly rate based on a forty (40) hour week.

29.8 It is understood that to be eligible for these benefits an employee must be a regular employee who has completed his probationary period.

SECTION 30 Contravention of Law

30.1 If any provision or section 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 provisions shall be superseded by the appropriate provisions of such law or regulations, so long as same is in force and effect, but all other provisions of the Agreement shall continue in full force and effect.

30.2 If any section is found in contravention such change and/or deletion will be discussed with the signatory Unions to this Agreement.

SECTION 31 Contract Work

31.1 The Company agrees that it will not contract maintenance work (new construction and/or major modifications excluded) normally performed by employees in the bargaining unit(s), except in the event the Company does not have the necessary equipment, available employees within the job classification(s) affected and with the necessary skills, or when the volume of work on any particular job precludes the possibility of completion within reasonable scheduled time limit.

31.2 No employees within the job classification(s) affected will be laid off where it is necessary to contract out work under this section.

31.3 Prior to entering into a contract for such work, the Maintenance & Engineering Manager will discuss the scope, duration and reasoning with the Union(s) involved.

31.4 If there remains a controversy after this meeting as to the assignment of the work, the Vice President-Operations will review and discuss the work with the Union(s) prior to making a final decision.

31.5 The Parties agree to form a joint union/management committee to study work currently being outsourced/contracted and mutually recommend the most cost effective way to get the work done.

31.6 The Company agrees to notify the affected Local Union(s) of vendors doing work in the Mill before work begins. This notification shall be limited to vendors who are performing tasks which may impact the operation or safety of employees, equipment/systems currently maintained or utilized by bargaining unit employees.

SECTION 32 Tool Allowance

Mechanical and E/I Maintenance employees who furnish their own tools will be entitled to a yearly tool allowance as follows:

Effective May 1, 2000 - \$210.00
Effective May 1, 2001 - \$220.00
Effective May 1, 2002 - \$230.00
Effective May 1, 2003 - \$240.00
Effective May 1, 2004 - \$250.00

The tool allowance will be paid on the second Thursday after ratification of this agreement or after May 1 in any year, whichever comes later. Anyone completing their probationary period after May 1 in any year but prior to March 1 in any year will receive their tool allowance on the second Thursday following completion of their probationary period or acceptance of the job, whichever is applicable.

SECTION 33 Scope of Agreement

This Agreement contains the full and complete Agreement on all bargaining issues between the parties.

There are and shall be no other Agreements except as enumerated herein, or may be agreed upon during the contract term of this Agreement. Any such Agreements that are made during the contract term shall be reduced to writing and signed by the parties.

This includes the E/I merger agreement and **all department** redesign agreements.

The above has been agreed to this 25th day of May 2000.

INTERNATIONAL PAPER:

Fred Oettinger/s/
V.P. Operations Manager

Jack Sullivan/s/
HR/OD Manager

Don Sorey/s/
Manager, Employee Relations

Dick Santos/s/
Manager, Raw Materials & Utilities

Jeff Hamilton/s/
Operations Coordinator

Steve Moser/s/
Manager, Engineering & Maintenance

David Libby/s/
Manager, Human Resources

Michael Culbreth/s/
Director, Employee Relations

**PAPER, ALLIED-INDUSTRIAL, CHEMICAL AND ENERGY WORKERS
INTERNATIONAL UNION:**

Duane Lugdon/s/
PACE International Representative

Jeffrey Snowman/s/
President, PACE Local 1-1188

Arthur Bissonnette
President, PACE Local 1-0261

Stephen Donnell
V.P., PACE Local 1-1188

Dan Daniel Lawson
V.P. PACE Local 1-0261

Richard Holmes
Floyd Clement
Boyd Sargent

Donny Sorey
Roger Doyon
George Valliere

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS:

David Lowell/s/
Directing Business Representative, IAM&AW

Kendal Dunbar/s/
President, IAM Lodgel 1821

Brian Simpson
Brian Abbott
Aubrey C. Ayer, Jr.

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS:

Lance Raymond/s/
President, IBEW Local 1777

Robert Ackley
V.P., IBEW Local 1777

Brian LaMarche
John Daniels

APPENDIX B MILL RULES

I. Causes for Discharge

Although certain causes for discharge are listed below, it is obviously impossible to indicate every offense which might result in discharge. The following are those which have caused problems in the past and which bear mentioning simply to serve to bring them to everyone's attention.

- (a) Reporting for duty under the influence of liquor or drugs.
- (b) Bringing intoxicants or drugs into the mill.
- (c) Smoking, except in authorized places.
- (d) Destruction, removal or waste of company's or another employee's property.
- (e) Disorderly conduct.
- (f) Dishonesty.
- (g) Insubordination.
- (h) Neglect of duty.
- (i) Refusal to comply with company rules.
- (j) Deliberate sleeping on duty.
- (k) Deliberate attempt to injure another employee, or the aggressor in a fight on company property.
- (l) Leaving assigned position without permission.
- (m) The reading of unauthorized materials during working hours is not allowed nor are such reading materials allowed in work areas.
- (n) Excessive, unexcused or unreported absence and tardiness. If you are unable to report for work, notify the supervisor on duty promptly by telephone, giving the reason for your required absence.
- (o) Repeated failure to use safety appliances or observe safety rules.
- (p) The wearing of clothing on Company property depicting or suggesting indecent acts.
- (q) Possession of firearms, explosives or concealed weapons inside the mill.**
- (r) Bringing cameras or audio/video recording devices into the mill without the written**

permission of the EH&S Manager.

Any discipline report against an employee will be canceled after a period of twelve (12) months from the date of any such discipline report.

II. Bulletin Boards

Notices not pertaining to Company business shall not be posted in the mill except on bulletin boards. Bulletin boards are provided for union business and one for general swap and shop items.

III. Sickness

If you are taken sick on the job, you must report to your supervisor before going home. The Medical Department should be notified of any medication the employee is required to take that will affect their safety at work.

APPENDIX C

CALL-IN, OVERTIME, TEMPORARY VACANCY PROCEDURES

PACE, LOCAL 1-1188

I. TWELVE-HOUR SHIFT OPERATIONS TEMPORARY VACANCY PROCEDURE

I. If a vacancy exists and the supervisor determines that it needs to be filled and it cannot be filled on a straight time basis, the following overtime procedure will apply:

For those departments without a vacancy procedure in the Department Redesign Agreement the following provisions will apply:

A. SCHEDULED VACANCIES

1. Scheduled vacancies will be filled from the sign-up sheet. It will be the responsibility of each employee to sign up for their preference of day off and shift they will be available to work. When the schedule is made out, those employees on the sign-up sheet will be used to fill vacancies based on seniority and qualifications. It will be the responsibility of the employee to check the schedule and report to work as scheduled.

2. If no employee has volunteered to fill a vacancy, the unrelieved employee can be required to work a double if they have the next day off.

3. If the above steps fail to fill the vacancy, set the crew up as far as possible and then draft the junior-qualified employee on his/her day(s) off; except that those employees on their Monday day off between the three day shifts and three night shifts can be drafted only as a last resort.

4. The unrelieved employee will be given a reasonable opportunity to secure an available qualified relief. Management approval is required.

B. UNSCHEDULED VACANCIES

1. Employees not relieved have the option to work if the double shift is followed by a day off .

2. Offer the double shift to employees on tour by seniority and qualification if the double shift

is followed by a day off.

3. Offer the overtime to employees who have signed up to work their day off using seniority and qualifications.
4. If the vacancy is still not filled, the employee on the shift and an employee coming in on the shift following the vacant shift may split the double. This would result in 18 consecutive hours for each employee
5. If the above steps fail to fill the vacancy, set the crew up as far as possible and draft the junior-qualified employee on his/her day(s) off; except that those employees on their Monday day off between the three day shifts and three night shifts can be drafted only as a last resort.

The unrelieved employee will be given a reasonable opportunity to secure an available qualified relief. Management approval is required.

II. CALL-IN PROCEDURE & FILLING VACANCIES- Wood Processing

If a vacancy exists and the supervisor determines that it needs to be filled and it cannot be filled on a straight time basis, the following overtime procedure will apply:

Employees who fill a vacancy on overtime will be paid their card rate or the rate of the job they work for this overtime, whichever is greater, provided they have no unexcused absences in the pay week in which the overtime occurred.

1. Offer overtime to senior qualified employee. (Fill position open)
2. Set up crew as far as possible and fill the open vacancy by calling qualified employees by seniority. (To cover those not asked in Step 1)
3. Fill vacancy by setting up crew if possible and drafting by reverse seniority.
4. Per terms of attendance control guidelines in contract.

An increase in split of shift may require reevaluation of this agreement.

III. POWER PLANT, FINISHING/SHIPPING/CORES, PULP MILL, TECHNICAL DEPT., JANITORS, STORES, KRAFT, COATING PREP. CALL-IN, OVERTIME, TEMPORARY VACANCY PROCEDURES

The overtime agreements for the above departments will be by the 12-hour shift agreements or department redesign agreements whichever is applicable. Once an employee has worked or is scheduled to work his/her day off, it will no longer be considered his/her day off.

IV. PACE LOCAL 1-1188 SWAPPING PROCEDURE

A. When swapping one day off for another, you will assume the other's seniority for that day. When swapping occurs between Mechanical Maintenance employees, they will retain their department seniority.

- B. Person swapping on tour, retain their original relief.
- C. When swapping shifts with a person, you will retain their seniority and work the jobs that they would, or are qualified to.
- D. When swapping for a voluntary double, the person with the day off of said double will be the last to be called.
- E. A person swapping for an extra day off will be the last one called on that day.

V. PAY PROVISION – PACE LOCAL 1-1188 FOR EMPLOYEES FILLING VACANCIES ON OVERTIME

A. There is a calling window of three (3) hours prior to the beginning of the shift containing the unscheduled vacancy. Employees who are unavailable for or refuse an overtime work opportunity during the calling window will have their names removed from the sign up list for the balance of the current and the following work week.

B. Employees who fill a vacancy on overtime will be paid their card rate or the rate of the job they work for this overtime, whichever is greater, provided they have no unexcused absences in the pay week in which the overtime occurs.

VI. PACE LOCAL 1-0261 VACANCY FILLING PROCEDURE

STEP 1: If it is determined that the vacancy is to be filled, fill the vacancy at straight time if possible.

STEP 2: Offer the unrelieved employee the option to work a double, if eligible, or split the shift.

STEP 3: Offer the vacancy as a double or split shift to the other eligible employees on shift in the line of progression in which the vacancy occurred. This may require setting up the crew until the vacancy is filled.

STEP 4: Call and offer the vacancy as a double or split shift to an eligible qualified employee in the line of progression in which the vacancy occurred listed on the voluntary overtime call-in list by seniority. This may require setting up the crew until the vacancy is filled.

STEP 5: Offer the vacancy as a double or split shift to other eligible employees on shift in the production department. This may require setting up the crew until the vacancy is filled.

STEP 6: Call and offer the vacancy as a double or split shift to other eligible qualified employees listed on the remaining production department voluntary overtime call-in lists by seniority. This may require setting up the crew until the vacancy is filled.

STEP 7: INITIATE THE DRAFT PROCEDURE.

7-1 Employees on vacation or floating holidays cannot be drafted.

Set the crew up as far as possible then draft the junior qualified employee on his/her day(s) off; except that those employees on their Monday day off between the three day shifts and the three night shifts can be drafted only as a last resort. Drafting will begin with the junior qualified eligible spare and proceed up the seniority list of qualified employees for that vacancy.

7-3 The drafted employee is required to report to work as scheduled.

7-4 Employees can be drafted a total of (5) hours in addition to his/her regularly scheduled shift if no one else could be drafted in 7-2 above.

7-5 The combination of scheduled and drafted hours cannot exceed seventeen (17) consecutive working hours.

7-6 The drafted employee will be given a reasonable opportunity to secure an available qualified relief subject to these provisions and management approval.

VII. PACE LOCAL 1-0261 VOLUNTARY CALL-IN LIST AND OVERTIME PROVISIONS

GENERAL

This procedure applies to filling both scheduled and unscheduled vacancies. The initial schedule will be posted by 3:00 p.m. each Thursday and will be considered final by 3:00 p.m. on Friday. At that time this becomes the official schedule.

RESPONSIBILITIES

- Schedulers will maintain a weekly call-in list for each line of progression in the Production Department. The list will be available in the scheduler's office.
- Employees will be eligible for overtime shifts by placing their name on this call-in list indicating which days/shifts for which they volunteer. The deadline for sign-up will be 3:00 p.m. each Wednesday to allow the scheduler to prepare the weekly schedule.
- Employees may add or delete their name as/when desired indicating which shifts they will be available to work by phone (to the scheduler's office) or in person. It is the employee's responsibility to place their name on the list indicating their availability for work.
- Employees are responsible to report to work as scheduled after notified.
- Schedulers, line superintendents and Training Coordinator will hold a weekly meeting prior to posting to review the schedule.
- Schedulers will maintain a current list of employees, their seniority, phone numbers and the jobs for which they are qualified.
- Employees are responsible for insuring the accuracy of the above data.

RULES

- Overtime will first be offered to the most senior qualified eligible employee on the voluntary call-in list.
- Crew set-ups will be utilized to provide the greatest possibility to fill the vacancy with on-shift employees.
- Doubles or split shifts will not be allowed if doing so will impact the availability of the employee to work his/her regularly scheduled shift(s) or other work assignments (example:

scheduled wash ups).

- **An employee who volunteers to work a double or split a shift waives his/her right to leave the mill after seventeen (17) consecutive hours and is required to work unless excused by his/her Team Coordinator.**
- **The calling window will be between 3:00 and 6:00 (3 hours) prior to the beginning of the shift containing the vacancy. Employees who are unavailable for or refuse an overtime work opportunity during the calling window will have their names removed from the list for the balance of the current and the following work week.**
- **The first employee accepting the position will not be bumped by another employee who, at a later time, attempts to accept the vacancy, even if senior.**
- **If the only contact is an answering machine, a message will be left indicating the name and number of the person doing the calling and the position, and shift the employee is being offered.**
- **If an employee returns an answering machine message before another employee has filled the vacancy, that employee will be allowed to fill the vacancy.**
- **The person calling people on the voluntary call-in list will do so with guidance from the Team Coordinator. The person doing the calling will allow the phone to ring at least six (6) times.**

ELIGIBILITY

- **All employees in the Production Department can be trained and qualified to work the bottom jobs in the functional area to which they are assigned. Functional areas are Stock Preparation, Paper Machines, and Supercalenders/Winders. Training will be prioritized based on seniority for those wishing to become qualified.**
- **All spares are eligible for overtime opportunities.**
- **An employee will be considered as eligible only if the double is followed by twelve (12) hours off.**

PAY PROVISIONS

- **Employees who fill a vacancy on overtime will be paid their card rate or the rate of the job they work for this overtime, whichever is greater, provided they have no unexcused absences in the pay week in which the overtime occurred.**
- **Employees who are unavailable for or refuse an overtime work opportunity will have their names removed from the list for the balance of the current and the following work week.**

VIII. 1-0261 SWAPPING PROCEDURE

To alleviate problems arising from swaps, the following procedure will be used: There will be no

three-way swapping within the same classification. When a swap is requested, the supervisor approving the swap is to change the schedule and initial it. It should be remembered that swaps are allowed as a convenience to our employees, and if serious problems arise as a result of them, we will have to take steps necessary to correct the situation.

Daily or weekly swaps in the Production Department have to be approved by Management. When a swap takes place, the two (2) people that swap will each take the other's seniority for set up purposes. If one or the other is not qualified for the upgrade, the next senior qualified person will take the upgrade and will be the only one paid for that upgrade.

IX. PACE LOCALS OTHER SIDE AGREEMENT AFFECTING CALL-IN PROCEDURES

Once an employee has worked or is scheduled to work his/her day off, it will no longer be considered his/her day off and therefore he/she cannot be called for another shift.

MECHANICAL MAINTENANCE VACANCY, CALL-IN, OVERTIME PROCEDURE

If an overtime situation exists and the supervisor determines that it needs to be filled and it cannot be filled on a straight time basis, the Redesign Agreement will apply.

MECHANICAL MAINTENANCE SWAPPING PROCEDURE

- A. When swapping one day off for another, you will **retain your department seniority. When swapping occurs between Mechanical Maintenance employees, they will retain their department seniority.**
- B. Person swapping on tour, retain their original relief.
- C. When swapping shifts with a person, you will retain your seniority and work the jobs that they would, or are qualified to.
- D. When swapping for a voluntary double, the person with the day off of said double will be the last to be called.

E/I DEPARTMENT VACANCY, CALL-IN, OVERTIME PROCEDURE

If an overtime situation exists and the supervisor determines that it needs to be filled and it cannot be filled on a straight time basis, the following procedures will apply:

- A. **TWELVE (12) HOUR VACANCY/CALL-IN PROCEDURE**
 - 1. Switchroom/Tour Technician not relieved may work if scheduled off the next regular shift.
 - 2. Offer double shift, by seniority, to the qualified technician on shift in that classification if scheduled off the next regular shift.
 - 3. Senior qualified Switchroom/Tour Technician with day off by seniority.
 - 4. Qualified volunteers from E/I Area/Day Shops by seniority.
 - 5. Draft the junior technician from step 3 above.

B. SCHEDULED/UNSCHEDULED OVERTIME

1. If a person is scheduled on a job at the start of the shift and job runs into overtime, the person on the job will finish the job. However, if the person cannot for some reason work overtime, the supervisor will secure a qualified replacement from a sign-up list by seniority. If the supervisor is unable to obtain the necessary personnel, the junior qualified person(s) will have to work.
2. If an overtime job comes up near the end of the day shift, the supervisor may ask anyone qualified as they see fit, while making an effort to divide the overtime equally. If the supervisor is unable to obtain necessary personnel, the junior qualified person(s) will have to work.
3. When extra people within the classification are required for work involving overtime (extra days), they shall be taken from a seniority list of qualified people within the classification. If the supervisor is unable to obtain the necessary personnel, the junior qualified person(s) will have to work.

C. UNSCHEDULED CALL-INS

1. When additional personnel are to be called in for work, they shall be called from a seniority call list. Persons will be called in order from the list until the desired number have agreed to work.
2. If specialized jobs arise that would not normally be done by crews on tour, then specialized personnel may be called.
3. If the supervisor is unable to obtain the necessary volunteers, then the junior qualified person(s) will have to come in.

**APPENDIX D
RECOGNIZED AGREEMENTS ALL LOCALS**

NO. 1 TOUR AND DAY SHIFT MEAL PROCEDURE

When an employee works two (2) hours beyond their scheduled shift, the employee will be allowed time to secure and eat a meal.

NO. 2 MAINTENANCE APPRENTICESHIP AGREEMENT

A. Maintenance and E/I Apprentices will be selected based upon a projected opening in a trade. The applicant will be selected based on successfully meeting the established criteria set forth in the Joint Apprenticeship Agreements.

B. Upon selection, the apprentice will enroll in the appropriate apprenticeship and maintain satisfactory progress in the program.

C. All hours worked will count toward the 8,000 hours (10,000 hours for E/I Apprenticeship)

apprenticeship **program**.

D. Maintenance Apprentices will join and maintain membership in the appropriate Local Union per Mechanical Maintenance Redesign and E/I Merger Agreements.

E. In each instance where multiple openings in a trade are bid, the employees selected will be assigned to their respective apprenticeship by mill seniority.

F. Apprentices will be paid at the rate called for in the appropriate rate schedule while in this program.

G. Apprentice vacation scheduling will be handled in accordance with side agreements in their respective trade.

H. Apprentices will work overtime, if necessary, in accordance with side agreements in their trades. This provision will also take into account Contract Holidays.

I. Apprentices will be entitled to the tool allowance after fulfilling the probationary period in their respective apprenticeship.

J. Apprentices will accrue Department seniority from the date on the bid.

K. The agreement relative to bumping assigned spares with Local 1-1188 does not apply to the Maintenance Apprenticeship Agreement.

L. The Company will meet with the appropriate maintenance local(s) during the fourth quarter of each year to review the future staffing of the E&I and Mechanical Maintenance departments. This forward look will consider projected openings from future anticipated retirements, and other anticipated changes that may impact the staffing needs of the departments upward or downward.

M. When the Company determines that additional journeymen are needed in the Mechanical Maintenance department, such needs will first be filled with apprentices as long as the number of apprentices added in the department does not exceed four (4) additional in one planning year or result in more than twelve (12) total apprentices at any one time. When the Company determines that additional journeymen are needed in the E&I department, such needs will first be filled with apprentices as long as the number of apprentices added in the department does not exceed three (3) additional in one planning year or result in more than six (6) total apprentices at any one time. Additional journeymen needed above these caps will be filled by hiring journeymen. The Company may elect at its option to raise the established caps for apprentices.

NO. 3 RECOGNIZED AGREEMENT UNDERSTANDING

It is understood that should either the Company or the Local Union involved, experience problems, wish to discuss a particular understanding contained herein, that it will be done promptly, with the specific Local Union involved and with the sincere effort of both parties to remedy the problem area.

NO. 4 TRAINING SCHOOL

The Company shall notify the Union(s) concerned in advance of Company sponsored schools or training involving hourly employees in their Union.

NO. 5 MUTUAL INTEREST MEETING

As an outgrowth of our recent discussions, it has been recommended by all concerned that a maximum of two (2) officers of each Local Union meet with the Vice President Operations and his staff in order to discuss and exchange ideas, plans, mill conditions, anticipate potential employee and operational problem areas, etc. One week prior to the meeting, an agenda of items to be discussed will be exchanged in order to better prepare for the discussion. Discussion of pending formal grievances would not be appropriate.

NO. 6 PENSION PLAN BOOKLET

The Pension Plan description booklet will be updated and issued within ninety (90) days following ratification of the new Labor Agreement.

NO. 7 UNEXPECTED ABSENCE

The Company and the Union agree to the following procedure regarding the filling of vacancies when no notification of absence is received from an upcoming employee in the mill:

A. It is a basic contractual responsibility of employees to contact the Company when detained from starting work at the proper time.

B. When no notification is received from an employee the supervisor will determine if the vacancy needs to be filled. If it is determined that the vacancy will be filled, the procedure to secure a relief will begin no later than thirty (30) minutes after the shift change.

C. If a substitute is obtained and the late employee shows up before the substitute arrives, the late employee should be sent home. If the vacancy is filled by an employee working a double shift, the employee working the double shift has the option to continue to work in place of the late employee or be relieved and go home. Refer to 12 hour agreements to see if it applies.

D. Members of supervision are not required or expected to call employees who have not reported to work.

No. 8 RESTRICTED DUTY POLICY

Restricted Duty Policy for Workers' Compensation
Short and Long Term Disability
(accident & sickness insurance)

A joint task force was formed to develop an effective restricted duty program that will be good for our employees and the operation.

"Rights and duties hereunder provided under this agreement shall in no way diminish, shorten, waive or adversely affect in any fashion the rights of the employer to offer or assign any suitable work or

the rights of a restricted worker to employment or reemployment under the Maine Workers' Compensation Law and/or any other applicable law."

Attached are these guidelines. They have been mutually agreed to by local management, PACE Local 1-1188 and 1-0261, IAM&AW Lodge 1821, and IBEW 1777. Changes to these guidelines will be by mutual agreement.

The guidelines are a road map for both Management and Unions in the return to work process of restricted employees.

The Company, specific Unions involved and employees will mutually agree on restricted duty assignment. If the Parties fail to reach mutual agreement, neither the Company, Union or Employee will forfeit any of the rights it had prior to this agreement with respect to appropriate workers' compensation or disability payments. The Parties recognize the final decision must conform to applicable State and Federal law. Each case will be handled on an individual basis.

The three (3) steps of restricted duty are as follows:

- Short Term (can return to regular duty within 60 days)
 - * A seed list has been included to help stimulate departmental ideas.
- Long Term A (will take greater than 60 days to return to regular duty)
- Long Term B (will not be able to return to a regular job in their department and recovery is not expected)

In addition to the overall guidelines, the following agreements have been reached:

- A. Additions to or deletions from the established Alternative Jobs will be made by mutual agreement (management/locals).
- B. Employees on Long Term Restricted Duty who cannot work within their own local may be assigned work within another local provided there is mutual agreement between the two locals.
- C. In case of conflict in medical opinions there will be no change in restricted duty (classification) until resolved through provisions of the compensation act.

It is the suggestion of this task force that education of both management and union officials is critical prior to starting and/or implementing this new program. We would also recommend that, should problems arise, this task force reconvene to correct or resolve those issues.

SHORT TERM RESTRICTED DUTY

1. Purpose:
The goal is to get the restricted employee back to his/her regular work.
2. Definition:
Short Term is defined as a restriction that will allow the employee to return to regular duty within 60 days. It is believed that keeping the employee in their department for short term restrictions will help in the return to work process.

3. Responsibilities:
Responsibility for the restricted employee on short term restricted duty will be the department superintendent. The superintendent will take the responsibility of finding the restricted employee meaningful work within their physical limitations and appropriate union guidelines.
4. Return to Work Process:
Upon returning to work, a meeting will take place which will include, but not be limited to, the supervisor, union representative, human resource representative, and restricted employee. The physical limitations, work assignment, time frame, and follow up meeting will be discussed at this meeting. The Human Resource Department will be responsible for coordinating the initial meeting.
5. Rate of Pay:
Regular classification rate or the rate of the job, whichever is greater.

LONG TERM-A RESTRICTED DUTY

1. Purpose:
The goal is to get the restricted employee back to his/her regular work.
2. Definition:
Long Term is defined as a restriction that will take greater than 60 days for the employee to return to regular duty.
3. Responsibility:
Responsibility for the restricted employee will be with the superintendent within the department which he/she works.
4. Return to Work Process:
Upon returning to work, a meeting will take place which will include, but not be limited to, the supervisor, union representative, human resource representative, and restricted employee. The physical limitations, work assignment, timeframe, and follow up meeting will be discussed at this meeting. The Human Resource Department will be responsible for coordinating the initial meeting.
 - A. Try to find meaningful work within their department, which may include frozen status.
 - B. If no work is available within their department, try to find work in another department of the same local.
 - C. If the first two steps are not successful, try to find work anywhere mill wide using the Bucksport alternative job list.
5. Rate of Pay:
Regular classification rate or the rate of the job, whichever is greater.

LONG TERM-B RESTRICTED DUTY

1. Purpose:
The goal is to get the restricted employee back to regular productive work within the Bucksport Operation.

2. Definition:
A permanently restricted employee is defined as an employee who is not able to return to his/her own job or a job within their department and recovery is not expected.
3. Responsibility:
Human Resource/appropriate union official.
4. Return to Work Process:
Upon confirmation of permanent status, a meeting will take place that will include, but not be limited to, union representative, human resource representative, and restricted employee. The physical limitations, work assignment, timeframe, and follow up meeting will be discussed at this meeting. The Human Resource Department will be responsible for coordinating the initial meeting.

Options to be reviewed:

- * Look at open bids within mill.
- * Review jobs employee thinks he/she may be able to perform.
- * Return employee to general gate pool.
- * Bucksport Alternative Job List while pursuing the other options.

If someone working on the Alternative Job List passes up an opportunity for a regular productive, permanent job within his/her restrictions, that person will no longer be eligible for work on the Alternative Job List.

5. Rate of Pay:
 - A. Rate of job bid.
 - B. Rate of job worked off spare pool.
 - C. Appropriate base rate per work group.

SEED LIST

This is not a statement of work available, but only suggested examples when appropriate, of work for restricted duty people and to stimulate ideas within each department and union local.

- Return to own job where possible (flexible).
- Grounds.
- Pass out checks (Thursday)
- Packaging of forms.
- Daily inspections of hog fuel systems (IAM) visual/auditory.
- Cable and sleeve inspections (IAM).
- Fork truck training (1-1188).
- Inventory stainless steel salvage pile (1-1188/IAM).
- Set up and run a salvage operation minimum waste/maximum reuse (1-1188/IAM).
- Roll wrapper overflow work (1-1188).
- Assist dewatering operator (1-1188).
- Groundskeeper (1-1188).
- Assist stores personnel in daily deliveries (1-1188).

- Parking lot guardhouse (salary).
- Housekeeping inspections.
- Sewer loss inspections.
- Tank overflow inspections.
- Water conservation program.
- Cleaning/painting.
- Work hardening.
- Unassigned low priority work within the department.
- Use as an extra to accommodate training.

ALTERNATIVE JOB LIST

Purpose:

Jobs that don't belong to any local, giving restricted duty individuals meaningful work. These are not permanent jobs.

How the Alternative Job List will be administered:

- Mill seniority.
- Restrictions.
- Qualifications.
- Movement as possible.
- Makes no difference whether A&S or Workers' Compensation.
- Responsibility: Human Resources will identify person managing.
- People assigned to Alternative Job List have the right to work within these guidelines, but they do not have the right to select a job.

BUCKSPORT ALTERNATIVE JOB LIST

- Recycling.
- Voluntary -- partnership in education program.
- Laundry.
- North gate (responsibilities).
- Central calls for absenteeism.
- Tracking borrowed equipment.
- Construction gate.
- Tracking training equipment.
- Cafeteria.
- Mail distribution.
- Mill wide safety inspections (all Locals).
- Assist floor safety persons (all Locals).
- Assist safety personnel with wash-ups (all Locals) - signs/barricades/footwork.
- Assist scale office personnel (train on computer) (all Locals).
- Assist safety (all Locals):
- Bulletin boards.
- Footwork between safety groups (all Locals).
- Get chemical sheets signed and returned to department (all Locals).

NO. 9 TEAM CONCEPT

The existing Labor Agreement will be revised to the extent necessary to reflect the provisions of these proposals.

I. TEAM OPERATIONS CONCEPT

A. It is not the intent of this concept to change the duties of the job classifications and it is generally accepted that employees normally perform tasks more skillfully within their classified job and progression line. However, to achieve optimum utilization of manpower and skills, employees may be assigned to perform tasks outside their normal job duties.

B. The mill lines of progression and operating departments staffed by crews, who, under the Team Operations Support Concept, work as teams assisting each other in accomplishing their assigned tasks and responsibilities. Team members are trained in various operational duties and tasks within their department, or line of progression, or other departments to enable them to assist each other and work as a team. Assisting in other departments will be limited to assignments in departments adjacent to the employee's department. In order to allow for this team work concept, there shall be no classification restriction between jobs in a department or job in line of progression. As operating conditions warrant, employees may be given assignments which are customarily performed by employees in higher or lower classifications. It is understood that when such assignments are performed, employees will not receive an increase or decrease in rate of pay. Employees scheduled to a higher rated classification will be paid such higher rate and employees scheduled or demoted to a lower rated classification due to curtailment will receive the applicable classified rate.

C. Production employees will also perform adjustments and other minor maintenance work that does not require the skills of a journeyman craftsman. It is not the intent to make trained craftsmen out of production employees, but rather to concentrate the skills of maintenance personnel where they are most needed. It is understood that production employees must be able to perform such work safely. Production employees and maintenance employees will be expected to temporarily assist each other.

D. When a temporary vacancy occurs, it will be the supervisor's responsibility to determine whether or not the job will be filled. In making this determination, the supervisor will make his/her decision based solely on the operating conditions that exist at the time of the vacancy.

The Company also reserves the right to temporarily transfer employees to fill vacancies in his/her department or in other departments based on operating conditions that exist at the time the vacancy transfer occurs. The transfer of an employee to another department will be made based on seniority in the department or line of progression being affected. Employees transferred from their department will not be replaced for the term of the transfer.

Employees assigned to the Power Plant, Old Wood Room and Drum Barking, Treatment Plant and Kraft and Clay area will not be transferred out of their areas.

When an employee is temporarily assigned to a job paying a higher rate than their regular occupation, they shall receive the higher rate providing they can perform all the duties of the new position. An employee asked to temporarily take a lower rate job while their regular job is in operation shall receive their regular rate of pay.

E. All members of the crew are responsible for cleanup.

II. TEAM MAINTENANCE CONCEPT

Utilizing the Team Maintenance Concept, the Maintenance Department will function as a team. Each individual's craft and primary skill will be recognized and assignments will be made accordingly. Each employee may perform work in any other craft, so as to perform maintenance work incidental to accomplishing their job and/or assist other craftsmen. Maintenance employees will also be expected to do incidental maintenance work of any craft.

Production employees will also perform adjustments and other minor maintenance work that does not require the skills of a journeyman craftsman.

Painting using brush, roller, spray can, including the required preparation work, may be performed by any hourly Union employee.

The oxygen-acetylene torch may be used by any maintenance employee to perform heating, cutting, or burning.

All maintenance craftsmen will perform rigging tasks in conjunction with work assignments. Minor rigging includes the use of a forklift or pick-up truck to transport material and equipment. This does not include the use of a Boom truck.

Minor welding may be done by Millwrights, Pipers, Machinists, Truck Mechanics when it is an incidental task associated with their job assignment. Tinsmiths may use spot welders.

In the application of the above, it is understood that employees must be able to perform the assigned tasks safely.

III. STEERING COMMITTEE

The Company and the Union recognize the need for a representative group of mill employees that will assist in the implementation of team concepts. This group will help guide the implementation of team concept so as to allow for a maximum concern for efficiency, cost, productivity, and a maximum concern for employees.

The group will consist of eight (8) union bargaining unit employees and a group of eight (8) management representatives.

The function of the team will be to assist and guide the process of implementing team concept by:

- helping employees understand team concept;
- assist in the planning of training necessary for implementation;
- devising feedback and evaluation methods;
- discussing problem areas of implementation and suggest alternatives;
- identifying on-going communication methods to promote understanding of the concept;
- to act as a resource to expand the concept to the fullest potential.

Both the Company and the Union recognize the successful implementation of team concepts must be

an on-going collaborative effort. To that end, the team will continue to meet on a regular basis providing guidance until such team concepts are firmly understood and practiced throughout the mill

IV. MUTUAL UNDERSTANDING

In exchange for agreement and support of productivity and team concepts, no employee on the payroll at the time of ratification will be laid off from the mill as a direct result of the implementation of such concepts.

The Company agrees that reductions in the bargaining unit which might result from implementation of these concepts will be handled by attrition.

Excluded from the above understanding are any reductions caused by market conditions, capital projects, shutdown of equipment or machinery or other conditions beyond the control of the Company.

NO. 10 SAFETY ORGANIZATION

The parties agreed to include a description of the present mill safety organization in the new Safety Rule Booklet. This would include the Bucksport Action Committee on Safety (BACS), the Central Safety Committee and the various sub-committees.

NO. 11 BULLETIN BOARDS

The parties agreed to improve the quality and number of Union bulletin boards in the mill. We agreed that this would be finalized following negotiations.

NO. 12 BUCKSPORT'S ATTENDANCE CONTROL GUIDELINES

BUCKSPORT MILL ATTENDANCE CONTROL GUIDELINES

The intent of this policy is to address "occurrences" of absenteeism. It is understood that the guidelines set forth here are specific to reported absences and are not intended to alter the application of disciplinary action taken in instances other than attendance control.

1. Progressive disciplinary action taken under these guidelines will be based upon a specific number of absentee occurrences. Records of absentee occurrences will be shared with the appropriate union representatives in cases of three (3) or more occurrences in the previous twelve (12) months.
2. For the purpose of these guidelines, an occurrence is an absence of scheduled full work day. Consecutive scheduled work day absences are **counted daily as occurrences**. Unreported absences (no call-no show) are counted daily as occurrences under this attendance control guideline and are also considered justification in and of themselves for appropriate disciplinary action per item 6 below.
3. Incarceration for up to **seven (7)** calendar days for 1st offense (only) OUI will be counted as one (1) occurrence. Additional incarcerations will be counted on the basis of each day absent as one occurrence.

- | | |
|--|--|
| A) Six (6) occurrences within the previous twelve (12) month period. | Counseling Session |
| B) Seven (7) occurrences within the previous twelve (12) month period. | Counseling Session with Verbal Warning |
| C) Eight (8) occurrences within the previous twelve (12) month period. | Counseling Session/ Written Warning |
| D) Nine (9) occurrences within the previous twelve (12) month period.
Warning | Counseling Session with Final Written |
| E) Ten (10) occurrences within the previous twelve (12) month period. | Subject to Discharge |

It is understood that it is not acceptable to remain at seven (7) or more occurrences and continue to incur repeated absences. Such occurrences will be treated as follows:

A) If the employee receives a second consecutive warning for seven (7) or more occurrences in a twelve (12) month period, the employee must see the department superintendent and the employee will be disciplined in accordance with Step C above.

B) If the employee receives a third consecutive warning for seven (7) or more occurrences in a twelve (12) month period, the employee will be disciplined in accordance with Step D above.

C) A fourth consecutive warning for seven (7) or more occurrences in a twelve (12) month period, the employee will be disciplined in accordance with Step E above.

6. A no call-no show absence within the previous twelve (12) months, unless justifiable reasons for not reporting are provided, will be dealt with in the following manner:

First Offense	Step I Counseling Session with Written Warning
Second Offense	Step II Counseling Session with Final Written Warning
Third Offense	Step III Subject to Discharge

7. Three (3) consecutive days of no call-no show will be considered a voluntary resignation unless justifiable reasons for failure to report off are provided.

NO. 13 BUCKSPORT'S SUBSTANCE ABUSE POLICY

**MEMORANDUM OF UNDERSTANDING
BETWEEN
INTERNATIONAL PAPER, BUCKSPORT, MAINE
AND
PACE 1-0261, PACE 1-1188
IBEW LOCAL 1777, IAM&AW LODGE 1821**

The parties recognize that the abuse of alcohol and drugs presents a serious problem which must be addressed by employers, unions and employees. Both the Unions and the Company affirm their objective to see an end to all abuse of alcohol and drugs in the workplace.

Alcoholism and drug dependency are recognized by medical authorities and the parties as diseases, although the causes are not fully understood and the cures are difficult. Nonetheless, Champion, Bucksport, ME and the above referenced Unions believe that constructive measures are possible to deal with alcohol and drug abuse which can be a cause of absenteeism and lost productivity, serious injury and which ultimately can be related to serious personal breakdowns.

The end objective of this agreement is to help employees who are afflicted with alcoholism or drug dependency who wish to be rid of these problems. The keys to this effort will be the providing of education, assistance to the employees and their families, encouraging the employees to receive treatment as needed, fostering and encouraging an environment which is free of alcohol and drug abuse and deterrents to the abuse of alcohol and drugs.

ASSURANCES

1. Alcohol and/or drug dependency is an illness which is treatable. It will be given the same consideration as any other illness, with the emphasis on rehabilitation, not the elimination of the employee.
2. No employee with alcohol and/or drug dependency will have his/her job security or promotional opportunities affected because of his/her request for treatment. As with other diseases, until the treatment is successful, it may be necessary to alter a person's responsibilities because of his/her chemical dependency. Every effort will be made to accommodate such employee.
3. Employees will not be disciplined for having this illness.
4. The best available treatment will be offered through established benefit plans and health insurance coverage.
5. Under this policy all records and discussions will remain confidential.

EMPLOYEE AND FAMILY ASSISTANCE

The Company offers through the EFA program, educational services; confidential counseling and confidential treatment referrals to all employees in areas which may impact the individual's health, safety and job performance.

EDUCATION AND AWARENESS TRAINING

It is necessary in any successful program to educate and train all employees. Training programs will be developed on appropriate topics concerning substance abuse by Loss Prevention, HR Department and EFA Committee (union involvement is very important in all training and development).

1. Employees will have the opportunity to participate in a drug awareness and education program.

2. Supervisors will be trained in the following areas. Shop stewards and union officials may participate if they so desire.

- a. Employee and Family Assistance Program (EFA)
-alcohol and drug awareness training
- b. Understanding the impaired employee removal procedure.
- c. How to handle job performance problems.
- d. Benefit programs and health insurance coverage as it relates to substance abuse.
- e. Safety aspects of alcohol and drug problems.
- f. Any other educational programs as developed.

PROCEDURES

The Union and the Company recognize that substance abuse is an illness that in many occasions manifests itself in poor job performance. It is the parties' desire to encourage employees with such an illness to seek appropriate treatment. Failure to recognize and improve poor job performance will result in disciplinary action up to and including discharge.

1. All new hires will undergo substance abuse screening during their pre-employment physical. This screening will be administered per the according to Bucksport's State of Maine approved Substance Abuse Testing Policy. (Copy available in Human Resources office.)

2. Employees will undergo for-cause, post-incident/for-cause and unannounced arbitrary drug testing. This testing will be administered according to Bucksport's State of Maine approved Substance Abuse Testing policy. (Copy available in Human Resources office.)

3. This policy will comply with applicable State and Federal laws.

4. Referrals for medical evaluation will only be made when there are justifiable reasons relating to impairment. (reference: impaired employee procedure)

These criteria will be used when an employee voluntarily uses the substance abuse testing.

<u>DRUG</u>	<u>CUT OFF LIMIT</u>
Amphetamines/Methamphetamine	1000/500ng/ml
Opiates	2000/2000 ng/ml
Cannabinoids (Marijuana)	100/20 ng/ml
Phencyclidine(PCP, Angel Dust)	25/25 ng/ml
Benzoyllecgonine (Cocaine Metabolite)	300/150 ng/ml
Alcohol(Blood test)	0.02 g/100ml
(Breathalyzer)	0.08 g/100ml .

a. Failure to comply with the prescribed program, which includes substance abuse testing as permitted by law, may result in disciplinary action up to and including discharge.

b. The employee may return to work following successful completion of the rehabilitation program, on the recommendation of the EFA Coordinator or by a registered substance abuse counselor certified by the State, and completion of a negative drug test.

c. The employee must agree to an unannounced subsequent substance abuse test

anytime between ninety (90) days and one year after the employee's prior test.

d. An employee's failure to correct a substance abuse problem which limits his/her ability to perform his/her job will be dealt with under the disciplinary provisions of the Labor Agreement.

e. An employee who **tests positive** a second time **after returning to work** will be subject to disciplinary action up to and including discharge.

f. In any test leading to a verified positive result, the employee may request a retest of the original specimen. The employee must agree to use an approved laboratory for retest and pay the associated costs if the results are positive. If the test is negative the Company will reimburse the employee for the cost of the test and the test result will be accepted.

NO. 14 BUCKSPORT'S IMPAIRED EMPLOYEE PROCEDURE

INTERNATIONAL PAPER BUCKSPORT OPERATIONS GUIDELINES FOR DEALING WITH AND THE REMOVAL OF AN IMPAIRED EMPLOYEE

OBJECTIVES:

- To ensure a safe, productive workplace in accordance with established mill rules.
- Through a joint Union/Management effort provide guidelines for removing an "impaired" employee from the workplace and eliminate the potential for serious injury to the employee or his/her co-workers.
- To assure that the "impaired employee" is provided immediate medical attention to determine an appropriate course of treatment.

I. PROCEDURE

The supervisor shall do the following if he/she observes that an employee is unable to do his/her job, regardless of the reason the supervisor perceives is the basis for the inability to do the job:

1. Observe and record the action and behavior of the seemingly "impaired employee". **If possible, request a second salaried employee to do likewise.** (Disposition of the Impaired Employee attachment)

NOTE: No Champion employee is qualified to diagnose, assess or determine any illness or cause for unacceptable behavior. This is important to keep in mind as sometimes a person seemingly under the influence of alcohol and/or other drugs may actually be "impaired" from another illness or taking a prescription medication.

2. Advise the employee in the presence of the shop steward/or union official that he/she appears to be "impaired" and unfit to perform his/her duties **and will be subject to the provisions of the Substance Abuse Testing Policy.** On the basis of the supervisor's observations, request that the employee go to Eastern Maine Medical Center in Bangor or the hospital of the employee's choice **(that is qualified to perform testing under the Bucksport's Substance Abuse Policy), (transport by ambulance)** so that a medical professional may determine the problem, **take the appropriate**

urine sample and prescribe an appropriate course of treatment. (At no time are the Hall Security Officers to be expected to **transport the employee**)

3. The Company nurse on duty will be called to help deal with the problem. The nurse will notify the Human Resource Manager.

II. REMOVING THE EMPLOYEE AND TRANSPORT TO MEDICAL FACILITY

1. The employee will be transported to EMMC or the hospital of his/her choice (**that is qualified to perform testing under the Bucksport Substance Abuse Policy**), by ambulance. The supervisor involved will follow the ambulance to the hospital.

2. The nurse will call the appropriate hospital and the employee's immediate family.

3. Once at the hospital, the supervisor will advise the attending medical professional of his/her observations concerning the employee's behavior, **provide the physician with the release signed by the employee and request that a urine sample is taken.** The physician will then take charge of the case.

4. If, after examination, the employee is released from the medical facility, the supervisor will arrange for the employee to be driven from the medical facility to his/her home. **If medically approved to return to work the supervisor will arrange for transportation back to work.**

5. **Prior to return to work a meeting will be scheduled with the employee, the supervisor, union officials, and a Human Resource representative. The employee's return to work will be in accordance with the Substance Abuse Testing Policy.**

6. The purpose of the meeting will be focused on helping the employee.

7. It must be pointed out that the purpose of this procedure is not punitive but to provide appropriate professional attention as soon as possible to an employee who appears to have a medical problem which manifested itself in unacceptable workplace behavior.

III. IF THE EMPLOYEE REFUSES TO GO TO A MEDICAL FACILITY..(SUPERVISOR'S RESPONSIBILITY)

1. **Any employee refusing to sign a consent form or to submit to a substance abuse test will be regarded as insubordinate and will be subject to discipline, up to and including discharge.**

2. Inform the employee that it is your responsibility as a supervisor to provide a safe working environment for all employees and that he/she is relieved from his/her duties pending the determination of the problem.

3. Arrange for transportation home. (At no time are the Hall Security Officers to be expected to **transport the employee.**)

4. If the employee refuses assistance, contact the next of kin and request that transportation be provided from the work site to the employee's home.

NOTE: Under no circumstances should a potentially "impaired" employee be allowed to drive him/herself home.

5. Prior to returning to work a meeting will be scheduled with the employee, the supervisor, union officials, and a Human Resource representative. The employee's return to work will be in accordance with the Substance Abuse Testing Policy.

Should it be determined that there has been a violation of mill rules, the Company reserves the right to pursue appropriate disciplinary action as discussed in the Labor Agreement.

Questions pertaining to this procedure should be directed to the Human Resource Department.

NO. 15 MEDICAL/DENTAL INSURANCE

Managed Care Portion

Offer plans as available or appropriate (not guaranteed to be available) includes:

PCN – Primary Care Network

A. Plan Design

1. Current plan changed as follows:

- **Primary Care Physician (PCP) co-pay**
Effective 01/01/2001 - \$10.00/visit
Effective 01/01/2003 - \$15.00/visit
Effective 01/01/2005 - \$20.00/visit

PCP Fee Schedule – to 125% of Medicare (flexibility to negotiate discounted fees acceptable to individual providers as appropriate).

- **Diagnostic, X-Ray and Lab – 90/10 co-insurance; employee share capped at \$200 per diagnostic event.**
- **Deductibles: \$250/\$500 Stop-Loss: \$1,400 per covered individual capped at 5% of previous calendar year's earnings (as used in section 12.10 of the Agreement).**
- **Mental Health/Substance Abuse (MH/SA)**
 - **Eliminate 3 free visits per lifetime**
 - **First 10 visits - \$15/visit; > 10 visits - \$25/visit**
 - **Inpatient care – 90/10 co-insurance**

2. The Health Care Solutions Group will continue to identify and examine potential PCN Plan design changes to manage and reduce future PCN Plan cost increases. Starting in 2001, a consensus recommendation will be made in the third quarter on which, if any, of these changes should be made to the PCN Plan design. To implement these changes, the recommendation must be approved by a majority-pooled vote of all Bucksport local union members. This process must be completed in the month of September in order to be included in the benefits open enrollment choices in October.

B. Cost Sharing

Effective 1/1/2001, employee contributions will be 22.5% of premium. Effective 1/1/2002 and each year thereafter, employee contributions will be 25% of premium. Effective 1/1/2003, any annual increases will be capped at a maximum of:

<u>Tier</u>	<u>Monthly Contribution Maximum Increase</u>
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Single –	\$10.00
Employee and Child(ren) –	\$18.00
Employee and Spouse –	\$22.00
Family –	\$30.00

Any additional Managed Care options that may be offered during the life of this Agreement will be at the company's sole discretion as to (1) availability, (2) plan design, and (3) cost.

Comprehensive Plan Portion

During the life of this agreement, the Company will offer a single "Core Plan" and may offer additional indemnity plans under flexible benefits.

Core Plan

A. Design

- Deductibles: \$300/\$600 Stop-Loss: \$2,000/\$6000 capped at 5% of previous calendar year's earnings (as used in section 12.10 of the Agreement).

B. Future Cost Increases

- All future increases shared 50/50; employee contributions and patient cost capped at 25% of total plan cost.

Any additional Comprehensive Plan options that may be offered during the life of this Agreement will be at the company's sole discretion as to (1) availability, (2) plan design, and (3) cost.

Dental Plan

A. Follow the "Company Core Plan" for the life of the Agreement.

B. Rates locked in at the following for the life of the Agreement:

- Single - \$2.00 per month
- Employee and Child(ren) - \$4.00 per month
- Employee and Spouse - \$4.00 per month
- Family - \$6.00 per month

Prescription Drug Plan

Both Retail and Mail Order plans to follow the "Company Plan" for the life of the Agreement.

NO. 16 MISCELLANEOUS LETTERS

MISCELLANEOUS LETTERS ALL LOCALS:

No. 1 Procedures for Handling of Noise Complaints

May 1, 1995

Mr. George Valliere
 President, PACE Local 1-0261
 Bucksport, Maine

Mr. David Lowell
 President, IAM&AW Lodge 1821
 Bucksport, Maine

Mr. Greg Nutter
President, IBEW Local 1777
Bucksport, Maine

Mr. Emery Deabay
President, Local 1-1188
Bucksport, Maine

Dear Sirs:

It is the Company's intent to provide a safe workplace in compliance with all OSHA regulations. Resolution of noise issues should be handled at the Departmental level, either through direct employee action or supervisory intervention.

In the event that these methods do not resolve the problem, the employee may contact the Environmental, Health & Safety Group or Management.

Of course, the employee may contact the Union at any time for their intervention.

Sincerely,

/s/

David Johnson
Vice President-Operations Manager

No. 2 Training Centers, Locker Rooms, Canteen Areas, etc.

May 1, 1995

Mr. George Valliere
President, PACE Local 1-0261
Bucksport, Maine

Mr. David Lowell
President, IAM&AW Lodge 1821
Bucksport, Maine

Mr. Greg Nutter
President, IBEW Local 1777
Bucksport, Maine

Mr. Emery Deabay
President, PACE Local 1-1188
Bucksport, Maine

Dear Sirs:

The Company is committed to providing employee training. The facilities available in which to conduct training will be explored after negotiations with the intent to improve the scheduling availability of existing facilities, utilizing the project trailer now serving the Coating Plant Project Team as an additional training facility after it becomes vacant, as well as exploring the need for a permanent training/administrative complex in the long range capital budgeting process.

The Company has improved locker room facilities and has adequate locker room space for all employees. The Number 1 and 2 vending area has undergone a major improvement, and other Canteen areas will be improved as necessary. Some discussion took place around employees working extended hours on pay day and not having the opportunity to cash their check. The Company will work with the Unions after negotiations to address this concern.

Sincerely,

/s/

David Johnson
Vice President-Operations Manager

No. 3 Educational Assistance Policy

May 1, 1995

Mr. George Valliere
President, PACE Local 1-0261
Bucksport, Maine

Mr. David Lowell
President, IAM&AW Lodge 1821
Bucksport, Maine

Mr. Greg Nutter
President, IBEW Local 1777
Bucksport, Maine

Mr. Emery Deabay
President, PACE Local 1-1188
Bucksport, Maine

Dear Sirs:

During discussion of the 1995 Agreement the Company explained that the current Educational Assistance Policy was a Corporate Program and would not be modified locally. However, to meet the Unions' concern about correspondence courses, we agree to review the applicability and quality of correspondence courses to employees current assignment or positions to which they can reasonably aspire. With approval of the supervisor and HR/OD, 80% of the course will be reimbursed upon successful completion.

Sincerely,
/s/
David Johnson
Vice President-Operations Manager

No. 4 10 Hour Shifts for Day Workers

May 1, 1995

Mr. George Valliere
President, PACE Local 1-0261
Bucksport, Maine

Mr. David Lowell
President, IAM&AW Lodge 1821
Bucksport, Maine

Mr. Greg Nutter
President, IBEW Local 1777
Bucksport, Maine

Mr. Emery Deabay
President, PACE Local 1-1188
Bucksport, Maine

Dear Sirs:

The Parties agree that following negotiation of the 1995 Agreement, they will explore where ten (10) hour shifts are effectively utilized in the Paper Industry for day workers, to determine whether they are appropriate for the Bucksport Mill. The Continuous Review Committee in Mechanical Maintenance or other departmental improvement committees specified in redesigns, will be used for this purpose.

Sincerely,
/s/
David Johnson
Vice President-Operations Manager

No. 5 Promotion of Spare Foremen

May 1, 1995

Mr. George Valliere
President, PACE Local 1-0261
Bucksport, Maine

Mr. David Lowell
President, IAM&AW Lodge 1821
Bucksport, Maine

Mr. Greg Nutter
President, IBEW Local 1777
Bucksport, Maine

Mr. Emery Deabay
President, PACE Local 1-1188
Bucksport, Maine

Dear Sirs:

During 1995 contract renewal talks the Parties agreed to meet after negotiations on a departmental basis, and develop a process that will be used for promotion to Spare Foreman, and a training outline that will allow employees to prepare for advancement. The Parties agree that the provisions of Section 7.19 of the Labor Agreement still apply.

Sincerely,
/s/
David Johnson
Vice President-Operations Manager

No. 6 Notification of Training Schools

April 9, 1990

Mr. Carl Achey, President
IBEW, Local 1777
Bucksport, Maine 04416

Mr. Ralph Burgess, Pres.
PACE, Local 1-0261
Bucksport, Maine 04416

Mr. Richard Holmes, President
PACE, Local 1-1188
Bucksport, Maine 04416

Mr. David Lowell, Pres.
IAM&AW, Lodge 1821
Bucksport, Maine 04416

Gentlemen:

As a result of recent negotiations, we have committed to do a better job of notifying you when we send one of your members to a Company sponsored school or training.

Recognized Agreement #6 Training School specifically addresses what our responsibility is in this area. Consequently, I am asking each superintendent to notify the appropriate union at the time he/she schedules an employee to attend schools or training sessions.

Sincerely,
/s/
David E. Johnson, V.P.
Operations Manager

No. 7 Borrowing Tools

May 1, 1995

Mr. David Lowell
President, IAM&AW Lodge 1821
Bucksport, Maine 04416

Mr. Emery Deabay
President, PACE Local 1-1188
Bucksport, Maine 04416

Mr. Gregory Nutter
President, IBEW Local 1777
Bucksport, Maine 04416

Mr. George Valliere
President, PACE Local 1-0261
Bucksport, Maine 04416

Dear Sirs:

The Company agrees to continue the current practice of allowing employees to borrow Company tools. Permission to borrow the tool must be obtained from the appropriate Shop or Department Supervisor, utilizing the established gate pass procedures.

Sincerely,
/s/
David Johnson
Vice President-Operations Manager
Publication Papers

No. 8 Letters and Agreements Carried Forward

The following letters and agreements will be carried in full force and effect for the term of this Labor Agreement:

September 5, 1990	Consecutive Hour Proposal
October 22, 1990	Notice Regarding Painting on Overtime
September 16, 1991	Joint Union/Management Team and Committee Guidelines Involving Local 1-0261 Members
May 1, 1995	Attachment No. 52 from 1995 negotiations regarding Swiper Call-ins
May 15, 1996	Letter of Agreement regarding temporary set-ups by seniority in the line in which it occurs
January 23, 1997	Gate Spare Scheduling Guidelines
March 18, 1997	Letter from Arthur Bissonnette regarding clothing work group call-in procedure
May 21, 1997	Fred Oettinger Letter-Committees and Teams
May 20, 1997	Out of Area Option for PCN Plan
August 6, 1997	Power Plant Recruiting Procedure
September 5, 1997	Summary of Understanding-Bucksport PCN Plan

May 11, 1998	Memorandum of Agreement regarding restructure (ALL LOCALS)
May 12, 1998	Blood Borne Pathogens
no date	Supercalendar Set Back Procedure
May 11, 1998	Letter of Clarification regarding pay protection for spares
December 9, 1998	Memorandum of Agreement RE: spares spares bidding to perm. vacancies
March 9, 1998	Pulp Mill Agreement re: Who's responsible for the equip. & Process during Oper. Training
August 8, 1998	Wood Processing Agreement re: Line "B: hours of work
May 28, 1999	RMLT Feedback System
September 20, 1999	Memo of agreement re: Power Plant job security as result of the Gas Turbine Project
Feb. 10, 2000	Snow/Ice Removal Call-In Procedure
March 14, 2000	RMLT Joint Accident Investigation System

**RECOGNIZED AGREEMENTS
PACE, LOCAL 1-1188**

NO. 1 LAY-OFF PROCEDURE AS IT EFFECTS ASSIGNED SPARE POOL MEMBERS

If an employee holding a permanent classification in a department, within the jurisdiction of Local 1-1188, is subject to layoff due to lack of work and is assigned to the general mill spare list and his/her Mill Seniority is greater than that of a member of an assigned Spare Pool in Local 1-1188's jurisdiction, he/she may use his/her Mill Seniority to obtain work in that Spare Pool by bumping the junior employees in that pool.

Employees electing to bump into Spare Pools where specific licenses are required, must possess such license in order to be eligible to bump into that pool.

**RECOGNIZED AGREEMENTS
PACE, LOCAL 1-0261**

NO. 1 TEMPORARY SETUPS

Any member of the Paper, Allied-Industrial, Chemical and Energy Workers International Union must take a temporary setup due to the absence (vacation, sickness, leave of absence, etc.) of another member, unless excused by the supervisor.

NO. 2 SPARE TEAM COORDINATOR VACATION SCHEDULING

Spare Team Coordinator must balance their vacations with their supervisors and their group on their crew (Refer to Redesign Agreement page 149)

It is agreed that a Team Coordinator's vacation scheduled after June 1 of the year will not change the vacation schedule of the group that was locked in place on June 1 of that year.

NO. 3 CREW MEETINGS

The Union and the Company recognize the need and importance of holding crew meetings. Accurate and timely communications is essential if we are to achieve a level of performance which is superior to our competition. Consequently, we have established the following as guidelines on how these meetings should be conducted in order to achieve the highest level of participation.

1. Crew meeting will be voluntary.
2. Both sides reserve the right to caucus.
3. The crew may call a meeting in addition to the regularly scheduled session should circumstances dictate. Also, either party may ask to extend any crew meeting in order to give everyone an opportunity to share their opinions.
4. Scheduled crew meetings will not be canceled unless both parties mutually agree.
5. Crew meetings should not be held during normal break time (if applicable) or lunch time unless the crew so designates. Meetings which are scheduled before or after the normal workday will be paid per the Labor Agreement.
6. Decisions made at crew meetings will be documented and distributed to the crews. If the Union or Management has problems with the decision, they will meet with the crews to problem solve the issue.
7. The crew may request a union representative (committee person or other) to be present at its meetings. Union representatives may also attend any crew meeting on their own initiative.
8. Any changes modifying the Labor Agreement must be mutually agreed to by the Union and the Company.
9. Crews may call joint meetings with other crews or send representatives to other crew meetings.
10. Each crew determines how best to run their meetings. The purpose of these meetings is to exchange information regarding the overall operation of the mill and to work through problem issues which can improve the crew's level of performance. Execution of crew meeting decisions will not be subject to discipline.

It is understood that these are only interim guidelines and can be modified by each department redesign task force to best fit the department needs to communicate. It is also understood that the intent of these crew meetings is not to circumvent the redesign process. Any issue that is problem solved by a crew which results in improved operation will subsequently be made part of the department redesign and the savings credited to the final package.

NO. 4 TRIAL PERIOD

The purpose of this agreement is to allow the employee a reasonable opportunity to determine if the position is suitable to them and to allow the company a reasonable opportunity to determine if the employee is suitable to the position.

I. Bids within a Functional Area

In cases of transfers from one position to another within a functional area the Company and employee will be allowed a trial period of (7) days worked in the new position to determine whether or not the transferred individual can do the work or wants the position. The employee may terminate the trial period before the (7) days has expired and will thereby be returned to their former position as soon as the schedule allows. *Those pre-redesign employees in the Supercalendar Department and #1 Paper Machines who bid per the provisions of their respective Batch Bid Agreement will not be entitled the trial period.*

II. Bids to another Functional Area

In cases of transfers from one functional area to another, the Company and employee will be allowed a trial period of (14) days worked in the new position to determine whether or not the transferred individual can do the work or wants the position. The employee may terminate the trial period before the (14) days has expired and will thereby be returned to their former position as soon as the schedule allows.

III. Bid limit

The employee will be allowed only two (2) successful bids, which includes those refused during the trial period, in any twelve-month period.

IV. Seniority

In the event that it is decided the individual cannot do the work, or does not want the job, they shall be returned to their former position with no loss of seniority. Upon completion of the trial period, said individual shall lose seniority in their former Functional Area and/or position and start accumulating seniority in the new Functional Area and/or position from the date on the bid.

Deviations from the above may be allowed by mutual agreement between the Union and the Management of the impacted Functional Area(s) and line(s) of operation.

LINES OF OPERATION: Numbers 1, 2, 4, and 5 Lines

FUNCTIONAL AREAS		
PAPERMACHINES	SUPERCALENDARS	STOCK PROPORTIONER
Papermachines Off Machine Coater, Clothing Specialist and Transitional Clothing Technician	Supercalendars Winder Broke Operators Rewinder Operators	Stock Prep. 4&5 and 1&2 and Additive Mixer

**RECOGNIZED AGREEMENT
PACE, LOCAL 1-1188 & PACE, LOCAL 1-0261**

Spare Employees' Work Week

The application of all provisions of Section 23 to spare employees was intended only if a spare

was scheduled for a full normal work week.

1. **For spare employees working an eight hour schedule, full and normal is defined as five (5) days replacing a regular employee and regardless of shift (vacation, sick leave, holiday, etc.).**
2. **For spare employees working a twelve hour schedule, full and normal is defined as either (3) or (4) twelve hour shifts replacing a regular employee and regardless of shift (vacation, sick leave, holiday, etc).**
3. Full and normal work weeks occur for Spares when the spare is scheduled on Friday to work a **full and normal work week** or more during the next work week even though all **shifts** may not be the same job or on the same shift or in the same department. The key requirement is that a **full and normal work week** is scheduled by **3 p.m.** Friday. Otherwise, the employee does not meet the definition of a scheduled Spare and such employees will not have scheduled off day(s).
4. It is also understood that the Company will make every effort to schedule Spares for a **full and normal work week**. Where spares are scheduled on Friday to work less than a **full and normal work week** then these Spares have no "off" days as such in that work week and for interpretation purposes, they are considered unscheduled Spares.
5. It is further understood that Spares scheduled to work different jobs and shifts which require them to work "8/12 on, 8/12 off and 8/12 on again", will do so on straight time unless beyond the appropriate work week.
6. A member of the general mill spare list, or a member of another department pool, hired prior to 1979, may request, in writing, to be excused from assignment to the Greenwood Department. If such a request is made he/she will not be assigned work in this department unless there is no one else available to be assigned from the spare list.

RECOGNIZED AGREEMENTS IAM&AW, LODGE 1821

NO. 1 SPARE FOREMAN OVERTIME AGREEMENT

The Company and Lodge No. 1821 of the I.A.M. agrees to the following distribution of overtime created when a spare foreman's relief fails to report to work.

- A. In the event that an hourly spare foreman's relief fails to report for work due to unforeseen circumstances, the spare foreman on duty will have the first opportunity to work the vacant shift.
- B. Should the spare foreman on duty not want to work the extra shift, it will be offered first to employees who normally fill in as night foreman in the mill, then to qualified employees not working, by telephone.
- C. If the opening is not so covered, the employee whose relief did not show will be required to work the double shift.
- D. This agreement applies only to unforeseen, unscheduled vacancies. It is understood that the Company may choose to leave the job vacant or cover it first with another salaried employee and that

this agreement is not a guarantee of overtime.

NO 2 SAFE PROCEDURES FOR MAINTENANCE ON CHEMICAL SYSTEMS

For chemicals considered severely hazardous, Dustrypp, Sodium Aluminate, Caustic, Phosphoric Acid, Sulfuric Acid, and Aqueous and Anhydrous Ammonia. Busan 25, Busan 52, Betz p-83, Tek-Tan and wire life extenders are to be considered also. These are barrel applications.

Full rain gear, rubber boots, rubber gloves, goggles and face shields will be required.

Crews will generally be two properly trained people for work on piping systems along with disconnecting and flushing out of pumps. If an emergency should occur at night, the night piper plus another properly trained person both fully protected, will secure the system. If repair work is done on a system requiring two people, a second properly trained person will be secured.

The area where work is being done will be roped off and signs will be posted. The entire area will be washed up on completion and all materials taken proper care of.

Primary responsibility for these procedures will be with the lead person on a crew. He will be responsible for securing, flushing, and draining all associated equipment. He will also be responsible for tagging valves and pumps and such.

Production will be responsible for information such as location of valves, drains, etc., and any idiosyncrasies of a given system. In addition, production personnel will accompany pipefitters to assure that proper valves are tagged on the system where repairs are to be made.

Milder chemicals such as polymers, retention aids, chelates, and v-brite solutions will be handled according to the mill chemical lists. Face shields, goggles, and rubber gloves are a minimum requirement.

Gasses will also be handled according to the mill chemical list and recommended procedures.

When felt showers are cleaned with DuStrypp on the night shift, it is the responsibility of the man that connected it to properly notify his relief.

NO. 3 OMC OVERHEAD CRANE

The Company reserves the right to assign operation of the Overhead Crane in the OMC Building to Production employees for the purpose of Production (Production means the moving of reel spools and logs of paper).

RECOGNIZED AGREEMENTS IBEW, LOCAL 1777

NO. 1 MOTOR REPAIR AGREEMENT

With the understanding that current workload levels require the need for sending motors out of the plant for repair, the Company, I.B.E.W. Local 1777 and **PACE Local 1-1188** agree to the following:

A. The Company agrees that electrical motor maintenance is properly the responsibility of the E/I

Technician classification.

B. When motors are sent to outside shops for repair normally performed by E/I Technicians, the Company will schedule E/I Technicians to repair motors on an overtime basis if the backlog for motors so warrants.

C. The Union(s) reserves the right to grieve the issue at any time.

MISCELLANEOUS LETTERS PACE LOCAL 1-0261

No. 1 10 Clothing Specialists and Cleaners

May 1, 1995

Mr. George Valliere
President, PACE Local 1-0261
Bucksport, Maine

Dear Sirs:

The schedule for the new Clothing Specialist and Cleaners will be developed and agreed upon by the Redesign Implementation Team.

During the transition period, the Clothing Specialists /Transitional Clothing Technicians will be divided into two five man teams. Teams will alternate having four day long weekends, Friday through Monday, and work ten days straight starting on Tuesday through the following week's Thursday. Coverage will be ten regular Clothing Specialists/Transitional Clothing Technicians working Tuesday through Thursday and five regular Clothing Specialists/Transitional Clothing Technicians Friday through Monday.

Clothing Specialists/Transitional Clothing Technicians wishing to work the traditional 21 out of 28 days will have the option of working one extra Friday or Monday during a 28 day period.

Ted Reed and Charles Soper will be initially assigned as "Reserves". Their positions will not be filled when vacated on either a temporary or permanent basis. When a permanent vacancy occurs, they will move out of a reserve status to a Transitional Clothing technician.

Sincerely,

/s/

David Johnson
Vice President-Operations Manager

No. 2 Integration of the OMC and No. 1 Paper Machine

May 1, 1995

Mr. George Valliere
President, PACE Local 1-0261
Bucksport, Maine

Dear George:

Until the integration of the OMC and No. 1 Paper Machine occurs, the Company will agree to maintain the seniority of the current permanently assigned OMC employees during periods when No. 1 Paper Machine produces uncoated paper. These employees will be rolled back into the Production Department spare pool and be assigned to available work based on their seniority and qualifications. This procedure may result in the layoff of junior Production Department employees. The referenced OMC employees will be paid the qualified rate of the job they perform.

Sincerely

/s/

David Johnson

Vice President-Operations Manager

MISCELLANEOUS LETTERS IAM LOCAL LODGE 1821, IBEW LOCAL 1777 AND PACE LOCAL 1-1188:

1. Use of Mill Equipment by Contractors

March 21, 1995

Mr. David Lowell, President
IAM&AW, Lodge No. 1821
Bucksport, ME 04416

Mr. Emery Deabay, President
PACE, Local No. 1-1188
Bucksport, ME 04416

Mr. Greg Nutter, President
IBEW, Local No. 1777
Bucksport, ME 04416

The normal procedure is for outside contractors to provide their own tools and equipment necessary to perform work in the mill. There may be, however, special occasions where it is more cost effective for the mill to provide special equipment for jobs. This will be coordinated with the appropriate local involved.

Provisions for contractor supplied equipment will be reviewed by Champion owners representative (Engineer, Supervisor or Maintenance Planner) with the contractor prior to starting of each project.

Sincerely,

/s/

Roger Wood, Manager

Engineering/Maintenance/Utilities

MISCELLANEOUS LETTERS IAM LOCAL LODGE 1821, PACE LOCAL 1-1188 AND PACE LOCAL 1-0261:

No. 1 6A and 6B Supercalenders

May 1, 1995

Mr. Emery Deabay
President, PACE Local 1-1188
Bucksport, Maine 04416

Mr. David Lowell
President, IAM&AW Lodge 1821
Bucksport, Maine 04416

Dear Sirs:

The Company agrees to continue the practice of assigning Maintenance Employees to change rolls on 6A and 6B Supercalenders. The mutual concern for increased uptime on both 6A and 6B will be addressed after negotiations by the Maintenance Continuous Review Committee and the Papermakers Implementation Team using a problem solving approach that will utilize continuous improvement through employee involvement.

Sincerely,

/s/

David Johnson
Vice President-Operations Manager

No. 2 OMC Crane

May 1, 1995

Mr. David Lowell
President, IAM&AW Lodge 1821
Bucksport, Maine 04416

Mr. Emery Deabay
President, PACE Local 1-1188
Bucksport, Maine 04416

Mr. George Valliere
President, PACE Local 1-0261
Bucksport, Maine 04416

Dear Sirs:

During negotiation of the 1995 Agreement, the subject of production workers operating the OMC Crane was discussed.

It is not the Company's intention to allow Production employees to operate the OMC Crane from the Cab. We intend to make a full review of the remote operation of the Crane, develop necessary procedures and training for remote operation and implement after we are confident that all safety and training issues have been addressed.

Sincerely,

/s/

David Johnson
Vice President-Operations Manager

MEMORANDUM OF AGREEMENT

Between

CHAMPION INTERNATIONAL CORPORATION
BUCKSPORT MILL
BUCKSPORT, MAINE

And

PAPER, ALLIED-INDUSTRIAL, CHEMICAL & ENERGY WORKERS INTERNATIONAL UNION AND
ITS LOCAL UNIONS #1-1188 AND #1-0261

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS AND ITS LODGE
#1821

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS AND ITS LOCAL #1777

FROM MAY 1, 2000 TO APRIL 30, 2005

I. Term

a. Duration of Agreement – Modify section 2.1 as follows:

This Agreement shall be in effect from May 1, 2000, to and including, April 30, 2005.

II. Economics

a. Wages – Modify Section 15.1 as follows:

- i. A general wage increase retroactive to May 1, 2000 of 3 %
- ii. A general wage increase effective April 30, 2001 of 2 ½ %
- iii. A general wage increase effective April 29, 2002 of 2 ½ %
- iv. A general wage increase effective April 28, 2003 of 2 ½ %
- v. A general wage increase effective May 3, 2004 of 2 ½ %

Note:

The Spare Pay provision as outlined in Section 15.8 shall be effective the first Monday following ratification of this Memorandum of Agreement.

The new pay provisions for filling vacancies in Pace Local 1-1188 and Local 1-0261 will also be effective the first Monday following ratification of this Memorandum of Agreement.

b. Employee Life and AD&D Insurance – Modify Section 18 as follows:

- i. Effective January 1, 2001 increase by \$1,000.00 to \$36,000.00
- ii. Effective January 1, 2002 increase by \$1,000.00 to \$37,000.00
- iii. Effective January 1, 2003 increase by \$1,000.00 to \$38,000.00
- iv. Effective January 1, 2004 increase by \$1,000.00 to \$39,000.00
- v. Effective January 1, 2005 increase by \$1,000.00 to \$40,000.00

c. Temporary Disability Insurance – Modify Section 18 as follows:

- i. Retroactive to May 1, 2000 for temporary disabilities that begin on or after May 1, 2000 increase by \$30.00 to \$360.00/wk

- ii. Effective May 1, 2001 increase by \$ 0.00 to \$360.00/wk
- iii. Effective May 1, 2002 increase by \$10.00 to \$370.00/wk
- iv. Effective May 1, 2003 increase by \$ 0.00 to \$370.00/wk
- v. Effective May 1, 2004 increase by \$10.00 to \$380.00/wk

d. Pension – Change Section 19 as follows:

- i. Retroactive to May 1, 2000 increase by \$1.00 to \$29.00
- ii. Effective May 1, 2001 increase by \$1.00 to \$30.00
- iii. Effective May 1, 2002 increase by \$2.00 to \$32.00
- iv. Effective May 1, 2003 increase by \$2.00 to \$34.00
- v. Effective May 1, 2004 increase by \$1.00 to \$35.00

Note: Employees retiring during the term of the May 1, 2000 to April 30, 2005 contract will receive the current benefit and any increases when they become effective. No increases subsequent to May 1, 2004 will be applied to employees who retire during the term of the May 1, 2000 Agreement.

e. Champion Savings Plan for Hourly Employees

The Company will contribute fifty cents (\$0.50) for each dollar (\$1.00) contributed by employees to the Champion Savings Plan to an annual maximum of:

- i. Retroactive to May 1, 2000 increase by \$250.00 to \$1,250/yr
- ii. Effective May 1, 2001 increase by \$ 0.00 to \$1,250/yr
- iii. Effective May 1, 2002 increase by \$150.00 to \$1,400/yr
- iv. Effective May 1, 2003 increase by \$ 0.00 to \$1,400/yr
- v. Effective May 1, 2004 increase by \$100.00 to \$1,500/yr

f. Tool Allowance – Modify Section 32 as follows:

Increase the tool allowance for eligible employees by ten (10) dollars in each year of the Agreement for a total improvement of fifty (50) dollars over the life of the Agreement.

- i. Effective May 1, 2000 increase by \$10.00 to \$210.00
- ii. Effective May 1, 2001 increase by \$10.00 to \$220.00
- iii. Effective May 1, 2002 increase by \$10.00 to \$230.00
- iv. Effective May 1, 2003 increase by \$10.00 to \$240.00
- v. Effective May 1, 2004 increase by \$10.00 to \$250.00

g. Champion Medical/Dental Plan – as shown in “Attachment A”

III. Language Issues:

a. Substance Abuse Policy – as shown in “Attachment B”

b. Impaired Employee Policy – as shown in “Attachment C”

c. Attendance Control Guidelines – as shown in “Attachment D”

d. Mechanical Maintenance Overtime on Repair Days – as shown in “Attachment E”

IV. Other Language changes & Housekeeping – as shown in “Attachment F”