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KIMBERLY-CLARK AGREEMENT

**KIMBERLY-CLARK
CHESTER OPERATIONS**

and

**PAPER, ALLIED, INDUSTRIAL, CHEMICAL & ENERGY WORKERS
INTERNATIONAL UNION
AFL-CIO and ITS LOCAL #2-0448**

April 1, 2004 - March 31, 2010

51 pages

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LABOR AGREEMENT

Agreement made the 17th day of March, 2004, between Kimberly-Clark Pennsylvania, LLC. for its Chester plant, located at Second Street and Avenue of the States, Chester, Pennsylvania, (hereinafter referred to as the Company), and the Paper, Allied, Industrial, Chemical and Energy Workers International Union, AFL-CIO, and its Chester Local No. 2-0448 (hereinafter referred to as the Union).

Section 1 - GENERAL PURPOSE OF THE AGREEMENT

The general purpose of this Agreement is to promote the mutual interests of the Company and its employees by providing for the operation of the Company's Chester plant under conditions which will further the safety and welfare of the employees, efficiency of operations, quality and quantity of output, cleanliness of the plant, and protection of property to the fullest possible extent. It is recognized by this Agreement to be the duty and responsibility of the Union, the Company and the employees to cooperate fully, individually and collectively for the advancement of these conditions.

Section 2 - RECOGNITION OF UNION

- a. In matters which are properly the subject of collective bargaining as set forth in the National Labor Relations Act, the Company recognizes the Union as the sole collective bargaining agency for all hourly-paid production and maintenance employees in the manufacturing operations of the Company's Chester plant, except all clerical employees (other than hourly-paid Distribution clerks), professional employees, technicians, guards and salaried leadership as defined in the National Labor Relations Act.
- b. The term "employee" and "employees" when used in this Agreement without any accompanying descriptive terms shall mean only those employees for whom the Union is recognized as sole collective bargaining agency as set forth above.
- c. Neither the Company nor any salaried leadership shall have any private understanding or agreement with an individual employee, or group of employees, in conflict with this Agreement.

Section 3 - UNION MEMBERSHIP AND DUES

- a. Each employee who is now a member of the Union shall maintain his/her membership as a condition of his/her continued employment. Each new employee, or returning employee not previously a member of the Union, shall become a member of the Union upon completion of thirty (30) days of continuous employment and shall thereafter maintain his/her membership as a condition of his/her continued employment.
- b. The new employees shall be advised at the time of their employment of this agreement between the Company and the Union and the terms thereof and the Company will give each new employee the opportunity to sign a Union dues authorization form.

- c. Upon receipt by the Company of an individual signed authorization from any employee in a form satisfactory to the Company, the Company, during the term of this Agreement, will deduct from the employee's wages the amount specified by the duly authorized officers of the Union to cover the employee's Union initiation fee (if any) and regular monthly Union dues and will transmit the amounts so deducted to the financial secretary of Local No. #2-0448. Each such authorization will remain in effect for a period of one (1) year from the date thereof (or for the remaining term of the then current Agreement between the Company and the Union if less than one (1) year) at the end of which time it may be revoked by the employee by giving written notice to the Company at any time during the last ten (10) days of such period. If such notice is not given, the authorization will remain in effect for successive periods of one (1) year thereafter with the same privilege of revocation at the end of each one (1) year period.
- d. The Union agrees to save the Company harmless against any claims, demands or liability with respect to any action taken by the Company for the purpose of complying with the provisions of this Section.

Section 4 - MANAGEMENT OF PLANT

The Company retains the exclusive right to manage the business of the Company and its Chester plant and to direct the work force. To do this, the Company has chosen the KC World Class Manufacturing model which includes the (9) Manufacturing Accountabilities as the method it will utilize to advance the interests of both the Company and its employees. This right includes but is not limited to the right to plan, direct and control all plant operations; to establish, modify and eliminate plant facilities, production methods, and production and quality standards; to discontinue the performance of any process or operation by employees; to determine the number of employees required; and except as expressly modified by specific provision of this Agreement, the right to select, hire, assign, promote, demote, transfer, discipline, suspend or discharge employees for proper cause or to relieve them from duties because of lack of work or for other legitimate reasons. All rights, powers, functions or authority possessed by the Company prior to the execution of any Agreement with the Union are retained by the Company except as specifically modified by this Agreement.

Section 5 - HIGH PERFORMANCE WORK SYSTEM

On July 19, 1994, the parties to this contract signed the Chester High Performance Work System Memorandum of Agreement. The contents of this Agreement have become the framework for the Union and local management to work jointly to significantly improve the cost-competitive position of the Chester mill. The parties remain committed to the principles contained in this document and fully understand that our future job security is based on being the most competitive manufacturer in our marketplace in all dimensions.

"Section 6 - HOURS OF WORK

- a. The hourly operating team is responsible for creating a rolling two week schedule each week that adheres to the guidelines established by the Company. That schedule will be posted by Thursday of each week. The working schedule of each area, department or portion of a department, and of each employee, will be determined by the Company and may be changed at any time by the Company. If such schedules are subsequently changed for any reason other than an Act of God to require an employee to work more than one (1) hour on a scheduled day off on the posted schedule (or more than half a shift if required because of absenteeism), the employee will receive a payment of two (2) hours at his/her HPWS rate, in addition to pay for time worked for each previously scheduled day off which he or she subsequently works.
- b. If an employee fails to report for their scheduled shift, the hourly operating team leader with the support of the team will determine if that opening needs to be filled. If it does, the team will attempt to cover that opening without incurring overtime - safety and cost are the two most important considerations when covering openings. Shift employees whose relief fails to report will remain on their job until suitable relief can be arranged.
- c. The Union will establish procedures at the appropriate divisional or departmental level to insure that overtime work opportunities will be distributed as equally as possible among employees in the same area. Employees have the obligation to perform a reasonable amount of overtime work when requested to do so. Employees will be given as much advance notice as possible of overtime work requirements.
- d. An employee who has been required to work on his/her scheduled day(s) off will not be required to lose time from his/her scheduled workdays in the workweek, for the purpose of avoiding the payment of weekly overtime.
- e. An employee will not work more than two (2) consecutive shifts unless job continuity requires a temporary exception in which case the employee may work a portion of a third consecutive shift. The maximum number of consecutive hours an employee may work is two (2) hours into a third consecutive shift not to exceed eighteen (18) hours. Under this paragraph, an employee is required to be off work for a minimum of six (6) hours.
- f. Employees having worked a twelve (12) hours scheduled shift or more will not be forced to work on a scheduled basis unless the employee has been off the clock for a minimum of six (6) hours.

Section 7 - WAGE RATES AND SHIFT DIFFERENTIAL

- a. The High Performance Work System pay levels covered by this Agreement are set forth in Exhibit A, and will be in effect during the term of this Agreement except as provided in Paragraph b. of this Section.

- b. As employees transfer to different areas of the plant, the following will be used to determine the appropriate pay rate:
- (1) Job-based pay to Skill-based pay - Employee moves to the Level 1 pay rate of the receiving area or maintains current rate until he/she certifies at a higher rate.
 - (2) Skill-based pay to Job-based pay - When qualified, employee will move to the rate of the Job.
 - (3) Skill-based pay to Skill-based pay - Employee will maintain existing level;
Existing pay <, work toward rate
Existing pay >, upon entry, go to rate and verify as prescribed by area
 - (4) Skill-based pay to Skill-based pay - Above gate movement to another area
Existing pay <, work toward rate
Existing pay >, upon entry, go to rate and verify as prescribed by area
- c. A competitive review of pay for skill rates (job rates for Stores and Building Services) will be made at least once during the life of the contract. The Union and/or Company may initiate a request for a review when it is believed that the skill or work expectations have changed such that the existing rates of pay no longer reflect the level of pay that has been established by the those expectations. When a request has been made, a review will be scheduled within 30 days. The review shall include the Plant Manager, Union President, appropriate Team Leaders, Vice Presidents and any resources needed to conduct an appropriate review. A detailed review process will be developed. If after such review takes place an agreement between the parties can be reached, the wage rate or rates will be adjusted retroactive to the date of the original request for such review.
- In the event an agreement cannot be reached after a review is conducted, the Union has the right to challenge the disputed wage rate or rates in the Grievance Arbitration Procedure of the Labor Contract or other mutually agreed to processes. If during the process new wage rates are established, the new rate shall be retroactive back to the date of the original request for review of the disputed rate or rates.
- d. For employees who perform work on a shift schedule, a shift differential of 35 cents per hour will be paid for all work performed during the second shift hours and 45 cents per hour for third shift hours. Day workers required to work outside their regular hours will receive shift differential for the hours worked. NOTE: For those employees whose normal schedule is a twelve hour rotation, 54 cents an hour will be paid for the back twelve hours.

Section 8 - Premium Payments for Overtime and Sunday Work

- a. The term "workday" as used in this and subsequent Sections of the Agreement shall mean any period of twenty-four (24) consecutive hours beginning at the employee's designated day work or first shift starting time. The term "workweek" shall mean any period of seven (7) consecutive workdays beginning on Sunday.
- b. Time and one-half will be paid for all hours worked by any employee in excess of eight (8) consecutive hours; or in excess of eight (8) hours in any workday; or in excess of forty (40) hours in any workweek; except that if both daily and weekly overtime occur in the same workweek, the overtime rate will be paid only for employee's daily overtime hours or for his/her weekly overtime hours, whichever is the greater number, but not both. NOTE: For employees whose normal schedule is a 12 hour rotation, time and one-half will be paid for all hours worked in excess of twelve (12) hours in any work day or in excess of forty (40) hours in any work week.
- c. Double time will be paid for all work performed on the workday beginning on Sunday.
- d. When required to work two (2) complete consecutive shifts, or work continuously for a period of time equal to two (2) or more shifts, employees shall receive two (2) hours pay at their job rate in addition to their pay for the time actually worked. A break of one (1) hour or less within the periods of work described above will not disqualify the employee from receiving the double shift payment; however, if such break qualifies the employee for a call time payment, double shift payment will not apply.
- e. Double time shall be paid for any hours worked on Saturday, provided at least one-half (1/2) of the normally scheduled shift has been worked on each of the preceding six (6) days. When such payment is allowed, no additional overtime payment shall be made for hours over eight (8) or hours over forty (40) occurring on the seventh day.
- f. Overtime and/or premium payments as provided by any of the Sections of this Agreement will not be pyramided. Whenever two (2) or more reasons for such payments apply to the same hours, only the one reason resulting in the highest weekly pay will be applied.
- g. Employees may be permitted to swap shifts, provided the swap does not result in a payment of any legally required overtime or any other overtime/premium payments which may result from the swap. However, if the business requires overtime that is not associated with the swap, the employee will be eligible for the work and paid accordingly. When the team can not accommodate the swap, the hourly team leader will inform the employees of the reason for this decision.

Section 9 - HOLIDAYS

a. The following will be recognized as Paid Holidays:

New Years Day	Thanksgiving Day
Good Friday	(11/25/04, 11/24/05, 11/23/06
4/9/04, 3/25/05, 4/14/06,	11/22/07, 11/27/08, 11/26/09)
4/6/07, 3/21/08, 4/10/09)	December 24th
Memorial Day	December 25th
(5/31/04, 5/30/05, 5/29/06,	December 26th
5/28/07, 5/26/08, 5/25/09)	Floater (3)*
July 4th	*Refer to Exhibit E for
Labor Day	guidelines
(9/6/04, 9/5/05, 9/4/06,	
9/3/07, 9/1/08, 9/7/09)	

When any holiday (other than December 24 and December 25) falls on a Sunday, the following Monday will be recognized as the holiday.

b. Each employee who is on the company's payroll on any Paid Holiday, and who meets the other conditions set forth in this paragraph, will receive 8 hours holiday pay at their rate.

To be eligible for such holiday pay, employees must actually be at work on their last normally scheduled workday before and their first normally scheduled workday after the holiday and on the holiday itself if so scheduled, and must work all hours for which they are scheduled to work on each of those three days unless their failure to do so is caused by one of the following reasons:

- (1) Specific instruction by the Company.
- (2) Absence due to temporary disability due to work-connected injury for which the employee is receiving Workers' Compensation benefits at the time the holiday occurs.
- (3) Absence due to non-work-connected injury or illness (subject to medical proof if requested by the Company) commencing not more than ninety (90) calendar days prior to the holiday.

NOTE: Employees entitled to holiday pay under the exceptions provided in Section 9b(2) and (3) will receive such pay as soon as reasonably possible after the holiday occurs.

- (4) Leave of absence granted by the Company under Funeral Leave or Jury Duty Sections of this Agreement.
- (5) Absence because of a State-declared emergency.

If employees fail to work all scheduled hours on their last normally scheduled workday before and their first normally scheduled workday after the holiday and on the holiday itself, if so scheduled, the amount of scheduled time not worked will be deducted from their holiday pay.

- c. In addition to any Holiday pay to which he/she may be entitled under Paragraph b, of this Section, any employee who is required to work on a Paid Holiday will be paid time and one-half for all hours worked on his/her normal schedule and double time and one-half for each hour worked in excess of his/her normal schedule.
- d. When an employee is scheduled off on a Holiday which he/she would have worked under his/her normal work schedule, his/her hours of Holiday Pay shall count as hours worked in calculating his/her weekly overtime pay for any work performed later in the work week in which the Holiday occurs.

For employees who work any portion of either December 24 or December 25, under the provisions of Section 8e below, their hours of Holiday Pay for that day shall count as hours worked in calculating their weekly overtime pay for any work performed later in the workweek in which these holidays occur.

- e. The Company may schedule production work on December 24 and December 25 by seeking volunteers. In addition, during this period work may be performed necessary to the protection of life and property, the treatment of water, and the supply of utilities (steam, air, gas, water, and electricity). On December 24, repair and maintenance work deemed necessary by management will be held to a minimum consistent with the prevention of subsequent curtailment of employment of an appreciable number of employees. On December 25, repair and maintenance work except what is necessary for the protection of life and property, treatment of water, the supply of utilities and work necessary to prepare for startup following the shutdown will be on a voluntary basis. New hires, after 4/1/04, may be scheduled to work should the Company decide to operate during these days.

Section 10 - CALL-IN PAY

Any employee who comes in to work at Company request, on his/her scheduled day off, before his/her scheduled starting time, or after his/her scheduled starting time if required to work beyond his/her scheduled quitting time, will be paid two (2) hours Call-in Pay at his/her HPWS rate in addition to his/her pay for time actually worked, unless he/she is notified of the Company's request at least twelve (12) hours before the desired starting time or is notified before he/she rings out at the end of his/her last preceding work period.

Section 11 - REPORTING PAY AND MINIMUM PAY

- a. If any employee reports for work on his/her regular shift or on other occasion at Company request and no work is available, he/she will receive four (4) hours work or Reporting Pay at his/her HPWS rate provided, however, that if the employee has been notified not to report at least eight (8) hours in advance of his/her scheduled or requested starting time, or if his/her failure to receive such notice results from circumstances beyond the control of the Company, or if the Company has been unable to notify the employee after making a reasonable effort,

no allowance for so reporting shall be paid. This four (4) hours Reporting Pay will be paid instead of, and not in addition to, any Call-in Pay due under Section 10 of this Agreement for the same occasion of reporting.

- b. Any employee who begins work on his/her regular shift or other occasion at Company request will receive a minimum of four (4) hours work or pay at his/her HPWS rate provided, however, that if the employee works to within two (2) hours of the end of his/her regular shift, he/she will be provided with work or if no work is available will be paid for the balance of the regular shift, unless he/she discontinues work for personal or disciplinary reasons or unless his/her work is interrupted for reasons beyond the Company's control. This four (4) hour minimum guarantee will be in addition to any Call-in Pay due under Section 10 of this Agreement.

Section 12 - MEAL ALLOWANCES

If an employee works 12 or more consecutive hours on an 8-hour schedule or 16 or more consecutive hours on a 12-hour schedule, the employee will receive one-half hour as his/her HPWS rate meal allowance. In no case will this meal allowance payment be considered as time worked for the purpose of calculating overtime.

Section 13 - REST PERIODS

Except in the event of an emergency, the Company agrees to permit two (2) paid fifteen (15) minute rest periods per shift: one during first half of shift and one during second half of shift and subsequently one fifteen (15) minute paid rest period during each four (4) hours of overtime. Employees are not permitted to leave the plant premises during these periods.

Section 14 - Vacations

All employees in an active status on December 31 of the previous year will be eligible for vacation during the current year under the following terms and conditions:

- a. The length of the vacation to which an employee is entitled shall be determined by the number of years of continuous service with the Company in accordance with the following schedule:

Those completing 25 or more years
of service during the current year 6 weeks

Those completing 18 or more but less
than 25 years of service during the current year 5 weeks

Those completing 12 or more but less
than 18 years of service during the current year 4 weeks

Those completing 6 or more but less
than 12 years of service during the current year 3 weeks

Those completing 1 or more but less than 6 years of service during the current year 2 weeks

New employees hired after 3/31/04 will receive one week of vacation after completing one year of service; two weeks of vacation after completing three years of service; and three weeks of vacation after completing eight years of service.

Employees must take all of the vacation to which they are eligible in the current year; however, employees may sell back two weeks of vacation anytime during the calendar year provided the sell-back week is not needed to cover a scheduled vacation week pursuant to Section 14 (E) of this Agreement. Employment prior to any "break" in service will not be counted except as covered in Section 26-c. Service will be considered "broken" by discharge, resignation, or lay off which results in a loss of seniority.

NOTE: The Company must notify the Union before March 1st of any shutdowns or the "sell back week" does not have to be taken by the employee during scheduled shutdowns.

- b. To assure an equitable basis of vacation time for each employee, the calendar week will be used for scheduling all vacation. Therefore, vacation time will commence at the beginning of the first shift on Sunday and terminate at the end of the last shift on Saturday.
- c. Any employee on inactive status on December 31 of the previous year as the result of an approved leave of absence or lay-off will not be eligible for a vacation unless he/she returns to full-time active employment for at least 1 full week of employment before October 1 of the current year. The full period of any military leave of absence, educational leave of absence and the period of any other approved leave of absence will be counted as Company service in determining the length of the vacation to which an employee is entitled.
- d. When an established Paid Holiday occurs during an employee's vacation period, the employee will be entitled to an extra day's pay based on his/her normally scheduled daily hours (maximum payment of 8 hours). This extra day's pay will be provided to the employee with his/her first regular paycheck following his/her return from vacation.
- e. The hourly operating team is responsible for managing the selection and tracking of vacation in accordance with the operating needs established by the Company. Vacations may not be postponed or accumulated from one year to the next. At the discretion of the Company, employees in any division, department or departments or portion of a division or department may be required to schedule part or all of their vacations in any calendar year during a shutdown period designated by the Company. Vacation shutdown periods for the summer vacation period may be established or changed up to and including April 15. Vacation shutdown periods may be scheduled outside the summer vacation period provided that no employee will be required to so schedule his or her vacation unless

notice of the shutdown has been posted in writing on plant bulletin boards at least ninety (90) calendar days prior to the first day of the shutdown.

- f. Vacation will be paid in accordance with the following schedule:

Effective	Rate
1/1/05	56 hours x HPWS rate per week

Employees hired after 3/31/04 will receive 50 hours x HPWS rate per week.

All normal deductions will be made from Vacation Pay in accordance with existing and established practices.

- g. Employees whose employment terminates during the year by retirement or for any other reason, after completing at least one (1) year of service with the Company, but before they have taken the full vacation to which they are entitled under this Vacation Plan, shall receive at the time of their termination, the Vacation Pay for that period of their vacation which has not been taken.
- h. Employees will have the flexibility to schedule one or two weeks of vacation in days given that there is no increased cost and it is done in accordance with Exhibit E.

Section 15 - LEAVE OF ABSENCE

- a. Leave of Absence for personal reasons may be granted to any employee by the Company upon written application to the employee's Salaried Team Leader stating good cause for such leave. The Company will be the sole judge as to the adequacy of the cause shown. Leave of absence for personal reasons will not exceed one (1) month in duration unless extended by the Company, and in any event will not exceed one (1) year in duration.

Seniority shall continue to accrue during a leave of absence for personal reasons for a period of up to one (1) month and shall be retained thereafter for the balance of the authorized leave period.

Approved Leave of absence for illness or injury will not exceed eighteen (18) months.

- b. If an employee is medically unable to safely or efficiently perform the essential elements of his/her regular job, or one offered to him/her by the Company, due to injury or illness, the employee will be placed on a Disability Leave of Absence provided the Leave is approved by our Disability Claims Administrator.

Seniority will continue to accrue during any authorized leave of absence for illness or injury.

- c. Group insurance coverage shall be maintained during the period of approved Disability Leaves of absences provided the employee pays his/her portion of premium on a monthly basis. **Failure to pay this premium will result in the cancellation of their group insurance coverage for that plan year.** In addition, the employee will be given Seniority, as outlined in this Agreement, and credited employment, as provided in the Retirement Plan.
- d. Under no circumstances will a Disability Leave continue for more than 18 months. If an employee has not returned to active employment by the expiration of a Disability Leave, he/she will be terminated or retired.

(Note: Even though an employee's disability leave has expired and he/she has been terminated, he/she can still receive LTD if he/she meets the Plan's definition of disability.)
- e. Leave of Absence for military service will not be for a longer period than the maximum period during which the employee involved retains reemployment rights under applicable law.
- f. If any employee accepts other employment during any leave of absence, except as specifically authorized in writing by the Company, his or her employment with the Company will be terminated automatically as of the first day on which he or she accepts such other employment.

Section 16 - FUNERAL LEAVE

- a. Any employee who requests time off due to the death of a member of his/her immediate family will be granted up to three (3) days leave of absence with pay during the period commencing with the date of the death and continuing through the day after the funeral and/or the day of the burial. One of the days of the leave must be the day of the funeral and/or the day of the burial. The "immediate family" includes the employee's spouse, father, mother, father-in-law, mother-in-law, grandparents, step-father, step-mother, child, brother, sister, grandchildren, son-in-law, daughter-in-law, step-children or legal guardian. Payment for scheduled hours missed will be at the employee's HPWS rate plus any shift differential which would have been paid on the days on which the leave occurs. Funeral leave payment will not be made for any portion of the employee's period of absence which coincides with a recognized holiday, vacation, scheduled days off, lay-off, or disability for which Workers' Compensation or Weekly Disability Income (WDI) benefits are payable. Hours of funeral leave pay shall count as hours worked in calculating weekly overtime pay for any work performed later in the workweek in which the funeral leave of absence occurs.
- b. Funeral leave application forms must be completed and approved by the Asset Leader before processing by Payroll. Proof of death and date of funeral and/or burial in the form of a death certificate or newspaper obituary may be required.

Section 17 - JURY DUTY

- a. Any employee who is required to perform jury duty or is subpoenaed as a witness will be granted a leave of absence for the hours during which he or she is necessarily absent from schedule work as a result of such jury or witness duty. The time necessarily absent from schedule work shall include the scheduled third shift hours immediately preceding the first day the employee is required to serve jury duty.
- b. Employees will be required to provide satisfactory evidence of jury or witness duty.
- c. Employees will be paid for all scheduled hours missed during a leave under this section, plus Holiday Pay, if applicable.

Section 18 - SENIORITY

- a. Seniority and qualifications will be the determining factors in the selection of employees for promotion, demotion, lay-off and recall, as set forth in this Agreement. Qualifications will be determined on the basis of a review of the employee's record with the Company, including the ability, fitness, knowledge, training, experience and skill on one or more jobs that are necessary to satisfactorily discharge the duties and responsibilities of the job involved. When tests are used as a means to help determine an employee's qualifications, such tests will be related to the job in question and will be evaluated as a component part of determination of the employee's total qualifications. Should the employee request, training will be made available prior to taking the test. Seniority, as provided in this Agreement, will prevail only when the qualifications of all employees under consideration for a particular job are relatively equal. When evaluating the qualifications that are relevant to the performance of the job in question, the Company decides that the qualifications of the employees under consideration are not relatively equal, it will so advise the appropriate Union Steward and will provide an opportunity for discussion and review of that decision between the Company and the Union.

b. **Classification of Employees**

- (1) Only permanent employees will have seniority under this Agreement. Qualifying and summer vacation replacement employee(s) will have no seniority and the Company will have the right to discharge, lay-off or transfer such employees without such action being subject to the grievance procedure or to arbitration.
- (2) A qualifying employee is any employee with less than 90 days of continuous employment. Upon completion of 90 days of continuous employment, such an employee will become a permanent employee with seniority dating back to his/her most recent hiring date.

- (3) A summer vacation replacement employee is an employee so designated at the time of hire. No employee who starts work prior to the workweek which includes May 1 in any calendar year may be so designated. No summer vacation replacement employee will have seniority under this Labor Agreement. No summer vacation replacement employee will work beyond the workweek which includes September 30 of any year.

c. Types of Seniority

- (1) Plant Seniority - the length of an employee's continuous full-time service in the Chester Plant.
- (2) Division Seniority - the length of an employee's continuous full-time service in his/her present division since permanently assigned to that division.
- (3) Department Seniority - the length of an employee's continuous full-time service in his/her present department since permanently assigned to that department.

Note: It is agreed that Plant seniority is the highest level, with Division and Department seniority, in that order, as successively lower levels of seniority.

e. Permanent Job Openings

- (1) Permanent vacancies within operating teams or positions not in the High Performance Work System will be posted throughout the plant for five (5) days and will be filled by the senior qualified employee(s) who have bid for them.

- a) The posting period will exclude weekends and holidays and will not commence on a Monday and the postings will show:

Job title (number of openings)
Division and Department
Wage rate
Current working schedule
Brief outline of duties and qualifications
Deadline date for application

- b) If no employee bids on the posted job, the job will be filled by:

Transfer of an unassigned permanent employee
Transfer of a qualifying employee
Hiring of a new employee

- *c) Successful bidders for posted jobs will be ineligible to apply for other opportunities for three (3) months following the date of their successful bids or the date of their return to their former HPWS area under the provisions of subparagraph (d) below, whichever is later.

- *d) Employees who successfully bid on a job posted in accordance with e (1) above may return to their former HPWS area within a period of thirty (30) days from the date of transfer without loss of seniority. Other employees who are displaced as a direct result of an employee returning to his or her former HPWS area will return to their former HPWS area without loss of seniority.

f. Temporary Vacancies

When an employee's temporary assignment is completed, said employee will return to his/her area, asset and crew. If there is an opening within his/her asset then said employee will have an option to fill that vacancy. The employee that backfilled the vacancy of the temporary assignment will be assigned to a position within the asset/area until a permanent position opens.

g. Waiver of Promotion (excludes Paper Mill Department)

Upon determination by the Company, qualified employees not capable of temporarily or permanently progressing through the HPWS because of physical, mental or medical disability will not be required to move up during the period of their disability.

h. Seniority Check List

A seniority list will be published annually or more often if required. Employees are urged to check such published lists to make certain their seniority dates are accurate. If any dates are in error, the Level 6 Leader should be notified immediately.

i. Seniority Ties

When two (2) or more employees have the same seniority date, ties will be broken by Department Seniority, Division Seniority, and Plant Seniority in that order. Any remaining ties will be broken by the alphabetical order of the letters of their last name and then first and then middle names at the time of employment.

j. Loss of Seniority

Seniority will be lost under the following circumstances:

- (1) A voluntary quit or termination by the Company.
- (2) Failure to return to work following an authorized leave of absence.
- (3) Failure to respond to recall from lay-off.
- (4) Expiration of period of recall rights.

- k. Temporary transfers of thirty (30) days or less may be filled by assignment by the Company of the junior qualified employee in the HPWS area from which the transfer is made. Such assignments may be extended by mutual consent. When an employee is so assigned, he/she shall continue to accrue

seniority in his/her permanent HPWS area. Seniority shall not accrue in the temporary HPWS area.

- l. In HPWS opportunities which include both day and shift work on a continuing basis, preference for assignment to day or shift work will be given on the basis of area/department seniority for a permanent opening when it occurs, provided the employee is qualified.
- m. No department or portion thereof will be moved from one division to another for the purposes of the application of seniority except by mutual agreement of the Union and the Company. This shall not restrict the Company's right to determine the physical location of any operation or the management organization of that operation.

Section 19 - REDUCTION IN WORK FORCE

a. Reduction in Force

- (1) Whenever any plant operation is curtailed for any reason, with a resulting reduction in the number of available jobs, the employees whose jobs are most directly affected may be laid off during the first 24 hours following the shift in which the curtailment begins. If the curtailment continues beyond this period, permanent employees who have been laid off will be entitled to exercise their area seniority to displace those employees with the least area seniority in their job family, with the requirement that the performance of the team is capable of achieving the current operating plan/budget. Penalty payments (call-time, reporting and minimum pay) will be waived when schedule changes are made in accordance with the provisions of Section 19a.
- (2) If curtailment continues through more than ten (10) consecutive work days, work assignments in each affected area will be adjusted effective at the beginning of the eleventh (11) consecutive work day by moving employees from the affected families to other families in the affected area, displacing the employees with the least amount of area seniority. Any employee who is moved out of his or her area will have a right to exercise his/her plant seniority, to displace the employees with the least plant seniority, with the requirement being that the performance of the team is capable of achieving the current operation plan/budget. Permanent employees displaced from their area will:
 - a) First be assigned by the company to fill any vacant jobs of a temporary nature, for which they are qualified to perform.
 - b) Employees leaving their area will then displace the least senior person (Plant Seniority) in any of the areas, with the requirement being that the performance of the team is capable of achieving the current operating plan/budget.

- c) Some employees in the areas receiving the new people as a result of Section 19 may be asked to move to other crews (teams), to optimize and balance the total skills of all individuals to maximize the team(s) performance. This would be a temporary move so as to allow the total performance of the teams to continue on and grow. If people do not volunteer to move, people with the least amount of area seniority, and the critical skills, will be moved in a way that the teams will continue to function effectively.
 - d) In all cases, the guideline will be to minimize the total number of individuals moved in order to accomplish the preceding sections.
- (3) The Company will give at least three (3) days advance notice of curtailment to the union whenever possible. If in the judgment of the Company, a curtailment is expected to continue for more than ten (10) work days, the procedures specified in Section 19a - (1) and (2) will be made effective with the first day of lay-off, or as soon thereafter as possible.
 - (4) In the application of the provisions of Section 19a, union officers and chief shop stewards will be the last to be displaced from their respective families or job areas, using applicable seniority. Stewards will be the last to be displaced from the work group they represent, using applicable seniority. Stewards will be scheduled on a weekly basis in a way that maximizes their opportunity to work on the shift they represent, provided qualified employees are available to perform all necessary weekly assignments.
 - (5) If employees moving to a new assignment as a result of Section 19a need orientation training to effectively utilize their HPWS skills, they will have up to 40 hours of orientation training (to adapt existing skills to their new area) and in conjunction with new skills required to allow their new team to function. The employee in his or her new assignment does not have to be totally certified at any given level at the end of the orientation training period, but must be able to allow his or her new team to continue to operate effectively. During this time employees slated to be laid off may continue to work for the orientation training period, so as to allow the team, or teams, to continue to function effectively. This will provide for the safest as well as the most efficient movement of people to take place, and rely on the broad skill base developed in HPWS to minimize displacements. Orientation Training will be accomplished in the safest, most cost effective way possible.
 - (6) Employees moving to a new assignment as a result of Section 19a and have completed their training period will continue to receive the level rate they brought with them from their original job area. To maintain their rate they would have to certify at the equivalent pay-rate level in

their new job area, within the period of time designated in their area HPWS.

b. Lay-off and Recall

- (1) Any permanent employee who is laid off or displaced from a division or department in accordance with the provisions of Section 19-a will continue to accrue plant, division and department seniority and will be eligible for recall in reverse order of lay-off to his or her division or department for a period of time determined by division or department seniority on the date of lay-off or displacement, as follows:

Division or Department Seniority	Rights and Seniority Accrual Period of Recall
3 months but less than 3 years	Amount of division or department seniority at the time of lay-off or displacement
3 years or more	3 years

The above specified recall rights will be forfeited if the employee applies and is accepted for a posted permanent job.

- (2) Permanent employees on lay-off will continue to receive Medical coverage for the periods indicated below provided they make their normal contribution for the full period of continuation from their last paycheck or by the end of the week following layoff.

Length of Service of Permanent Employees	Period of Continuation
Less than one year	Balance of month in which lay-off occurs
One (1) year or more but less than two (2) years	Balance of month in which lay-off occurs plus one (1) month
Two (2) years or more but less than three (3) years	Balance of month in which lay-off occurs plus two (2) months
Three (3) years or more	Balance of month in which lay-off occurs plus four (4) months

- (3) Any employee on lay-off will, upon occurrence of any of the following events, be immediately terminated for all

purposes of this Agreement, without any further seniority or recall rights:

- a) Expiration of his or her period of recalls rights while still on lay-off.
- b) Failure of the employee, without acceptable excuse to report for work within 72 hours after the Company has recalled the employee for a permanent job opening. Recall will be deemed to occur when the Company notifies the employee in person, or files a telegram or mails a letter (which provides a receipt of delivery) to the last known address advising the employee to return to work. The fact that a notification receipt is returned to the Company because it failed to reach the employee at his or her last known address of record shall be considered proof that the employee has failed to keep the Company advised of his or her current address; consequently, recall rights will be forfeited.

c. Severance Pay

- (1) An employee who has completed one (1) year or more of continuous employment who is laid off for a period which is expected be the Company to continue for more than three (3) weeks or which actually continues for more than (3) weeks will be eligible to receive severance pay as set forth below, provided he/she has actually worked 1200 hours or more during the continuous period of one (1) year immediately proceeding the lay-off, and subject to all the other terms and conditions of this Section.

Years of continuous Employment Completed before Lay-off	Amount of Severance Pay (Computed Under Vacation Pay Formula)
One (1) year but less than two (2) years	One (1) week's pay
Two (2) years but less than five (5) years	Two (2) week's pay
Five (5) years but less than ten (10) years	Three (3) week's pay
Ten (10) years or more	Four (4) week's pay

- (2) If the lay-off is expected by the Company to continue for more than three (3) weeks, the first week of severance pay will become payable on the first payday following the first week of lay-off, and the second week of severance pay will become payable on the next payday, and third week of severance pay will become payable on the next following payday. If the lay-off is not expected by the Company to continue for more than three (3) weeks, no severance pay will become payable until the lay-off has actually continued for more than three (3) weeks, at which time all severance pay due in connection with the lay-off will become payable at the next payday.

- (3) If an employee is recalled from lay-off before a particular severance payment becomes payable the employee will not be entitled to that payment. Recall will be deemed to occur as defined and conditioned in Section 19-b-3 and advising the employee to return to work on a day which is three (3) weeks or less from the date of his or her lay-off
- (4) If an employee on lay-off accepts and begins work in a temporary or permanent position with Kimberly-Clark Corporation in a plant or position which is not covered by this Agreement, before a particular severance payment becomes payable to him/her, he/she will not be entitled to that payment. However, if such an employee is laid off again by Kimberly-Clark Corporation within the continuous period of three (3) months following his/her last previous lay-off, he/she will be eligible to receive the unpaid balance of the severance pay for which he/she was eligible in connection with such last previous lay-off. That unpaid balance, will become payable to him/her in accordance with the preceding paragraphs of this Section, as though he/she had just been laid off from any position covered by this Agreement.
- (5) Any employee who receives the maximum severance pay for which he/she is eligible in connection with a lay-off and who is later recalled will not become eligible for severance pay again unless he/she is continuously employed in a permanent position for a period of one or more years following the recall. If he/she is then laid off again, his/her eligibility for severance pay will be determined by applying the formula set forth in paragraph c(1) of the Section, but taking into account only his/her years of continuous employment and hours worked following his/her recall from the last previous lay-off for which he/she received severance pay. Any employee who is eligible for the maximum number of weeks severance pay in connection with a lay-off, but who has received less than the amount of severance pay for which he/she is eligible, will be eligible for the balance of such severance pay for his/her next future lay-off, but will not be eligible for additional severance pay for such next future lay-off unless he/she is continuously employed in a permanent position for a period of one (1) or more years following his/her recall and unless he/she has actually worked 1200 hours or more during the continuous period of one (1) year immediately preceding such next future lay-off.
- (6) Severance pay will not be due in connection with any lay-off which results from storm, flood, accident, power breakdown, strike, or other emergency beyond the control of the Company. Also, if any employee is laid off in connection with a sale or other disposition of all or any part of the Company's plant facilities, and the new owner offers him/her employment beginning three (3) weeks or less after his/her lay-off, he/she will not be eligible for severance pay under this Section.

Section 20 -- NO INTERRUPTION OF WORK

- a. The Union agrees that there will be no strike, stoppage, slowdown, sit-down, refusal to perform work, or other interference with operations, nor any picketing, or refusal to enter upon the Company's premises, on any account during the term of this Agreement. The Company agrees that it will engage in no lockouts during the term of this Agreement.
- b. The foregoing undertaking of the Union is binding upon its officers, agents, stewards, committeemen and other representatives, who are obligated not to cause or condone any of the prohibited activity and who are obligated to take affirmative steps to prevent or halt any such activity on the part of any employee. Failure of any such representative who is an employee to carry out his/her obligation shall subject him/her to discharge or other disciplinary action on that account. Participation by any employee in any of the prohibited activities will be just cause for discharge or other disciplinary action.

Section 21 -- ADJUSTMENT OF COMPLAINTS AND GRIEVANCES

- a. For the purpose of representing its members, the Union will designate certain employees as Stewards, and will also designate a Grievance Committee. The Union will furnish the Company with the names of such employees and will promptly notify the Company of any changes in assignment. No more than five (5) members of the Grievance Committee shall attend any meeting with the Company. However, this limitation to five (5) members of the Grievance Committee will not include the International President of the Union or his/her representative nor the grievant(s), nor necessary witnesses specifically related to the grievance. Time lost from scheduled work hours for attendance at a grievance meeting or arbitration hearing shall count as hours worked in calculating an employee's daily or weekly overtime pay.
- b. Each employee is encouraged to discuss complaints and problems with his/her Asset Leader, with the aid of a Steward if desired, **in an attempt to resolve prior to it becoming a written grievance.**
- c. If a grievance or misunderstanding shall arise as to the meaning or application of this Agreement or compliance with its provisions, an earnest effort will be made to settle the matter as promptly as follows:

First Step: Between the employee and Steward and the employee's Salary Asset Leader. This grievance will first be reduced to writing, dated and signed by the employee involved and presented, within five (5) working days after the event which caused the grievance, to the supervisor with a copy to the proper Steward. If not settled within five (5) working days after being presented at this Step, the grievance may be referred within five (5) additional working days to the employee's Salaried Team Leader.

Second Step: The Union's International President or his/her representative and the Labor Relations Manager and Salaried Team Leader of the Chester Plant or his/her representative shall meet within ten (10) working days after the grievance has been referred to the Second Step. The Labor Relations Manager and Salaried Team Leader or his/her representative shall within ten (10) working days after the meeting report in writing to the International President of the Union or his/her representative the disposition made of the grievance. If the disposition of the grievance is not satisfactory, the grievance may within twenty (20) additional working days be referred to Arbitration as provided in Section 22 of this Agreement.

- d. "Working days" for purposes of this Section 21 and of Section 22 will mean plant operating days but excluding Saturdays, Sundays and Paid Holidays.
- e. No action or event will be considered the proper subject of a grievance under this Section or under Section 22 unless it is presented in writing at the proper Step in the Grievance procedure within the period of five (5) working days following its occurrence. Discharge cases shall be referred directly to the Second Step of the Grievance Procedure. If at any Step in the Grievance Procedure, the Company representative fails to announce any decision within the time limit for settlement, such failure will be considered a denial of the grievance and the grievance may be referred immediately to the next Step. Any grievance not referred to the proper Step within the time limit for the Step will be considered settled and may not again be presented as a grievance.

Section 22 - ARBITRATION

- a. The arbitration procedure here set forth shall extend only to those grievances which are arbitrable under this Agreement. In order for a grievance to be arbitrable, (1) it must have been processed through the Grievance Procedure properly and within the applicable time limits as set forth in Section 21 of this Agreement; (2) it must genuinely involve the interpretation of a specified provision or provisions of this Agreement; and (3) it must not require the Arbitrator, in order to rule in favor of the grievant, to exceed the scope of his/her jurisdiction as defined in this Section 22.
- b. The issue of arbitrability of any grievance may be determined by mutual agreement of the parties, or by an Arbitrator, as provided below.
- c. The Union may elect to seek arbitration of any arbitrable grievance, and in that event the following procedure will be followed:

Within five (5) working days after the Company has received written notice of referral of the grievance to arbitration, the Union will request the American Arbitration Association to submit one or more panels of names from which the Company and Union shall choose an arbitrator. The choice

of the Arbitrator and the conduct of the hearing shall be in accordance with the Voluntary Labor Arbitration Rules of the American Arbitration Association, except to the extent that such rules conflict with any of the provisions of this Agreement. The decision of the Arbitrator will be final and binding on the parties of this Agreement. The Company and the Union will each pay one-half (1/2) of the fees and expenses of the Arbitrator.

- d. The fact that a claim or dispute has been processed under the Grievance Procedure set forth in Section 21 of this Agreement will not preclude the raising of the question of arbitrability with respect to such claim or dispute before the Arbitrator selected to hear such claim or dispute.
- e. The jurisdiction and authority of the Arbitrator to make an award shall be confined to the interpretation or application of the provisions of this Agreement. The Arbitrator shall not have jurisdiction or authority to make an award which has the effect of amending, altering, enlarging, or ignoring any provision of this Agreement; nor shall he/she have jurisdiction or authority to determine that the parties by practice or implication have amended or added to this agreement, unless the parties shall have expressly submitted to the Arbitrator the question as to whether such an amendment or addition by practice or implication was made.
- f. No more than one (1) grievance shall be submitted to the same Arbitrator at a single hearing, except by mutual agreement of the parties.

Section 23 - DISCRIMINATION PROHIBITED

The Company and the Union agree that neither party nor any of their representatives will intimidate, coerce, interfere with or discriminate against any employee because of membership in the Union or proper activity on its behalf or because of race, creed, color, national origin, sex or age, except where sex or age are bona fide occupational qualifications or allowed by law or because of status as a handicapped person or a Vietnam era veteran in regard to any position for which the employee is qualified. The words "employee", "he/she", "his/her" and "him/her" as used in this Agreement have universal application regardless of sex.

Section 24 - BULLETIN BOARDS

The Company shall supply enclosed official bulletin boards for the use of the local union to post officially signed bulletins necessary to the Administration of Local Union business. Other material may be posted with the approval of the Company.

Section 25 - SALARIED LEADERSHIP

Salaried representatives who are excluded from the Bargaining Unit will not perform the work of any bargaining unit member covered by this Agreement except in the event of emergency resulting in immediate danger to life or property, for the purposes of instruction, experimentation or starting up new equipment or new processes.

Section 26 - MISCELLANEOUS

- a. All disciplinary actions will be voided in an employee's record following an 18-month period during which no further disciplinary action has become a part of the employee's record and will be removed from the employee's file, and destroyed, provided he/she worked five (5) years without incurring further disciplinary action.
- b. A reprimand may become the basis for future disciplinary action only if it has been personally communicated to the employee and he or she has been advised that he or she should have a Union Representative present.
- c. Employees who had at least one (1) year of full-time permanent employment and who are rehired by the Company will be credited with their previous period of service for the purpose of vacation eligibility and for credited service under the retirement plan when they reach their third (3rd) anniversary after rehire.

Section 27 - PROVISIONS FOUND TO BE IN CONFLICT WITH LAW

If any provision of this Agreement is in conflict with the laws or regulations of the United States or of Pennsylvania, that provision will be replaced by the proper sections of the laws or regulations for as long as they are in effect, but all other provisions of this Agreement will continue in effect. If the Company and Union are not able to agree whether or not any provision is in conflict with any laws or regulations, that provision will remain in effect until the dispute is settled by a court or other proper governmental authority.

Section 28 - TERM OF AGREEMENT

- a. The parties acknowledge that during the negotiations which resulted in this contract each had the unlimited opportunity to make proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that all understandings and agreements arrived at by the parties are set forth in this contract. Therefore, the Company and the Union, for the term of this contract agree that neither shall be obligated to bargain collectively with regard to any matter which is properly the subject of collective bargaining, whether covered or not by this contract. It is further agreed, however, that during the life of this Agreement issues may arise that were not anticipated or relevant at the time of negotiations, and which cannot be addressed within the bounds of contract language.
In such cases, the Company and the union have specifically committed that the Joint Leadership (Plant Manager; Union President) has the authority to amend and modify any aspect of the Joint Labor Agreement, other than general wage increases or benefit levels, during the term of the Agreement after review by the Union International Representative and Senior Management.

- b. This Agreement will become effective March 28, 2004 and will continue in effect to and including April 1, 2010 and from year to year thereafter unless either party gives to the other at least sixty (60) days' written notice, prior to April 1 or prior to April 1 of any succeeding year, of its desire to change the Agreement.
- c. If a written notice of desire to change is so given in any year and the parties do not agree in writing prior to April 1 of that year on the changes to be made, this Agreement will nevertheless continue in effect unless anytime after April 1 of such year either party gives to the other at least ten (10) days' written notice of its intention to terminate the Agreement, in which event the Agreement will terminate on the date specified for termination in such written notice.
- d. For the purposes of this Section, a written notice from the Union will be considered as having been given to the Company only when it has been delivered in person to the General Manager, Chester Plant, or sent by registered mail addressed to him/her at the Chester Plant. A written notice from the Company will be considered as having been given to the Union only when it has been delivered in person to the President of Local No. #2-0448 or sent by registered mail addressed to him/her at the address listed at the time on Company personnel records.
- e. This Agreement and all its terms and conditions shall be binding during the life of this Labor Agreement upon any individual(s), company (s), or corporation(s) that acquires by purchase, merger, and any form of reorganization, the plant covered by this Agreement and continues to operate the plant or any portions thereof substantially in the same manner as the plant or portions thereof was operated by the predecessor owner.

Section 29 - GROUP INSURANCE AND RETIREMENT BENEFITS

a. Group Benefits - Active Employees

- (1) The Company's Group Benefits Plan (Medical, Dental, WDI, LTD, Life Insurance) providing insurance coverage for employees and, when applicable, spouse and eligible dependents will continue in effect for the term of this Agreement. Information contained in this section is intended to be a brief description. Such a summary cannot present all the details of eligibility, benefits and other Plan(s) provisions. The Benefits will be provided by the Company as defined in the Plan documents and as administered through contracts with insurance carriers. The provisions of such contracts and Plan documents shall govern in all matters.
- (2) All benefits become effective upon completion of 90 calendar days of continuous full-time employment.
- (3) New Hires must enroll, including spouse and eligible dependents, within 30 days of the date posted on the Health & Welfare Enrollment Worksheet sent by the Benefits Center.

If the employee fails to enroll per the guidelines, he/she will be assigned default coverage. Default coverage is the PPO medical plan for employee only and no Dental insurance.

- (4) Family members eligible for coverage are defined as spouse and dependent children to the end of the month in which they become age 19, or to the end of the month they become age 23 if dependent child is a full-time student.
- (5) Employee contributions will be collected by payroll deduction. Employees will have the advantage of paying such contributions with before-tax dollars per IRS Rule 125.

Employees on a leave of absence for which they do not receive a paycheck from Kimberly-Clark but are eligible to continue benefits will be set up for direct billing and will begin to receive bills at home from the Benefits Center. Failure to pay your bill in full by the due date will result in cancellation of benefits (medical and dental) for the balance of the current year.

The Company will calculate plan premiums on an annual basis. Employee contributions will change annually as stated in 8(a) below.

- (6) Health Care and Dependent Care Reimbursement Accounts
(Effective 1/1/05)
Employees will have an opportunity to allocate up to \$4,800 per year on a pre-tax basis to pay for qualified health care expenses (as defined in Section 213 of the IRS code). In addition employees can elect to allocate up to \$4,800 per year on a pre-tax basis to pay for dependent care expenses. The dollar amounts that can be allocated are subject to change.
- (7) In the event of the death of an employee, medical coverage only will continue for twelve (12) months for eligible dependents on a cost-sharing basis that matches the contribution paid each year by active employees. At the end of 12 months, eligible survivors will have access to a group medical plan provided they pay 100% of the premium. Dental coverage may be continued if the eligible dependents elect COBRA coverage within 60 days of the death of the employee.
- (8) Benefits - Active Employees

a) **MEDICAL INSURANCE** (Includes Prescription coverage)

Effective January 1, 2004, all employees hired prior to April 1, 2004 will be required to contribute 10% of the premium cost of their medical insurance.

Effective April 1, 2004, all new hires will be eligible for coverage under one of Kimberly-Clark's national medical plans. Premiums will be based on three tier levels—single, two-party and two-party plus. Kimberly-Clark will contribute a set dollar amount for employee medical coverage. Employees will be responsible for paying all premium dollars above the Kimberly-Clark contribution. Each year thereafter, Kimberly-Clark will

increase its contribution by absorbing 60% of the year to year overall premium increase. Employees will be responsible for the remaining 40% of the year-to-year premium increase.

Effective January 1, 2005, and each subsequent January, all employees will be eligible for coverage under one of Kimberly-Clark's national medical plans. Premiums will be based on three tier levels—single, two-party and two-party plus. Kimberly-Clark will contribute a set dollar amount for employee medical coverage. In determining its 2005 contribution, Kimberly-Clark will use the 2004 per employee cost base of \$10,000. In 2005 Kimberly-Clark will contribute, on average, 86% of the cost of medical coverage at Chester. Kimberly-Clark's contribution in 2006 and subsequent years of the contract will be based on Kimberly-Clark adding 60% of the year-to-year overall premium increase to its current contribution. Employees will be responsible for the remaining 40% of the year-to-year premium increase plus all premium dollars above the Kimberly-Clark contribution.

The national medical plans are subject to change during the course of this Agreement to be consistent with Kimberly-Clark's medical strategy. At no time will an employee pay more for the same national plan design at the same coverage tier than a salaried employee pays.

b) **DENTAL INSURANCE**

Effective January 1, 2005, all employees will be eligible for coverage under either Kimberly-Clark's national dental plan or the United Concordia Dental Plan. The Kimberly-Clark national dental plan design is subject to change during the course of this Agreement to be consistent with Kimberly-Clark's dental plan strategy.

Effective January 1, 2005, the Company will pay \$40.00 per month toward the cost of single, two-party, or two-party plus coverage. Each year following, the Company will add \$1.00 toward the cost, not to exceed \$44.00 per month, during the life of this Agreement.

Company contribution levels are as follows:

<u>EFFECTIVE DATE</u>	<u>CONTRIBUTION SCHEDULE</u>
January 1, 2005	\$40.00
January 1, 2006	\$41.00
January 1, 2007	\$42.00
January 1, 2008	\$43.00
January 1, 2009	\$44.00

c) **WEEKLY DISABILITY INCOME (WDI)**

Effective January 1, 2005, the Company will pay a Weekly Disability Income (WDI) benefit amount of \$470.00. Each year following, the Company will add \$10.00 per week, not to exceed \$510.00 per week, during the life of this Agreement.

Company payment levels are as follows:

<u>EFFECTIVE DATE</u>	<u>WEEKLY BENEFIT</u>
January 1, 2004	\$460.00
January 1, 2005	\$470.00
January 1, 2006	\$480.00
January 1, 2007	\$490.00
January 1, 2008	\$500.00
January 1, 2009	\$510.00

Disability for both the WDI and LTD plans is determined by the Disability Claims Administrator's policy.

d) LONG TERM DISABILITY (LTD)

The Company will continue to pay a Long Term Disability (LTD) maximum benefit amount of \$430.00 per week, converted to a monthly amount. Once an employee receives Long Term Disability, his/her maximum amount will not increase during the period of disability. Benefits paid under this plan may be reduced or "off-set", as described in the Summary Plan Description (SPD).

Employee must meet the definition of disability and be receiving Weekly Disability Income (WDI) or Workers' Compensation benefits prior to receiving LTD.

Employee must comply with all requests by the Disability Claims Administrator - including physical examinations, tests and other information as required.

The Company reserves the right to make changes to this Plan which are necessary to comply with laws and regulations that may apply to it in the future. The Company also reserves the right to change the insurance carrier or company responsible for administering this Plan.

e) TOTAL AND PERMANENT DISABILITY RETIREMENT (T&PD)

Employees who have completed 15 years of service are eligible to apply for a Total and Permanent Disability Retirement. The definition for total and permanent disability retirement shall be the same as in effect for Kimberly-Clark salaried employees. This definition is:

A condition arising out of injury or disease which the Committee determines is permanent and prevents an employee from engaging in any occupation with his employer commensurate with his education, training and experience, excluding (i) any condition incurred in military service (other than temporary absence on military leave) if the employee's service is not resumed at the end of his military service, (ii) any condition incurred as a result of or incidental to a felonious act perpetrated by the employee, and (iii) any condition resulting from excessive use of drugs or narcotics or from willful self-inflicted injury.

This definition shall be in effect for as long as it is used for Kimberly-Clark U.S. salaried employees. If and when a different definition for total and permanent disability retirement is adopted for Kimberly-Clark U.S. salaried employees, it is understood and agreed that this definition or approach will be applied to the Chester bargaining unit members as well. If such a change occurs, it shall be effective for Chester bargaining unit members at the same time as such change is effective for Kimberly-Clark U.S. salaried employees without requiring further negotiation with the Union.

f) **PENSION SUPPLEMENT**

An employee whose disability begins prior to age 62 will receive a pension supplement beginning at age 65, when LTD benefits stop, provided he/she remains continuously disabled until age 65. This payment will reflect the estimated difference between what the employee would have received from the Kimberly-Clark Retirement Plan at age 65 in the event he/she had not been disabled, and the amount he/she is actually receiving from the Kimberly-Clark Defined Benefit Retirement Plan.

An employee whose disability begins on or after age 62 will receive a pension supplement at the end of their maximum LTD benefit period, provided he/she remains continuously disabled. This payment will reflect the estimated difference between what the employee would have received from the Retirement Plan at the end of their LTD period in the event he/she had not become disabled, and the amount he/she is actually receiving from their Retirement Plan.

The pension supplement will not exceed the employee's maximum LTD benefit amount and will not be subject to the off-set provisions. It is payable monthly and during the employee's lifetime only.

g) **LIFE INSURANCE and ACCIDENTAL DEATH & DISMEMBERMENT**

The Company will provide at no cost to eligible employees Life Insurance coverage and Accidental Death and Dismemberment coverage of \$50,000.00.

Disability Benefits Under the Life Insurance Plan:

Employees found to be totally and permanently disabled prior to age 60, under the provisions of the Life Insurance Plan, will receive \$30,000 in cash and have the balance of their company-provided life insurance continued by the Company until age 65, when it will be canceled.

Employees found to be totally and permanently disabled on or after age 60, under the provisions of the Life Insurance Plan, will have the level of their company-provided life insurance maintained until age 65. At age 65, this will immediately reduce to \$20,000 and this amount will be continued by the Company and paid to the beneficiary upon employee's death.

h) **RETIREMENT PLANS**

- (1) Effective April 1, 2004, employees who are age sixty (60) and have completed thirty (30) or more years of vesting service will be eligible for a full unreduced pension benefit.

A participant will receive a percentage of regular benefit based on the following table:

EARLY RETIREMENT PERCENTAGE OF REGULAR BENEFIT BASED ON AGE AND YEARS OF VESTING SERVICE								
Vesting Service	30+	29	28	27	26	25	24	23-15
Age								
65	100%							
64	100%							
63	100%							
62	100%							
61	100%	95%	95%	95%	95%	95%	95%	95%
60	100%	95%	90%	90%	90%	90%	90%	90%
59	95%	95%	90%	85%	85%	85%	85%	85%
58	90%	90%	90%	85%	80%	80%	80%	80%
57	85%	85%	85%	85%	80%	75%	75%	75%
56	80%	80%	80%	80%	80%	75%	70%	70%
55	75%	75%	75%	75%	75%	75%	70%	65%

(2) Flat Dollar Benefit Plan

The company will increase the non-contributory retirement plan benefit from \$38.00 per month for all years of service from date of hire in accordance with the scheduled below:

FLAT DOLLAR BENEFIT PLAN SCHEDULE	
<u>Effective Date</u>	<u>Non-Contributory Benefit</u>
4/1/04	\$42
4/1/05	43
4/1/06	44
4/1/07	45
4/1/08	46
4/1/09	48

Anyone who retires any time between April 1, 2004 and April 1, 2009 receives \$48 per month for all years of vested service from date of hire.

(3) Defined Contribution Plan

- All new hires after 9/6/98 will participate in the Defined Contribution Pension Plan.
- Effective 4/1/04, the contribution rate will be equivalent to the following:

• Table of Retirement Contributions

<u>Employee's Age</u>	<u>Employee Contribution Rate</u>
Under 25	2.45%
25-29	2.65%
30-34	2.80%
35-39	2.95%
40-44	3.10%
45-49	3.65%
50-54	4.20%
55 & Over	4.55%

b. OTHER BENEFITS - RETIREES

(1) Retiree Medical Insurance

a) Employees Hired on or After April 1, 2004

Employees who are hired on or after April 1, 2004, will have access to a Kimberly-Clark group retiree medical plan. These employees will be responsible for paying 100% of the cost of their retiree medical coverage.

b) Employees who Retire on or Before January 1, 2005

Employees who are at least age 55 and who retire with at least 15 years of service on or before January 1, 2005 are eligible to continue in Keystone East HMO or Personal Choice until age 65. Each year (to age 65) during Annual Enrollment, retirees will have the opportunity to change medical plans. In addition to Keystone East HMO and Personal Choice, the options will include the national medical plans being offered to active employees at that time. If during Annual Enrollment or a period when they have a Permitted Election Change they elect one of the national medical plans, they are not permitted to re-enroll in Keystone East HMO or Personal Choice at another enrollment opportunity. When the number of contracts in either Keystone East HMO or Personal Choice drops below 100, Kimberly-Clark will discontinue the plan as of the next Annual Enrollment period.

These individuals will be required to share in the premium cost of their retiree medical plan based on their age at retirement, as shown below:

<u>Age at Retirement</u>	<u>Percent of</u>
<u>Contribution</u>	
55	10%
56	9%
57	8%
58	7%
59	6%
60	5%
61	4%
62 and over	3%

The percentage that the retiree is required to contribute will remain the same throughout his/her retirement. The contribution amount will be adjusted annually based on retirees' claims experience.

If the retiree and spouse enroll in Medicare Part B when first eligible, each will receive a subsidy of \$50.00 per month, payable on a quarterly basis. This reimbursement will end for the retiree and spouse at the retiree's death.

In the event of a retiree's death, medical insurance will be extended to eligible dependents as shown below:

- For the spouse, for the earlier of twelve (12) months or until the spouse reaches age 65.
- For eligible dependent children, for the earlier of twelve (12) months or until they are no longer eligible for coverage.

Coverage will be provided on a cost-sharing basis. The survivor's contribution will be based on the yearly premium charged to active employees for the respective plan and coverage category.

c) Employees Who Retire After January 1, 2005

Employees who are at least 55 years of age at retirement and who have at least 15 years of service are eligible for medical insurance in retirement for themselves and their eligible dependents. For individuals who retire under a T&PD (disability) benefit of the Kimberly-Clark Retirement Plan, the age 55 requirement is waived. Employees who terminate prior to being age 55 and who have 15 years of service with rights to a vested retirement allowance are not eligible for retiree medical coverage.

Retirees under age 65 will have access to the same plan designs as active employees. Retirees and their dependents who qualify for Medicare, regardless of age, will have access to the Medicare Supplement Plan (MSP). This plan is subject to change to be consistent with Kimberly-Clark's medical strategy.

Employees may elect retiree medical insurance (1) immediately upon retirement, (2) during an annual enrollment period for coverage beginning the first day of the following year, or (3) within 30 days of a Permitted Election Change. An employee is not required to (1) enroll in retiree medical insurance immediately upon retirement nor (2) if eligible for retirement under the Pension Plan, commence his/her pension benefits immediately after termination of employment.

When an employee under age 65 retires, he/she will be given an opportunity to change health care plans, making the selection from among the medical plans available to active employees at that time. Subsequent medical plan selections will follow the Annual Enrollment process.

These employees will receive Retiree Medical Credits based on their years of service as indicated below to be applied toward the cost of their retiree medical coverage. Retiree Medical Credits may be used to offset all or a percentage of the monthly premiums. When the Retiree Medical Credits are depleted, retirees are responsible for 100% of the monthly premiums. The retiree medical premiums will be based on retirees' claims experience.

Years of Vesting Service	Credit Allocation
30 and above	104,500
29	100,200
28	95,900
27	91,600
26	87,300
25	83,000
24	78,700
23	74,400
22	70,100
21	65,800
20	61,500
19	57,200
18	52,900
17	48,600
16	44,300
15	40,000

In the event of a retiree's death, surviving dependent(s) may continue coverage, provided all applicable monthly premiums are paid in full. Coverage may be continued regardless if other group medical coverage is available to the surviving dependent(s). Any Retiree Medical Credits remaining at the time of retiree's death are transferable to surviving dependent(s) and may be applied toward the cost of applicable monthly premiums.

Retiree Medical Credits are transferable to surviving dependent(s) even if the retiree did not have coverage as of the date of death. Surviving dependent(s) may elect coverage within 30 days of date of death or during an Annual Enrollment. Once enrolled in the plan, surviving dependent(s) that voluntarily terminate coverage (1) cannot resume coverage in the future and (2) forfeit any remaining Retiree Medical Credits.

Coverage will continue in effect for the retiree and eligible dependents as long as premiums continue to be paid. Coverage can be terminated for failure to pay all or a portion of a premium. Termination of such coverage is irrevocable.

(2) **Retiree Life Insurance**

For those who retire under the normal or early retirement provisions of the Retirement Plan, life insurance will be

provided at Company expense for the retiree. (Employees who terminate prior to retirement with rights to a vested retirement allowance are not eligible.) The amount of life insurance in force prior to retirement will continue until the retiree's 65th birthday. At this point, coverage will be reduced by 25% and rounded to the nearest thousand. Each birthday thereafter, coverage will be reduced by the same dollar amount, and rounded, until a minimum of \$6,000 is reached. This amount will be kept in force until the retiree's death.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 15th day of April, 2004.

PAPER, ALLIED, INDUSTRIAL, CHEMICAL & ENERGY WORKERS INTERNATIONAL UNION, AFL-CIO, AND ITS LOCAL NO. 2-0448

By: Carl R. Jones
Carl Jones
International Representative

Warren A. Sanders
Warren A. Sanders
Vice-President - Distribution

William C. Smith
William C. Smith
President

Sean J. Kane
Sean J. Kane
Vice-President - Converting

Ronald M. Chandler
Ronald M. Chandler
First Vice President

Robert D. Hoffman
Robert D. Hoffman
Vice-President - Maintenance

John J. Boccella, Jr.
John J. Boccella, Jr.
Vice-President - Tissue

Robert D. Pothier
Robert D. Pothier
Vice-President - Pulp

KIMBERLY-CLARK
CHESTER OPERATIONS

By: Paul R. Wittekind
Paul R. Wittekind
Plant Manager
Chester Operations

John B. Flynn, Jr.
John B. Flynn, Jr.
Labor Relations Manager
Chester Operations

Roger L. Sonstroom
Roger L. Sonstroom
Human Resources
Division Manager

EXHIBIT A

OCCU CODE	DESCRIPTION	CURR RATE	3/28/04 1.5%	3/27/05 2.0%	3/26/06 47¢	4/1/07 2.5%	3/30/08 49¢	3/29/09 2.0%
7/15/04								
			\$1,025 Cash	\$375 Cash	\$375 Cash	\$375 Cash	\$375 Cash	
CONVERTING								
50059450	LEVEL 1	16.73	16.98	17.32	17.79	18.24	18.73	19.10
50045842	LEVEL 2	19.07	19.36	19.74	20.21	20.72	21.21	21.63
50037743	LEVEL 3	21.27	21.59	22.02	22.49	23.05	23.54	24.01
50037726	LEVEL 4	23.31	23.66	24.13	24.60	25.22	25.71	26.22
50037647	LEVEL 5	25.63	26.01	26.53	27.00	27.68	28.17	28.73
50037744	LEVEL 6	27.81	28.23	28.79	29.26	29.99	30.48	31.09
PAPER MILL								
50093878	LEVEL 1	18.16	18.63	19.01	19.48	19.96	20.45	20.86
50056491	LEVEL 2	20.42	20.93	21.35	21.82	22.36	22.85	23.31
50045841	LEVEL 3	22.68	23.22	23.69	24.16	24.76	25.25	27.75
50055296	LEVEL 4	25.99	26.58	27.11	27.58	28.27	28.76	29.34
50065183	LEVEL 5	28.59	29.22	29.80	30.27	31.03	31.52	32.15
50093802	LEVEL 6	29.54	30.18	30.79	31.26	32.04	32.53	33.18
PULP PREP								
50073367	LEVEL 1	17.52	17.78	18.14	18.61	19.07	19.56	19.96
50073368	LEVEL 2	19.78	20.08	20.48	20.95	21.47	21.96	22.40
50037678	LEVEL 3	22.04	22.37	22.82	23.29	23.87	24.36	24.85
50037680	LEVEL 4	24.47	24.84	25.33	25.80	26.45	26.94	27.48
50093994	LEVEL 5	26.30	26.70	27.23	27.70	28.39	28.88	29.46
50093993	LEVEL 6	27.40	27.81	28.37	28.84	29.56	30.05	30.65
MATERIALS - current hires as of 3/31/04								
50073366	LEVEL 1	17.46	17.72	18.08	18.55	19.01	19.50	19.89
50073365	LEVEL 2	19.73	20.03	20.43	20.90	21.42	21.91	22.35
50073364	LEVEL 3	21.10	21.42	21.85	22.32	22.87	23.36	23.83
50073363	LEVEL 4	22.63	22.97	23.43	23.90	24.50	24.99	25.48
50073362	LEVEL 4A	23.58	23.93	24.41	24.88	25.50	25.99	26.51
50073361	LEVEL 5	24.79	25.16	25.67	26.14	26.79	27.28	27.82
50073360	LEVEL 6	26.91	27.31	27.86	28.33	29.04	29.53	31.01

Sap CODE	DESCRIPTION	CURR RATE	3/28/04 1.5%	3/27/05 2.0%	3/26/06 47¢	4/1/07 2.5%	3/30/08 49¢	3/29/09 2.0%
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7/15/04

\$1.025 Cash \$375 Cash \$375 Cash

UTILITIES

50093845	LEVEL 1	17.94	18.21	18.57	19.04	19.52	20.01	20.41
50078415	LEVEL 2	19.04	19.33	19.71	20.18	20.69	21.18	21.60
50078414	LEVEL 3	20.94	21.25	21.68	22.15	22.70	23.19	23.66
50078413	LEVEL 4	23.79	24.15	24.63	25.10	25.73	26.22	26.74
50078412	LEVEL 4A	25.66	26.95	27.49	27.96	28.66	29.15	29.73
50078411	LEVEL 5	27.89	28.31	28.88	29.35	30.08	30.57	31.18
50078410	LEVEL 6	28.80	29.23	29.82	30.29	31.04	31.53	32.17

MAINTENANCE

50082897	LEVEL 3	23.58	23.93	24.41	24.88	25.50	25.99	26.51
50090725	LEVEL 4	25.83	26.22	26.74	27.21	27.89	28.38	28.95
50078464	LEVEL 5	26.75	27.15	27.69	28.16	28.87	29.36	29.95

STOREROOM

50037701	STOREROOM ATTEND. A	20.51	20.82	21.23	21.70	22.25	22.74	23.19
50037702	STOREROOM ATTEND. B	18.31	18.59	18.96	19.43	19.91	20.40	20.81
50037703	PTS. COORD/LEADER	21.31	21.63	22.06	22.53	23.10	23.59	24.06

BUILDING SERVICES

50037682	LEADER	18.57	18.85	19.23	19.70	20.19	20.68	21.09
50037684	OUTSIDE CLEANER	17.57	17.83	18.19	18.66	19.13	19.62	20.01
50037683	JANITOR	16.76	16.82	17.16	17.63	18.07	18.56	18.93

MISCELLANEOUS

50074940	SUMMER RATE	11.70	11.70	11.70	11.85	11.85	12.00	12.00
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NEW HIRE RATE (EXCL. DIST/MATERIALS) AS OF 4/1/04

START	15.00
AFTER 6 MONTHS	15.30
AFTER 1 YEAR	15.80
AFTER 18 MONTHS	16.10
MOVE TO LV.1 RATE	16.25

Sap CODE	DESCRIPTION	CURR RATE	3/28/04 1.5%	3/27/05 2.0%	3/26/06 47¢	4/1/07 2.5%	3/30/08 49¢	3/29/09 2.0%
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7/1/04
\$1.025
Cash

DISTRIBUTION - current hires as of 3/31/04

50073366	LEVEL 1	17.46	17.72	18.08	18.31	18.55	18.79	18.97
50073365	LEVEL 2	19.73	20.03	20.43	20.67	20.93	21.17	21.38
50073364	LEVEL 3	21.10	21.42	21.85	22.09	22.36	22.60	22.83
50073363	LEVEL 4	22.63	22.97	23.43	23.67	23.97	24.21	24.45
50073362	LEVEL 4A	23.58	23.93	24.41	24.65	24.96	25.20	25.45
50073361	LEVEL 5	24.79	25.16	25.67	25.91	26.33	26.47	26.73
50073360	LEVEL 6	26.91	27.31	27.86	28.10	28.45	28.69	28.98

Opportunity if Cost/
stack w/o capital
w/capital

		---	----	24¢	1.25%	24¢	1.0%
		17.94	17.35	16.76	16.18	15.59	15.00
				15.79	14.84	14.25	13.65

LOGISTICS - current hires after 3/31/04

LEVEL 1	15.80	15.80	15.95	16.10	16.10
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TO BE DETERMINED

NEW HIRE RATE (DIST./MAT.)
AS OF 4/1/04

START	15.00	15.00	15.15	15.30	15.30
AFTER 6 MONTHS	15.30	15.30	15.45	15.60	15.60
AFTER 1 YEAR	15.80	15.80	15.95	16.10	16.10

Exhibit B

ENABLING AGREEMENT

between

KIMBERLY-CLARK PENNSYLVANIA, LLC.
CHESTER OPERATIONS

and

LOCAL #2-0448

PAPER, ALLIED, INDUSTRIAL, CHEMICAL & ENERGY WORKERS INTERNATIONAL UNION

GUIDELINES AND AGREEMENT FOR CHANGE

This memorandum is jointly arrived at by Union and Company and intends to be a guideline for an ongoing process which will enable both parties to change the labor/management relationship through a truly joint, cooperative change effort.

Both parties believe that changing the labor/management relationship is needed, possible and essential to the long term well-being of the business and all people at the Chester Site.

A. Both parties believe there are many reasons for changing the labor/management relationship. Foremost and among them:

- To develop a better way of dealing with problems.
- To ensure the long term growth and competitiveness of the mill
- To create the best possible safe working conditions for employees.
- To improve the business through working together.
- To create a "one plant/one workforce" focus to better meet the competition.

B. Both parties agree that a truly joint, participative labor/management relationship will allow the parties to achieve mutually desirable goals, while still fulfilling their respective responsibilities to their union and to management. Mutually desirable goals include:

- Meet and anticipate customer and consumer needs
- Better opportunities for growth and learning for all employees
- Return and sustain Chester to flagship status
- Employment security for all through continually improving business performance
- Business returns that ensure future capital needs

C. Both parties agree that in order to achieve a structural improvement in the labor/management relationship, key members representing both sides will have to jointly engage in certain training/learning opportunities designed to help the parties change. Therefore, we commit to:

- Jointly selecting and working with a cooperative labor/management consultant.
- Jointly participate in problem solving skill training, conflict resolution training, meeting skills training, consensus decision making training, and other appropriate training as jointly agreed to.
- Joint site visits so as to learn what others are doing around joint labor/management efforts.

D. Both parties agree to the establishment of the Chester Labor Management Committee made up of equal members, not to exceed sixteen in total.

E. Both parties agree that this Chester Labor Management Committee (CLMC) will first learn to use and then only use consensus decision making in arriving at agreements. Consensus decision making is defined as follows:

- Everybody takes responsibility for giving opinions/why.
- Everybody takes responsibility for listening to others.
- Everybody can live with the decision, even if not their first choice.
- Everybody will support as "ours" - not "theirs."

Resolutions reached by the CLMC will become binding on the parties except, however, specific contract language changes agreed to by the CLMC will first have to be ratified by the local union bargaining committee and the union's ratification procedure, when necessary.

Both parties agree to make every effort to ensure that this joint, participative effort is kept free of issues outside the scope of this agreement.

And finally, the parties agree to develop a way to measure and monitor the progress made in changing the relationship, as well as the effect and extent of improvement resulting from work jointly accomplished.

EXHIBIT C

KIMBERLY-CLARK PENNSYLVANIA, LLC. CHESTER OPERATIONS DRUG AND ALCOHOL POLICY

Kimberly-Clark Pennsylvania, LLC. Chester, Pennsylvania facility management and the Paper, Allied, Industrial, Chemical & Energy Workers International Union and its Local Union #2-0448 agree to the procedures in this policy regarding the use, sale or possession of alcohol and controlled substances. This policy pertains to all Kimberly-Clark Chester employees, both Hourly and Salaried.

The abuse of drugs and alcohol is recognized as a major contributor to poor job performance and an unsafe work environment. It is also recognized as a disruption of family and social life, and contributes to deterioration in emotional and physical well-being. It is regarded as a disease having many causes both personal and social, but a disease, nevertheless, which can be arrested and successfully treated provided the affected individual is sufficiently motivated and rehabilitation efforts are aided by an understanding family, employer and associates.

Chester management and the local union are committed to the objective of creating a workplace free of drug and alcohol abuse. Procedures in this policy are intended to accomplish this goal. It is not our intent to mandate morality but to take appropriate action when conduct appears to impact job performance or bring public discredit to the company, union, or employees.

The four (4) key methods by which we intend to accomplish our objective are:

1. Education of both management and bargaining unit personnel.
2. Rehabilitation through the effective use of an Employee Assistance Program (EAP).
3. Testing, as defined by this policy, of employees.
4. Investigation and appropriate action as circumstances warrant.

I. EDUCATION

- A joint union-management policy statement will be developed around education needs of the Chester site.
- A joint union-management Education/EAP Committee will be established and provided with adequate resources and time to assure high quality education and training programs are developed for the site.
- All employees will receive a copy of this policy and will be informed of the commitment to work toward an environment free of Drug and Alcohol issues.
- Appropriate management, labor officials, Drug and Alcohol Committee members and/or EAP Committee Members will receive training in the recognition of drug and alcohol abusers and methods to deal with them. Basic training will be provided by Human Affairs International.

II.

REHABILITATION

An effective means to motivate drug and alcohol abusers to receive treatment is through the successful utilization of an Employee Assistance Program. The EAP at Kimberly-Clark Company in Chester will be modified to include the following:

1. A joint union-management policy statement.
2. The Education/EAP Committee will sponsor joint union/management EAP orientation sessions developed to educate designated personnel of the EAP's purpose and the support it provides to our employees.
3. A review of the effectiveness of the EAP provider by the committee. Recommendations to be made regarding improvements of programs, services and utilization.

III. TESTING

Controlled Substance Testing:

Using standard/laboratory procedures, urine samples will be screened for the following classes of drugs. CompuChem will use the most current manufacturer's recommended cut-off limits for negative/positive sample determination:

<u>Drug</u>	<u>Cut-Off Limit</u>
Amphetamines	300 ng/ml
Barbiturates	300 ng/ml
Benzodiazepines	300 ng/ml
Benzolecgoine (Cocaine Metabolite)	300 ng/ml
Cannabinoids (THC, Marijuana)	100 ng/ml
Methaqualone (Quaaludes)	300 ng/ml
Opiates	300 ng/ml
Phencyclidine (PCF, Angel Dust)	25 ng/ml

The Emit drug abuse assays are rapid, semi-quantitative immunochemical tests which, by assay of the respective urinary drug or drug metabolites, detect the use of the above drugs. These assays are designed as a primary screening test to detect positive samples. With regard to Amphetamines, CompuChem will use the fluorescent test as the primary screening test. A negative result is strong evidence that the drugs in question are not present in excess of the detection limit of the assay.

Any positive result obtained during the screening procedure will automatically be scheduled for confirmation by Gas Chromatography/Mass Spectroscopy according to the attached cut-off limits.



Compounds Analyzed By
GC/MS For Confirmation
Limit (ng/ml)

Drug Class

Amphetamines	Amphetamine 300 Methamphetamine 300
Barbiturates	Amobarbital 200 Butobarbital 200 Pentobarbital 200 Phenobarbital 200 Secobarbital 200
Benzodiazepines	N-desmethyldiazepam 300 Oxazepam 300
Benzolecgoine (Cocaine metabolite)	Benzolecgoine 150
Cannabinoids (THC)	Delta-9-carboxy-tetra- 15 hydrocannabinol
Methaqualone	Methaqualone 100
Opiates	Morphine/Codeine 300
Phencyclidine (PCP)	Phencyclidine (PCP) 25

Employee Testing:

The initial screening test will be the Emit drug abuse assays as described earlier. As described above, the initial screening test for Amphetamines will be the fluorescent test. If the results for this test are positive, a confirmation test (GC/MS) will automatically be administered. If the GC/MS or the fluorescent test is positive, it will be considered conclusive and final. If the employee questions the accuracy for the confirmation test, the employee may request the sample be retested at the employee's own expense. If inconsistency exists between the results of the two confirmation tests, the company will have a third test conducted at company expense which will resolve the issue.

The same laboratory techniques, chain of custody requirements and cut-off limits will be used for pre-employment testing and present employee testing. Any new scientific advancements in testing for controlled substances and alcohol abuse will be evaluated for incorporation into this policy. Testing for controlled substance abuse will be by a urine sample. Testing for alcohol presence will be a blood sample or breathalyzer.

Alcohol Testing

In testing for the presence of alcohol, a blood sample will be obtained and submitted to local laboratory for determination of level of presence of alcohol. Alternately, the use of breathalyzer to determine the level of presence for alcohol is authorized. It is recognized that a blood alcohol level exceeding the State of Pennsylvania's definition of "under the influence of alcohol" will be the standard used.

Decision to Test

As described previously, it is the Company's intent to perform employee testing as well as pre-employment testing. With respect to the decision to test, it is understood that observable behavioral changes, health concerns, safety/work related accident(s) and retesting after rehabilitation are all legitimate reasons for the Company to require drug and/or alcohol testing. Specifics are provided for below:

1. Employee behavioral changes - Any employee displaying signs of erratic behavior which could be attributed to physical or mental/emotional impairment will be approached relative to his/her condition. The decision to approach an employee will be based upon more than one sign of change. Some examples of such changes are:
 - Motor instability/staggered gait, etc.
 - Blurred or double vision
 - Impaired reflex action
 - Reduced mental functions
 - Increased pulse rate/decreased blood pressure
 - Flushing of skin
 - Drowsiness/stupor
 - Slurred speech
 - Excessively talkative or loud
 - Dilated pupils or bloodshot eyes
2. On-the-Job Accidents - All employees who are involved in a serious on-the-job accident and who give cause to believe that he/she may be impaired, will be tested for substance abuse within a reasonable period of time after the accident.
3. Retesting After Rehabilitation - All employees who return to work following a rehabilitation program which the Company required the employee to attend as a condition of continued employment, may be tested for substance abuse and is subject to random testing for a period of up to twelve months.
4. Testing Implementation - There will be a minimum of a 60-day waiting period between announcement of this policy and implementation of any actual testing of current employees.

In situations where it has been determined that there exists legitimate reasons to address/test an employee in accordance with the above criteria, it is agreed that any formal discussions with the employee will be conducted in the presence of a Union Steward or Union Official. It will be the Company's general practice in these situations to coordinate with the Plant Nurse, the Human Resources Department and/or appropriate middle/upper Management personnel. Several issues must additionally be considered:

In event of the need to address the situation

- Involve Security Force members as appropriate.
- Do not permit the employee to continue working.

- Coordinate with the Plant Nurse or local Medical Personnel if testing is involved.
- Dissuade employee from driving any vehicle. Arrange for transportation.
- Keep in mind responses to questions and requests may be affected by controlled substances or alcohol. Refusal to submit to required testing may be a manifestation of denial rather than intentional insubordination. Nevertheless, the employee needs convincing his/her condition will not be tolerated.
- Document the event completely.

IV. INVESTIGATION AND APPROPRIATE ACTION

Employees who:

- have a confirmed positive test for controlled substances
- report for duty or being on duty under the influence of or in unauthorized possession of intoxicants or drugs - General Rules and Regulations, #33.
- engage in the unauthorized use, sale or possession of alcohol or controlled substances while on the job or on company property;
- are convicted by a court of law of any illegal controlled substance activity;
- refuse to submit to testing as defined in this policy;
- refuse to comply with the treatment prescribed by the EAP provider, including after care

must be held responsible for this unacceptable action.

The extent of appropriate action imposed will depend on many considerations. General guidelines will be developed by the Company and attached to this policy and are intended to act as a deterrent to this unacceptable behavior.

V. OTHER UNDERSTANDINGS

While we do not intend to legislate the degrees of appropriate action through this policy, we do want to clearly communicate to our entire work force that the unauthorized use, sale or possession of alcohol or controlled substances while on the job or on Company property will not be tolerated.

There should be no misunderstanding by any employee as to the Company's and the Union's intent of this policy, which is to remove drug and alcohol problems from the workplace. While there is genuine interest in employee rehabilitation, offenders of this policy will be dealt with appropriately.

Employees suffering lost time as a result of taking a drug test and who are not allowed to work pending test results, will be made whole for all lost time should the test results prove negative.

EXHIBIT D

Statements of Intent Chester Operations

1) CONTRACTED MAINTENANCE AND CONSTRUCTION FOR THE SITE

This statement reconfirms the understanding reached during 1967 negotiations on the company's policy at Chester regarding the contracting of maintenance and construction work.

It is the Company's desire and intention to award as much maintenance work as possible to Local #2-0448, Paper, Allied, Industrial, Chemical & Energy Workers International Union. This will be done within the limitations of the crafts, skills, and equipment existing in the Chester plant. It is recognized by the Union and the Company that during times of peak work loads, beyond the capabilities of a normal size maintenance crew to absorb, it may be necessary to supplement the maintenance effort with outside contractors or other source of labor as dictated by the circumstances and economics of the situation.

In the case of construction work, the same effort will be made to award the work to Local #2-0448. This will be dependent, however, on the estimated cost of so doing being competitive with outside contractors, and can only be done when the skills, equipment and manpower available from the Chester plant are sufficient to complete work.

Due to the peaks and valleys frequently experienced in construction work, it must be recognized by the Union that the volume of such construction work will be limited to the level of regular day in and day out opportunities and that the peak levels will for obvious economic reasons normally be contracted.

The company agrees to periodically review with the Union, action it has taken in areas covered by this letter.

2. In the event of a total and permanent shutdown of the Chester Plant consideration will be given for employment opportunities at other Company plants for those laid off employees who express an interest in being considered.
3. Employees involved in a work related incident and required by the Company to attend a meeting outside their normally scheduled hours to discuss and or investigate that incident will be paid at their HPWS rate for the time spent at the meeting; such time will not be counted toward weekly overtime.
4. Consistent with High Performance Work Systems, when administration of hours or work, both overtime and scheduled, is transferred to the hourly team through work redesign, each area will put into place a system that pay for time not worked (pay for mistakes) is eliminated and the intent of Contract Section 6C is adhered to.

5. Coal/Ash Handling Area

As discussed in our 1990 Negotiations, the Utilities Department presently provides employees working in the coal and/or ash handling areas, the opportunity to wash-up on shift when appropriate. It is the Company's intent to continue with this practice until the working conditions are such that this practice is no longer warranted.

6. PULP PREPARATION - DYE HANDLERS

Employees temporarily assigned to the Dye Handler job for one full workweek or longer will be provided coveralls on a general size basis. Upon completion of the assignment the return of the coveralls will be the responsibility of the employee.

7. UNION BUSINESS GUIDELINES

Union officers and/or Stewards must inform/notify their Asset Leader before conducting union business during working hours.

8. SAFETY SHOE PROGRAM

All Chester Plant employees are eligible to purchase safety shoes. Those styles and types of shoes most appropriate for working purposes are available at one-half company cost up to a maximum amount of \$90.00. Employment must exceed sixty (60) days to be eligible for the Company's contribution. A maximum of two (2) pairs of shoes may be purchased in any 12-month period.

Exception: Due to unusual working conditions, employees demonstrating need for more than two (2) pairs of shoes per year may purchase up to three (3) pairs upon approval of the Safety Manager and the Company will again assume one-half the cost up to maximums stated above.

9. SAFETY EYEGLASS PROGRAM

The Company will supply prescription safety glasses to all permanent employees who normally wear prescription glasses and to other employees whose need for them has been recommended and approved by their division head and the safety manager. The cost of new prescription lenses and frames for safety glasses paid by the company is limited to one pair per year unless additional needs are approved by the safety manager. Employment must exceed sixty (60) days to be eligible for the Company contribution.

10. It is also agreed that employees in CCF will be provided a clothes cleaning service. The Company will pay not more than \$2.40 per employee per week for the term of the Labor Agreement toward this service.

11. In the evolution to High Performance Work Systems, the parties understand that certain traditional pay practices interfere with the team based decision making process; in those cases, the parties will seek fair alternatives so that decisions can be made on the basis of work not pay.

12. Compensation for employees off normal shift rotation to participate in capability development, leadership activities and/or do project work, will be at base rate (job or level rate, plus an additional \$1.00 per hour for each hour worked). Also, to be scheduled at least forty (40) hours a week and may work additional hours if approved by the team leader.

EXHIBIT E

Holiday Flexibility and Future Agreement Guidelines

Floating Holiday Guidelines:

- Floating holiday pay will be consistent with Section 9(b) first paragraph.
- Section 9 (b), second paragraph, will not be applicable for floating holidays.
- Emergency situations (when an employee takes an unscheduled day off and then applies for floating holiday coverage) will be reviewed on a case by case basis, however, must be approved by the appropriate Operating Team Shift Leader.
- Employee may take their floating holidays on any scheduled workday.
- No split days or half days will be allowed.
- No employee will work on a scheduled floating holiday.
- Employees hired by May 1 will be eligible for two (2) floating holidays during the remainder of the calendar year.
- Unused floating holidays will be paid at the rate of twelve (12) hours per holiday. Such pay to be made on the first pay period of the new calendar year following the year in which the holiday was not taken.

Holiday Flexibility and Single Vacation Day Guidelines

Single Vacation Day Guidelines:

- Priority format for selection
 - Full Week Vacation
 - Single Vacation Day
 - Floating Holiday
- Single vacation days unused and/or unscheduled in the current calendar year should be scheduled as soon as possible.
- Employees must notify their shift team leader of their desire to utilize up to 2 weeks' vacation in single days.
- One single vacation week is considered 5 single days for vacation purposes and pay is 1/5 of vacation average.
- Twelve hour shift employees vacation week is considered 3 days and pay is 1/3 vacation average.
- No split or half days allowed until ESS System installed.
- No employee will be allowed to work on a scheduled single vacation day.
- Any unused single vacation days will be paid out at the end of the year.

EXHIBIT F

Modified Work Agreement

PURPOSE:

This program is established to provide employees who are out on Weekly Disability Income (WDI) or Workers' Compensation the opportunity to continue wage earnings by performing alternative, productive, temporary work that they can perform safely and effectively until they are released to return to their full job assignment or another permanent job.

AGREEMENT:

- A. Restrictions, along with expected duration, will be identified by employee's treating physician and communicated in writing to Health Services.
- B. The employee's treating physician and Health Services will make the determination whether or not an employee is eligible for the Modified Work Program. The final decision regarding program eligibility will be made by Health Services. If, however, there remains disagreement, an independent evaluation may be requested.
- C. It is the employee's responsibility to keep Health Services advised if/when restrictions are updated.
- D. Health Services will contact employee's asset to determine if work within the restrictions is available. If there are no opportunities, other assets will be contacted.
- E. The rate of pay for employees in the Modified Work Program will be their permanent rate for actual hours worked. For those on Workers' Compensation, the actual weekly Workers' Compensation earnings will be determined by Workers' Compensation law.
- F. No employee will be forced to move to accommodate an employee on modified work.