

AGREEMENT

Between

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96 PAGES

INTERNATIONAL PAPER COMPANY
Riegelwood Mill
Riegelwood, North Carolina

and

1-9/9/06

Reid
12/28/00

PACE
INTERNATIONAL UNION
AFL-CIO & CLC AND ITS LOCAL 2-738

Effective September 9, 2000

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PREAMBLE

THIS AGREEMENT, entered into this 9th day of September, 2000, between INTERNATIONAL PAPER COMPANY, RIEGELWOOD MILL, hereinafter referred to as the Company and PACE INTERNATIONAL UNION, AFL-CIO & CLC, and its LOCAL 2-738, hereinafter referred to as the Union,

WITNESSETH

That in consideration of the mutual promises of the parties herein contained, it is hereby agreed as follows:

ARTICLE I

Duration and Modification of Agreement

Section 1. This agreement shall become effective on September 9, 2000, and shall remain in full force and effect until September 9, 2006, and from year to year thereafter unless terminated in accordance with the provisions of Section 5 below.

Section 2. If either party shall desire to modify this Agreement, it shall give written notice of such desire to the other party at least 60, but not more than 90, days in advance of any anniversary date.

Section 3. The giving of notice provided in Section 2 above shall constitute an obligation upon both parties to negotiate in good faith, with the intent of reaching written agreement prior to the anniversary date.

Section 4. If the parties have not reached agreement on or before the anniversary date, all the provisions of the Agreement shall remain in effect unless specifically terminated in accordance with the provisions of Section 5 below.

Section 5. If at any time after the anniversary date no agreement on the questions at issue has been reached, either party may give written notice to the other party of intent to terminate the Agreement in not less than ten days. All the provisions of the Agreement shall remain in full force and effect until the specified time has elapsed. During this period attempts to reach an agreement shall be continued.

ARTICLE II

General Purpose of Agreement

The general purpose of this Agreement is, in the mutual interest of the Company and the employees, represented by the Union, to set forth the Agreement between them concerning rates of pay, wages, hours of work, and other conditions of employment. It is recognized by this Agreement to be the responsibility of the parties to the Agreement to cooperate fully to achieve this purpose.

ARTICLE III

Recognition

In accordance with the certification issued by the National Labor Relations Board in case #11RC626 dated July 15, 1954, the Company recognizes the Union as the sole collective bargaining agent for all production and maintenance employees of the Company's Riegelwood, North Carolina, plant, with the following exceptions:

Office clerical employees, probationary employees, guards, professional employees, lead-men, laboratory shift supervisors, pulp drying and shipping crew leaders, and all supervisors as defined in the National Labor Relations Act, as amended.

In addition, in accordance with the certification issued by the National Labor Relations Board in case #11-RM-53 dated July 23, 1958, the Company recognizes the Union as the sole collective bargaining agent for the unit so certified.

ARTICLE IV

Nondiscrimination Clause

There shall be no discrimination in the application of the terms of this Agreement because of race, creed, color, religion, sex, age, or national origin, physical disability or veteran status. The Company and Union agree to comply with the Americans with Disabilities Act and the Family Medical Leave Act.

Wherever used in this Agreement, the masculine gender shall include the feminine and the single number shall include the plural, unless a different meaning is plainly required by the context of this Agreement.

ARTICLE V

Management Clause

Except as hereinafter expressly qualified, the right of the Company to manage its business, operations, and affairs and to establish terms and conditions of employment shall be unimpaired.

The Company's not exercising rights hereby reserved to it, or its exercising them in a particular way, shall not be deemed a waiver of said rights or of its right to exercise them in some other way not in conflict with the terms of this Agreement.

ARTICLE VI

Grievance Procedure

Section 1. The Union shall establish a Standing Committee consisting of not more than seven persons, and the names of the members of the Committee shall be furnished to the Company.

If any employee shall feel aggrieved, he shall present the matter in accordance with the following procedure, and it shall be handled by the parties in the following steps until a settlement is reached. However, neither an aggrieved employee nor a shop steward shall leave his place of work without permission of his supervisor, which permission shall not be unreasonably denied.

STEP 1. The employee or the employee and the shop steward shall take the matter up directly with the employee's immediate supervisor within seven days after cause of complaint arises. The immediate supervisor and/or the employee's foreman shall give an answer within three (3) days, excluding Saturdays, Sundays, and holidays, (as defined in Article X, Section 1).

STEP 2. If no satisfactory settlement is reached in Step 1 above within the prescribed time limit, the grievance shall, within two (2) days, be put in writing and presented to the aggrieved employee's department manager.

In reducing a grievance to writing, the following information shall be stated with reasonable clearness: The nature of the grievance, the act or acts complained of, and when they occurred, the employee or employees who are aggrieved, and the remedy sought.

Upon receipt of the written grievance, the department manager and others whom he may designate shall meet as soon as practical, but within one week, with the aggrieved employee and his shop steward. Within one week of the meeting, the department manager concerned shall give his reply in writing to the employee concerned.

STEP 3. If the answer in the above step is not satisfactory, the International Representative of the Union, or his designated representative, may within ten (10) days of the answer above, request a meeting with the Mill Manager - Riegelwood Mill or his designated representative. Such meeting shall be held promptly at a mutually agreeable time and place for the purpose of discussing the grievance. Such representatives of the Company as the Mill Manager - Riegelwood Mill or his representative may designate may attend such meeting.

In general, not more than seven representatives of the Union will be present at the Step 3 meeting. However, either party may in Step 3 call in witnesses to give testimony bearing upon the case and others as may be mutually agreed upon.

ARTICLE VII

Arbitration

Section 1. If any complaint or grievance that involves the interpretation or application of the express terms of this Agreement is not satisfactorily disposed of in Step 3 of the grievance procedure provided for in Article VI of this Agreement, either party may, within sixty (60) days after receipt of the answer in writing at Step 3 of the grievance procedure, give to the other party by registered mail, fax, or by delivery in person, a written notice of its desire that the matter be submitted to arbitration.

Section 2. Upon receipt by either party of the other party's notice of a desire to arbitrate a grievance, the parties shall meet as soon as practicable for the purpose of selecting an arbitrator. If the parties are unable to agree upon an arbitrator within five (5) working days after they first meet to select one, either party may request Federal Mediation and Conciliation Service, to submit a cross regional panel of arbitrators in accordance with its rules. If the parties are unable to agree upon an arbitrator from the panel, either party may request the office of said Association to appoint the arbitrator in accordance with its rules and with the terms of this Agreement. The arbitrator shall not reside within one hundred (100) miles of Wilmington, North Carolina, and shall not within one (1) year have arbitrated any other dispute between the Company and the Union. Hearings before the arbitrator shall be in accordance with the rules of the Federal Mediation and Conciliation Service, except as herein otherwise provided.

The parties may by mutual agreement furnish to the arbitrator a copy of the transcript of the proceedings before him and bear the cost thereof, and either party may obtain a copy of such a transcript at its own expense.

Unless otherwise mutually agreed, the submission to the arbitrator shall be based upon the original written grievance submitted in the grievance procedure. Either party shall have the right upon request to cross-examine any witness who submits oral or written evidence.

Section 3. The arbitrator's authority shall be limited to applying and interpreting the express terms and conditions of this Agreement. He shall not have authority to deal with wage rates or with any matter that is reserved to Management by Article V (Management Clause) hereof (except to the extent that this Agreement expressly limits said rights), or to add to, subtract from, or otherwise amend or modify the terms of this Agreement; provided, however, that he may find that an employee is not receiving the established rate for the work to which he is assigned.

The arbitrator's award shall be final and binding on matters properly before him.

Section 4. The parties shall bear equally the fees and expenses of the arbitrator, but neither party shall be responsible for the liabilities of the other, such as paying for time spent by any persons as a result of the arbitration.

ARTICLE VIII

Strikes and Lockouts

Section 1. During the life of this Agreement, or any extension thereof, there shall be no strikes which term includes walkouts, slowdowns, or other similar interruptions of or interference with work. No officer or representative of the Union shall authorize, instigate, aid, or condone any strike. In the event that a strike occurs during the life of this Agreement, there shall be no financial liability on the part of the Union or officers or representatives thereof, as such, provided that the Union involved immediately after the beginning of such violation shall (1) publicly declare such action a violation of this Agreement and promptly instruct their members to return to work, (2) cooperate with the Company in any manner that is necessary to protect life, health, and property, and (3) take such other prompt and vigorous steps as are necessary to end the strike.

Section 2. There shall be no lockouts during the life of this Agreement or any extension thereof.

Section 3. The Company shall be under no obligation to bargain with the Union concerning employees who are on strike in violation of this Agreement or concerning the subject of any such strike as long as such strike continues. The Company may discipline or discharge any employee or employees who engage in such a strike, and such action shall not be subject to review upon any ground other than that the employee did not take part in the strike.

ARTICLE IX

Wages and Hours of Work

Section 1. *Wages.* The hourly wage rates set out in the attached schedule, labeled Exhibit "A" which is hereby made a part of this Agreement, shall remain in effect for the duration of this Agreement. When new jobs are created, or when changes that are substantial, either singly or cumulatively, are made in the duties of existing jobs, the Company and the Union will meet to negotiate the rate of the new job or the rate of the existing job that has been substantially changed. If no agreement can be reached, the Company will set the job rate, but such rate may be subject to negotiations at the next general contract negotiations, and any change agreed upon at that time will be made retroactive to persons then on the payroll of the Company to such time as the Company and the Union shall agree.

Each year a general increase will be effective on the Monday nearest September 9. In 2000 there will be a ratification bonus of \$7500 for shift workers and \$1500 for day workers. In 2000 a rate increase of .25 cents per hour will be applied to production shift worker rates before the general increase and a .06 cents rate increase for all classifications to be applied before the general increase in place of the safety shoe voucher. In 2000 all wages will be increased 3% (to the nearest whole cent). All wages will be increased by 2.5% in 2001. All wages will be increased by 3% in 2002. All wages will be increased by 2.5% in 2003. All wages will be increased by 3% in 2004. All wages will be increased by 2.5% in 2005.

Effective September 11, 2000, the hire-in rate for Utility employees will be \$11.00 per hour. Employees in the Utility classification will be subject to the rate schedule in "Exhibit A."

All Utility rates are subject to the general wage increases.

Section 2. . *Hours of Work.* The normal workweek shall be from 7:00 a.m. on Monday to 7:00 a.m. of the following Monday. The normal workday shall be from 7:00 a.m. to 7:00 a.m. of the following day.

The normal work schedule for Day Workers shall be from 7:00 a.m. to 3:30 p.m., Monday through Friday.

The normal workweek for those day jobs which were on a normal Monday through Friday schedule in September, 1977, will remain Monday through Friday for those jobs continuing to be scheduled as day workers.

The normal work schedule for Shift Workers shall be 7:00 a.m. to 3:00 p.m.; 3:00 p.m. to 11:00 p.m.; 11:00 p.m. to 7:00 a.m.; in accordance with the rotating schedule.

Employees are expected to clock in no more than thirty (30) minutes prior to their scheduled shift unless directed to do so.

Section 3. *Overtime.* Time and one-half will be paid for hours worked in excess of 8 within a 24 hour period beginning at the start of the employee's designated shift, or for hours worked in excess of 40 in a workweek, whichever is greater, but not both.

Any employee required to work in excess of 16 hours in a 24-hour period shall be paid time and one-half for all hours worked, beginning with the first hour, until he has had a rest period of 8 consecutive hours. Lunch periods shall not be considered breaks in measuring hours for the purpose of this paragraph. All lunch periods following the first lunch period during consecutive working hours shall be on Company time. If an employee has been scheduled or called in to report to work before his regular starting time and works over 16 hours, the hours worked before his regular starting time will be subtracted from the number of hours of rest period at the end of the consecutive hours worked. If this total is less than 8 hours, he will continue to be paid time and one-half until he has had a rest period of 8 consecutive hours. For the purpose of this clause, all hours worked, whether compensated at overtime or premium rates or not, will be counted in determining whether an employee has worked more than 16 hours in a 24-hour period.

Change to and from Daylight Savings Time. When because of the change from Daylight Savings Time to Standard Time an employee who has worked a 9-hour shift is required to double to another shift and, as a result, works 17 consecutive hours, he will not be eligible for overtime for the first 8 hours worked.

When a shift is scheduled in one hour early, as is customary during the change from Standard Time to Daylight Savings Time, such starting time will be considered his regular starting time.

Overtime or premium payments shall not be duplicated for the same hours worked under any of the terms of this Agreement and to the extent that hours are compensated at overtime or premium rates under one provision, they shall not be counted as hours worked in determining overtime or premium rates under the same or any other provisions. An exception to the above rule will be made in the following cases:

1. When a holiday occurs on any day for which overtime or premium pay would not otherwise be paid, the hours worked on such holiday shall be counted as hours worked in determining weekly overtime. When an employee does not work on a holiday, that falls on a scheduled workday, the allowance for such holiday, as defined in Article X, Section 3, will be counted as hours worked in determining whether hours worked subsequent to such holiday will be compensated under the weekly overtime provisions of this Agreement. Such holiday allowance or hours worked on such holiday, whichever is greater, but not both, will be counted for the purpose of computing weekly overtime.

2. When an employee reports to work on Sunday, any daily overtime caused on his regular shift on Monday will be counted in computing weekly overtime for that week.

The regular rate of pay for work performed during overtime hours shall be used as the basis to compute overtime pay for these hours.

When work is improperly assigned, which is not the result of intentional or repeated misassignments, the normal remedy will be an offer of an equivalent amount of make-up work for the affected employee. Exceptions to this will be on occasions when the affected employee brings the misassignment to the attention of an appropriate supervisor, either at the time or prior to the time the assignment is made. On these occasions, the affected employee will be compensated at the appropriate rates. On occasions where the affected employee becomes aware of a misassignment after the fact and brings it to the attention of the appropriate supervisor, the remedy will be make-up work unless such misassignment was intentional or repeated.

Section 4. *Pay for Work on Sunday.* Effective 9/11/2000 time and one-quarter shall be paid for work performed on the workday Sunday. Effective 9/9/2003, Sunday premium will be eliminated.

Section 5. *Rate on Temporary Transfers.* An employee temporarily assigned for the Company's convenience to a job other than his regular job shall receive his regular rate of pay or the rate for the job to which he is temporarily assigned, whichever is greater. However, when temporarily assigned to a higher paid job, he must work on such job at least two hours before receiving the higher rate. A man working at a higher rate for at least two consecutive hours shall receive the higher rate for the actual hours worked.

If an employee, for his own convenience, is transferred to another job, he shall receive the rate for the job to which he is transferred. If an employee, in lieu of layoff, asks for a lower paid job, he shall be paid the rate of such job.

Section 6. *Call Time.* An employee who is called in to work after clocking out at a time other than his regularly scheduled shift shall be guaranteed a minimum of 4 hours'

pay at his regular straight time rate. An employee so called usually will be allowed to leave after the work for which he was called has been completed. However, such employees may be required to do work of an urgent nature that has developed after the Company has called him.

Section 7. *Reporting Time.* An employee who reports for work at his regular scheduled hour and finds no work available will receive four hours' pay, except when the Company has given notice at least two hours in advance to his home, or has posted notice at least 18 hours in advance or has made reasonable effort to give notice of the lack of work prior to his regular starting time, or when an emergency condition has occurred making it impossible to advise him in advance. An employee who was absent on the previous day without having notified his foreman and who reports for work and finds no work shall not be entitled to reporting pay.

Once a worker filling a regular shift job (not extra work) has started to work a shift, he will not be required to leave before the end of the shift for lack of work. This provision will not apply in emergency situations in which, because of a power failure or other major problems, production in the department has stopped, and it is evident that no further production will be possible for the rest of the shift. However, if it is necessary to retain any employees on that shift in a department for non- production work, they shall be retained on the basis of department seniority of the employees at work on the shift.

Section 8. *Shift Differential.* Regular shift workers will be paid a \$0.25/hour shift differential for the second shift and a \$0.40/hour shift differential for the third shift.

Shift differentials will not be paid to day workers except in the following circumstances:

1. When they replace a regular shift worker on the second or third shifts.
2. When they work a schedule which starts after 12:00 noon, they will receive a shift differential for all hours after the start of the second shift and before the start of the first shift.

Section 9. *Wire Change.* Any employee performing work associated with putting on wires and/or machine clothing during a wire change and/or change of machine clothing, at a time other than his scheduled shift shall receive not less than six (6) hours' pay at his regular straight time rate for the time spent by him in such work. The employee so affected shall also do any work required to be done during the wire and/or machine clothing change or incidental to the shutting down and starting up of the machine preceding and subsequent to the wire and/or machine clothing change.

This shall be applied to the Carolina King when putting on a fabric and/or felts at the wet end.

Section 10. *Jury Service.* When an employee is required to perform jury service, the Company shall reimburse him for losses in wages which occur as a result of such service. Reimbursement shall be limited to the difference between pay received for jury service and his pay for scheduled hours of work.

An employee who reports for jury duty will not be required to report for work on that calendar day with the following exception:

On an employee's last day of jury duty he will be required to report for work on the third shift, if normally scheduled to do so, if he is excused from jury duty by 3 p.m.

The Company will not require an employee to work on the third shift if he must report for jury duty on the next calendar day.

A certificate of attendance and a statement of jury fees received will be required before reimbursement is made.

Hours paid for jury duty will be counted as hours worked for the purpose of computing overtime.

Section 11. An employee will not have his work schedule changed during a workweek for the purpose of avoiding weekly overtime, except for sound operating reasons or except as provided in Appendix "D".

Section 12. Extra work is work which can't be performed by the scheduled work crews.

Extra work for shift workers will be assigned in a manner consistent with the principles of Section 3 and Section 5 of Appendix "D." This clause does not apply to the Maintenance Department.

An exception to the above may be found in the case of certain "restricted testing" work by employees in the Laboratory jobs. As such tests must frequently be done by one employee and require more than one shift to complete, it will often be necessary to do this "extra" work by holding over the employee who started such tests. Such restricted tests will be assigned pursuant to Appendix "E" of this Agreement.

Section 13. Regular shift employees in a department on a shift shall be given preference for overtime work (other than normally scheduled) in the department on the same shift over summer college students who are not serving in classified jobs.

Regular day employees shall be given preference over summer college day employees for all overtime work planned by the previous workday. For other overtime work they will be given preference over summer day employees in their area.

ARTICLE X

Holidays

Section 1. The following days are recognized as holidays:

New Year's Day#	Christmas Eve#
Fourth of July#	Christmas Day#
Easter Monday	December 26#
Labor Day	December 27#
Thanksgiving	Employee's Birthday*
	Floating Holidays**

* An employee may celebrate his birthday holiday on any day during the month in which it occurs provided he notifies his foreman at least one week in advance of the date on which he wants to celebrate his birthday. If the Company finds too many employees in a department chose the same day so it is not practical to man the operation on such day, junior employees will be required to select another day, but no employee will be deprived of the right to celebrate his actual birthday should he so desire.

** An employee may celebrate his floating holidays on any day during the year provided he notifies his foreman at least one (1) week in advance of the date on which he wants to celebrate this holiday. If the Company finds too many employees in a department chose the same day so it is not practical to man the operation on such day, junior employees will be required to select another day.

The anniversary date for floating holidays is July 18. There are three (3) floating holidays.

Any employee hired less than six (6) months prior to July 18 will not be entitled to any floating holiday until after July 18.

When any of the above holidays falls on a Saturday, it shall be celebrated by day workers on the Friday before. If it falls on a Sunday, it shall be celebrated by day workers on the Monday following.

Section 2. All work performed between the start of the first shift on the above-named holidays and the start of the first shift on the following day shall be paid for at time and one-half until 9/9/2002. Effective 9/9/2002, holiday premium will be eliminated.

Section 3. In addition, each employee who meets the eligibility requirements as defined below shall be given 8 hours' pay at regular straight time for each of the above-mentioned holidays. To be eligible for holiday pay an employee:

1. Must have 60 days continuous service with the Company; and
2. Must have worked his last scheduled shift before the holiday, on the holiday if scheduled to do so, and on his first scheduled shift after the holiday; or
3. Be absent on scheduled vacation; or
4. Be absent for compensable mill injury for up to two (2) years or until retirement under Company pension plan or Social Security, whichever is first; or
5. Be absent because of illness or noncompensable accident, provided that such absence has not exceeded three (3) months when the holiday occurs; or
6. Be absent because of illness in the immediate family which requires the employee's presence; or
7. Be absent on a leave of absence which does not last more than four (4) weeks.

Temporary summer student employees are not eligible for such holiday pay.

ARTICLE XI

Vacations

Section 1. Employees covered by this Agreement shall be granted vacations in accordance with the following schedule and eligibility requirements:

- a. Employees who have completed one year of continuous service, as defined in Section 7 of this Article below, shall receive a paid vacation of one calendar week.
- b. Employees who have completed three years of continuous service, as defined in Section 7 of this Article, shall receive a paid vacation of two calendar weeks.
- c. Employees who have completed eight years of continuous service, as defined in Section 7 of this Article, shall receive a paid vacation of three calendar weeks.
- d. Employees who have completed twelve years of continuous service, as defined in Section 7 of this Article, shall receive a paid vacation of four calendar weeks.
- e. Employees who have completed eighteen years of continuous service, as defined in Section 7 of this Article, shall receive a paid vacation of five calendar weeks.
- f. Employees who have completed twenty-five years of continuous service, as defined in Section 7 of this Article, shall receive a paid vacation of six calendar weeks.

Vacation pay shall amount to either 2% of actual earnings during the 52 pay weeks immediately preceding an employee's most recent anniversary date, or forty-four (44) hours' straight time pay at the rate of the employee's permanent job, whichever is greater, for each week of vacation to which he is entitled. Vacation pay is included as earnings for the purpose of this Article.

An employee who works less than 1040 hours during the foregoing 52-week period shall be paid on the percentage basis only. Time not worked due to a compensable injury, up to a maximum of 40 hours per week, shall be counted as hours worked toward the 1040 hours.

Employees who are not eligible for more than two (2) weeks of vacation who have been absent due to illness for a least one continuous week since their last vacation may choose to receive pay in lieu of one of their weeks of vacation, and employees who have been absent due to illness for two such periods since their last week of vacation may choose to receive pay for both such weeks.

An employee may carry any vacation he is due before his last anniversary date before retirement to his retirement date and receive payment at such date.

Section 2. To be eligible for a paid vacation, an employee shall have completed one or more years of continuous employment. An employee may draw his vacation pay at either the beginning or end of his vacation period at his option.

Section 3. Vacations shall be taken during the vacation period established by the Company and within the 52-week period following the employee's most recent anniversary date. Vacations are not cumulative from year to year, but employees entitled to more than one week's vacation may carry over one week of vacation to the following year. The Company reserves the right to schedule vacations so as to meet operating problems. Vacations will, as far as practicable, be granted at the time most desired by the employee. Where practicable, the employee with the longest mill service will be given his choice of vacation time as follows: Employees eligible for more than one week who do not wish to take their vacation in consecutive weeks will be allowed to exercise their seniority for two choices only. The balance of such employee's vacation, if any, will be granted according to mill service when practicable. When two employees have the same mill service, department and job seniority will be considered in that order. If all of these are equal, preference will be given to the employee on the higher job in the progression; however, no employee will be required for reasons of seniority to change his vacation period after it has been scheduled. If operating conditions make it advisable, the Company may select any time during the year for the shutdown of plant operations for the taking of vacations (not to exceed two weeks). In this event, as much notice as practicable will be given and not less than 15 days.

Section 4. Vacations of one, two, three, four, five, or six weeks may be scheduled in separate periods of one, two, three, four, five, or six weeks' duration, as the case may be.

Vacations for day workers will start on Monday. Vacations for shift workers will start either on Monday or the first workday of an employee's scheduled shift week. Shift employees eligible for one, two or three weeks' vacation may take no more than one (1) shift-to-shift vacation per vacation year.

Shift employees eligible for four, five, or six weeks' vacation may take no more than two (2) shift-to-shift vacations per vacation year.

However, such shift-to-shift vacations may not be taken back to back.

Employees with two or more weeks' vacation will be permitted to take one week's (7 days) vacation in units of single days provided they make arrangements with their foreman at least seven (7) days in advance. Permission to take such day(s) off shall not be unreasonably denied.

Employees with three or more weeks' vacation shall have the option of receiving vacation pay in lieu of vacation time off for any time in excess of two (2) weeks.

Section 5. Employees who are terminated from the Company after they have qualified for a vacation in accordance with Sections 1 and 2 above will receive vacation pay in lieu thereof at the time of termination.

Section 6. Returning veterans will be entitled to a vacation on their next anniversary date after their return. A veteran shall be considered as having returned when he has reapplied and is available for work. Vacation pay shall be based either on their actual earnings or on 2080 hours of work at the veteran's rate on his anniversary date, whichever is greater.

Section 7. For the purposes of this Article, for employees with mill seniority, absences due to layoff or leave of absence which do not break mill seniority shall not constitute a break in continuous service. Loss of mill seniority for any reason shall constitute a complete break in continuous service.

For the purpose of determining vacation benefits only, employees with previous unbroken service with the Company before working in the Riegelwood plant will accrue vacation benefits according to their total unbroken service with the Company.

ARTICLE XII

Seniority

Section 1. *Types of Seniority.* All permanent employees shall have three types of seniority as defined below:

- a. Mill seniority for permanent employees is the length of continuous service of any employee with the Riegelwood plant measured from the date he begins work with the Company.
- b. Departmental seniority is the length of continuous service of an employee measured from the date he is assigned to a department on a permanent basis. For purposes of seniority, a department is a job progression.
- c. Job seniority is the length of continuous service of an employee measured from the date he is assigned to a job on a permanent basis. (A man, however, will lose job seniority on a job if he signs a job refusal to such job as provided in Section 4 (e) of this Article.) If a man is promoted to a job on a temporary basis, and such promotion later becomes permanent, his job seniority will date back to the start of his last period of continuous service on such job, provided he is the senior employee in line for such promotion at the time such promotion becomes permanent. If this would give him more job seniority than any other employee in the same classification, he shall be assigned a job seniority date one day after that of the next senior employee in the classification. If the promotion would take him to a new department, his new department seniority date would be the same as his new job seniority date.

When more than one permanent promotion to the same job will be made on the same day, employees will be assigned job seniority one day apart in order of their job seniority on the next lowest job in the progression. When their job seniority is equal, departmental seniority will prevail. When their departmental seniority is also equal, their mill seniority will prevail.

When new jobs are created in a progression, all employees who have job seniority in higher jobs in the progression at the time will automatically be granted job seniority as of that date in the newly-created job.

When an employee is promoted around another job (or jobs) in a progression, he will acquire seniority in the bypassed job(s) equal to his job seniority in the job to which he is promoted; however, the job seniority he so acquires in the bypassed job(s) will be forfeited if he voluntarily requests demotion to the bypassed job(s) or to jobs below the passed job(s) in the progression. If such loss of job seniority in the bypassed job(s) would cause him to lose job seniority relative to any other employees who were previously junior to him, he will be assigned a job seniority date in the bypassed jobs restoring him to his proper relative job seniority.

- d. Where job, department, and mill seniority are equal, then the lowest number, using the last four digits of the competing Social Security numbers, shall prevail.

Section 2. Probationary Period. During the first 120 days of active employment the Company shall be the sole judge of whether an employee shall be continued in employment as a permanent employee. Absences due to leave of absence or layoff shall not be counted towards the 120 days of active employment. When an employee successfully completes his probationary period, his seniority will be dated from the first day of such employment.

Section 3. Temporary Work. Temporary employees other than summer college students will be eligible for group insurance, jury pay, and funeral leave after three (3) months of continuous employment. After twelve (12) months of continuous service they will be eligible for vacations. Any break in continuous service due to lack of work will break continuous service and eligibility for vacations.

Section 4. Promotions. A promotion is an advance from one job to another in the same job progression.

- a. Job progressions are listed in Exhibit "B." Employees will be considered for promotions according to these job progressions. However, when there is a vacancy for promotion on a job, first priority will be given to employees in lower jobs in the progressions who have job seniority in such job, and according to their job seniority.

When a vacancy occurs in a department in which the senior employee is not qualified for promotion, the vacancy will be filled by the most senior qualified employee in (a) the line of progression or (b) the department.

- b. When making a promotion to fill a permanent vacancy, the Company shall take into consideration seniority and ability, and when all factors that constitute ability are approximately equal, then job seniority shall govern. When department seniority is equal, mill seniority will govern.

Should a question arise as to whether or not the senior employee is qualified, and it cannot be resolved by agreement between the Union and Management,

the senior employee will be given a reasonable trial period on the job in question. If after a reasonable trial period it is found that the employee is not performing the job satisfactorily, he will be returned to his former position and will become junior to the next oldest man. He will not, however, again be considered for promotion to the same job in which he has not performed satisfactorily for any vacancy which occurs within six months following his unsatisfactory performance, and after a second trial and a second failure, he will not again be promoted unless Management considers him qualified. (It is understood that if employees cannot get a passing grade on tests for jobs on which tests are required, the employee will not be considered qualified.) In filling the jobs listed below, Management will take into consideration seniority and ability, and when all the factors which constitute ability are relatively equal, then job seniority shall govern:

Recovery Operator
Bleaching & Screening Operator
Digester Washer Operator
Chemical Area Operator

Power Control Operator
Stock Prep & Additives Engineer
Machine Tender
Backtender

c. The procedure for filling permanent vacancies (according to seniority and ability) will not be followed to fill a temporary vacancy, unless it is known in advance that the absence will last more than two calendar weeks. Also, the procedure for filling permanent vacancies need not be followed to fill vacancies caused by scheduled vacations or attendance at field training exercises of the National Guard or the Reserve units of the Armed Forces of the United States which do not exceed 16 days.

(1) To avoid disrupting employees' work schedules, promotions will be made at the start of the workweek when the procedure for filling permanent vacancies is applied, provided the Company has at least three days' advance notice of such vacancies.

- d. *Temporary vacancies.* When making a shift promotion to fill a temporary vacancy, the Company shall promote the senior qualified employee on the next lowest job in the progression on the same shift on which the vacancy occurs.
- e. When an employee, except for reasons of health, refuses either a temporary or a permanent promotion, he will sign a Job Refusal form stating that he has refused such promotion. A copy of this form will be sent to his local Union. By such refusal, the employee forfeits his right to the job to which he refused promotion and to all temporary or permanent promotions to higher jobs in the progression for a period of three (3) years. Such employee will become eligible for promotion after three (3) years. The Company reserves the right to require employees to accept temporary promotions. The Company and the Union agree only as a last resort to force an employee with a job refusal to take a temporary promotion.

If after an employee signs a job refusal a new job is added to the progression immediately above the job which he holds, he will be eligible for promotion to this newly created job only. Employees refusing promotion for

reasons of health must have the agreement of a physician that a physical disability does exist and justifies such job refusal. Such a statement will make an employee ineligible for promotion for a period of six months. The employee's condition must be reviewed at six-month intervals by a physician. Such employee will be eligible for promotion only at the end of one of these six-month periods.

In the future, no classification in a progression division, the training on which is necessary for promotion to the next step, may be blocked by more than seventy-five (75) percent of the employees in the classification who are unable or unwilling to progress in that progression. In a progression where there are four (4) employees or less, then no more than fifty (50) percent of the employees in that classification will be permitted to block the job. Employees with current job refusals will not be forced to promote. However, no one else will be allowed to sign a job refusal in a classification that has more refusals than allowed above, until attrition frees up the classification in accordance with the above requirements.

In the future, employees in the Utility classification will not be allowed to sign job refusals except for reasons of health and split lines of progression. When there are split lines of progression employees in the Utility classification may sign a refusal (temporary or permanent) to choose a line. However, should a situation arise where there are not a sufficient number of Utility to promote in a line of a split progression, the junior utility will be forced.

Section 5. *Demotions.*

- a. Demotions for causes other than inability to do the job will be made in reverse order of job seniority, but employees will not be demoted into jobs for which they are not qualified or which they cannot perform satisfactorily after a short break-in period.
- b. On shift jobs, when demotions are made after the start of the workweek, employees will, when practical, be demoted only on their present shift until the first day of the next workweek (Monday). If the demotions extend into the next workweek, they will be made according to paragraph (a) above.
- c. Employees requesting demotions will be required to sign a job refusal for all jobs through which they request demotion as in paragraph 4(e), and will lose any job seniority they might have in such jobs. However, if such employee requests demotion to a job on which there is no opening, he need not sign a job refusal for such job provided he is demoted to the job immediately below it in the progression. If he requests demotion to a job below the job immediately below such job in the progression, he must sign a job refusal on all jobs through which he is demoted. However, employees so demoted for medical reasons will not be demoted into a job in which there is no vacancy. If none of the employees in the lower job is eligible for promotion, he will be demoted to a lower job from which an employee is eligible for promotion.

Section 6. *Layoffs.*

- a. Layoffs from departments (job progressions) shall be made on the basis of department seniority, but all employees retained must have the ability to perform the job to which they are assigned.
- b. Employees laid off from a department under the provisions of the above paragraph may exercise their mill seniority, and such employees within one week, shall be placed in the lowest job classification in each department of the mill they are capable of doing, provided they meet the established qualifications for the work requirements in the line of progression and provided they do not displace anyone who is not being laid off. (For those progressions leading from the Pulp Mill Utility Pool, the "bottom job in the line of progression" shall be considered to be the Pulp Mill Utility Pool.)
- c. Employees so transferred to other departments in lieu of layoff will retain seniority in their former department for the following periods:

Departmental Seniority on the Date of Layoff	Departmental Seniority Retained for:
Three or more years	Two Years
1 year to 3 years	12 months
3 months to 1 year	6 months

Such employees must return to their former department during the above periods of seniority retention if offered an opportunity to do so.

During the period they are serving in their new department they will accrue conditional job and department seniority in their new department which will govern their job opportunities in their new department. This conditional seniority will terminate if they return to their former department or will become permanent seniority if they lose seniority in their former department.

- d. Layoffs from the mill will be by mill seniority.

Section 7. *Recalls.*

- a. Permanent employees who have been laid off from a department under the provisions of paragraph "a," Section 6 (Layoffs) above because of a reduction in the working force shall be recalled to the department by department seniority.
- b. A permanent employee who has been laid off from the mill under the provisions of paragraph "d," Section 6 (Layoffs) above because of a reduction in the working force shall be subject to recall to the mill on the basis of mill seniority to any lowest job classification throughout all the departments of the mill he is capable of doing, provided he meets the established qualifications and work requirements in the line of progression and providing he does not displace anyone with greater mill seniority. Such employee will, during such layoff, retain his seniority and remain subject to recall for a period of two years if on

the date of layoff he had been continuously employed by the Company for at least three years or

Twelve months if on the date of layoff he had been continuously employed by the Company for at least twelve months or

Six months if on the date of layoff he had been continuously employed by the Company for at least ninety days but less than twelve months.

- c. When a permanent vacancy occurs, the Company will notify the employee in person or by registered mail at his last known address when to return to work. If the employee fails to contact the Company within five days after receipt of his notification, he shall forfeit his seniority rights. If a registered letter addressed to an employee at the last address given by him shall fail to reach him and be returned to the Company, this shall be taken as proof that the employee has failed to keep the Company posted on his address and forfeits his rights to reinstatement. If the employee fails to report for work within seven days of the reporting date, his seniority rights will be forfeited. The employee may, if he has good reasons, arrange for a short postponement of his reporting date.
- d. Employees recalled from layoff to a department other than their own must return to their former department if offered an opportunity to do so while they still retain seniority therein.

During the period they are serving in their new department they will accrue conditional job and department seniority in their new department which will govern their job opportunities in their new department. This conditional seniority will terminate if they return to their former department or will become permanent seniority if they lose seniority in their former department.

Section 8. *Transfers.* A transfer is a change in jobs from one job progression to another.

- a. When an employee is transferred at his own request, he will work a 90-day qualifying period in his new department before acquiring seniority herein, and he shall retain seniority in his former job and department during such 90-day qualifying period. However, an employee so transferred for a temporary Maintenance vacancy will retain seniority in his former job and department until he returns to his former job and department, or until he acquires seniority in the Maintenance Department when he will lose seniority rights in his former department. After such transfer, but before acquiring seniority in the Maintenance Department, he will be offered the opportunity to accept the first permanent promotion to which he is eligible in his former department. If he refuses such promotion and if he remains for over 90 days in the Maintenance Department without acquiring seniority, such employee may not return to his former department, except in lieu of layoff. If he does return to his former department in lieu of layoff, he will return with full accumulated job and department seniority to the job from which he left. Permanent employees transferred for temporary maintenance vacancies, as provided above will, if assigned on a permanent basis, be assigned job and department seniority

dates one day apart which will reflect their relative length of continuous service in the department.

- b. When an employee is transferred for Management's convenience or in lieu of layoff, he will retain seniority in his former department for the following periods:
 - (1) 2 years if on the date of transfer he had at least 3 years' departmental seniority.
 - (2) 12 months if on the date of transfer he had at least 12 months' departmental seniority.
 - (3) 6 months if on the date of transfer he had at least 90 days' departmental seniority.
- c. Transfers Outside Unit: Any employee who is or has been transferred to a supervisory job not covered by the provisions of this Agreement shall retain, but not accrue, seniority for up to one year. Such employee may be returned to any job classification in his former department to which his seniority entitled him. Employees transferred to non-supervisory jobs shall retain seniority for three months.

Any employee promoted to a temporary supervisory job will accumulate seniority in their department for a period of twelve (12) months. Such employee will not be returned to his/her former position for the purpose of beginning a new period of promotion. During that period he/she may return to his/her former position at his/her option. Other employees affected as a result of this return, may assume their former position. The twelve (12) month period does not apply when an employee is filling a supervisory vacancy due to illness, vacations or leave of absence. The twelve (12) month period may be extended by mutual agreement.

- d. When filling entry level jobs, the Company will give preference to employees requesting transfer who meet the qualifications for the job and have good work records. Mill seniority will be given substantial consideration. However, when making a selection, the Company must also consider the operating needs of the departments from which employees are requesting transfer. When a number of employees from one department request a transfer, the Company, when making its selection, will also consider the effect of such transfer on the departments from which the employees are applying for transfer.

If temporary employees are hired into an entry-level job for a temporary work project, they will not be given seniority in the department until all qualified permanent employees who had already applied for transfer to that department have been transferred to and given seniority in the department involved.

Employees who want to apply for transfer shall apply to the Human Resources Department.

Section 9. *Loss of Seniority.* An employee shall lose seniority based upon discharge for cause or other termination as follows:

- a. Voluntary termination.
- b. Failure to return from leave of absence on the day following its expiration without an acceptable excuse.
- c. Failure to report from layoff after recall in accordance with the provisions of Section 7.
- d. When an employee has been absent for more than 7 calendar days without reporting to the Company, it will be assumed that he has quit and his employment will be terminated.
- e. When laid off for extended periods as specified in Section 6.
- f. An employee demoted from a job because of lack of ability or poor performance will lose seniority on such job.
- g. Retirement (except for a disability retirement when the employee later returns to work).

Section 10. Nothing in this Article shall require the Company to continue any operation or classification listed in Exhibit "B," or to have employees in all such classifications, or forbid it to establish other operations or classifications.

Section 11. *Veterans Reinstatement.* Veterans returning from military service are entitled to be reinstated with full seniority as soon as they can be qualified for the job that they could reasonably have been expected to have attained had they not been in the military service.

- a. When veterans return from military service, they will be assigned to the highest job for which they were qualified before they went into the service, provided their seniority entitles them to such job.
- b. If they are entitled to promotion to a higher job or jobs, they will be promoted to these higher jobs through their job progression as quickly as they can qualify, bumping employees with less seniority, if necessary.
- c. The veteran will be considered as having retained mill, department, and job seniority during his military leave of absence. On jobs which he had not held while in the service, he will be assigned a job seniority date one day senior to that of the most senior employee who bypassed him while he was in the service.

A veteran will be considered as having returned to work when he has applied and is available for work.

ARTICLE XIII

Insurance

The Company will continue to provide the current POS plan of benefits.

The Company and the Union will continue to share premium increases equally based on the following calculations.

- a. Employee premiums in 2001 will be 50% of the difference in total health care costs in 2000 over 1997 capped at 20% of total healthcare cost in 2000 as outlined in the 1995 labor agreement.
- b. Employee premiums in each subsequent year of the agreement will increase by 50% of the difference in total health care costs over 1997.

The Summary Plan Description is the controlling document for the Plan. The only proposed change in the Plan is to increase dependent eligibility from 23 if a full-time student to 25 if a full time student. This also includes unmarried dependent children who are mentally or physically incapable of self-support and who become disabled prior to reaching age 19. All other provisions of the Plan remain unchanged.

The Company and the Union have established an insurance committee for the purpose of educating the workforce on wise uses of healthcare dollars, to control health care costs, and recommend future changes to the Plan.

Prescription Drugs:

There will be a \$10 per prescription employee copayment in each year of the agreement for up to a 34-day supply of prescription medication listed in the UHC Formulary and obtained through the Resource Network Pharmacy. There is an annual maximum of \$4100 per person.

Express Pharmacy:

The Company agrees to continue for the duration of the labor agreement the Express Pharmacy mail order drug program providing up to a 90-day supply of maintenance prescription drugs for a single copayment. The copayment will be up to \$7.50 for generic or up to \$25 for brand name if no generic is available. If brand name is required when generic is available the covered person will be responsible for the difference in cost up to \$65.

Dental Benefits:

The current comprehensive dental plan will remain in effect for the life of the agreement. The Company will continue to pay 100% of the cost of employee only coverage. All future increases in family coverage premiums will be paid by the employee.

Mental Health/Chemical Dependency Benefits:

Mental health/chemical dependency coverage will be provided through Riegelwood Employee Assistance Program. The current Plan Provisions will remain in effect for the life of the agreement.

ARTICLE XIV

Pensions

Effective October 1, 2000, the pension plan is subject to the terms and conditions of the Primary Mill Joint Pension Council.

ARTICLE XV

Leave of Absence

Section 1. Voluntary leave of absence not exceeding eight weeks may be granted for good cause. The Company will provide to the Union a copy of any leave of absence of two or more weeks' duration.

Section 2. *Funeral Leave.* At the request of an employee, a leave of absence not exceeding three days with pay will be granted when death occurs in the immediate family--that is, wife, husband, child, mother, father, sister, brother, mother-in-law, father-in-law, stepmother, stepfather, stepchildren, and grandparents. Payment shall be made at straight time for any three of the employee's scheduled days of work, starting with the day of death through the day after the funeral. Days thus credited and paid will be counted as days worked for the purposes of computing overtime pay for hours worked thereafter in that workweek. At the request of an employee, a similar one-day leave of absence will be granted when a death occurs to sisters-in-law, brothers-in-law, grandparent-in-law, grandchildren, sons-in-law, or daughters-in-law.

Section 3. *Leaves for International Union Business.* An employee selected for permanent employment with the International Union may be granted once during his tenure of employment with the Company a leave of absence not to exceed two years. Not more than one employee shall be on such leave at any time. Seniority shall continue to accrue during the period of such leave of absence.

A request for such leave shall be made in writing by an officer of the International Union at least two weeks in advance of the date on which such leave is to become effective.

An employee on such leave of absence who intends to return to the employ of the Company shall notify the Human Resources Leader of such intent at least two weeks prior to the end of his leave period. An employee who fails to give notice as provided above or who, having given such notice, fails to return by the end of his leave period, shall be deemed to have quit.

In addition to the above, upon the written request of the President of the Local Union, the Company will grant one other employee a leave of absence for Union business up to a maximum of two years.

Section 4. *Military Leave.* Employees who are members of the National Guard or a reserve unit of the Armed Forces of the United States who are required to attend field training exercises as members of an organized unit shall be granted a leave of absence for this purpose. An employee on such leave of absence shall be paid the difference between the amount received from the United States Government (*i.e.* base pay plus longevity and rations allowances where applicable) and the amount he would have received for performance of his regularly scheduled work at his regular straight time hourly rate during the period of the leave not exceeding 16 days.

Employees who are members of the National Guard or a reserve unit of the United States who are called to active duty for local or national emergencies, riots, or civil defense will be entitled to the benefits outlined above for a period not to exceed 20 days.

Section 5. Leaves of absence to hold political office may be granted by mutual agreement of the Company and the Union.

Section 6. *Maternity Leave.* Women who leave work because of pregnancy and who state at the time that they intend to return shall be placed on maternity leave of absence. They should give their supervisor at least two weeks' advance notice of this desire for pregnancy leave. (In case of unforeseen medical problems, a shorter advance notice will be accepted.) The start of such leave of absence must be based on the determination of their physician considering the employee's job duties and physical condition.

Normally such leave of absence will end on the Monday following six weeks after delivery of the baby. Any extension beyond this period must be based upon her physician's statement that the employee is unable to return to work. In such cases, her leave of absence will be extended until her physician declares she is able to return to work.

Should the employee not be able to return to work six weeks after the delivery, she should notify the Company in advance.

Should the employee not return to work by the Monday following six weeks after the delivery, she will be considered as having quit unless her leave of absence has been extended as provided above.

ARTICLE XVI

Tools

The Company will provide an annual tool allowance of \$175 to be paid in January. Employees eligible for the tool allowance will be expected to have and maintain tools per the published tool list at the employee's own expense.

Anyone employed as of January 27, 2000 and who enters the maintenance department will be eligible for the tool allowance. The Company will furnish the initial set of tools for those employees.

Any employees hired after January 27, 2000 and who enter the maintenance department shall be responsible for furnishing their initial set of tools per the published tool list and shall have said tools replaced on an as needed basis by the Company in lieu of a tool allowance.

It shall be the individual responsibility of each employee to ensure that their tools are of quality and condition so as to meet all appropriate safety standards.

The Company will make available to appropriate employees any tools necessary for job performance that are not on the tool list. If additional tools are required (e.g. metric sockets), they will be supplied by the Company then become a part of the employee's tool list.

ARTICLE XVII

Bulletin Boards

Union notices may be posted on bulletin boards designated by the Company. Before posting, such notices must be officially signed by an authorized representative of the Union and must have the approval of the Human Resources Leader

ARTICLE XVIII

Meals

Section 1. An employee unexpectedly required to work more than two hours beyond his regularly scheduled work period is entitled to a meal provided he returns to work after eating his meal.

Section 2. Employees scheduled in advance to work 12 hours or more will be entitled to a meal if they work beyond 12 hours.

Section 3. When an employee is held over for extended periods beyond the above, he will be entitled to a meal at approximately six-hour intervals, provided it is necessary for him to return to work after each meal. Time required to eat all such meals will be paid for as time worked.

Section 4. Any employee who works over off the third shift will be entitled to a breakfast and lunch provided he returns to work after each meal.

Section 5. When, upon the request of a supervisor, employees who are entitled to a meal under this section elect not to take time out for their meal, but continue to work until the job is complete, they will be paid one-half hour's pay at their appropriate rate for their meal period.

Section 6. If a day worker is unable, because of job requirements, to start his lunch period before 1:00 p.m., he will eat his lunch on Company time. If he is able to start his lunch before 1:00 p.m., he may take a half-hour lunch period on his own time. A day worker, who, because of job requirements, starts his lunch period after 12:00 noon, but before 1:00 p.m. may, voluntarily, take a shorter lunch period. If he does voluntarily take a shorter lunch period, he will be paid for the time worked. If a day worker is required to take a lunch period of less than one-half hour, he shall be paid for the entire lunch period.

Section 7. If any employee is called in and instructed to report to the mill without delay so that he cannot eat before coming to the mill or prepare a meal to bring to the mill, he will be entitled to a meal if he works through a regular meal period. Regular meals are 7:00 a.m., noon, 6:00 p.m., midnight, and 4:00 a.m.

ARTICLE XIX

Mill Rules

Copies of mill rules are attached hereto and are understood by the Company and the Union to be a part of this Agreement. These rules may from time to time be revised or supplemented with the understanding that any such revision or addition shall not conflict with the provisions of this Agreement. Any action taken by the Company in connection with the application of the mill rules is subject to the full grievance procedure as provided in this Agreement.

ARTICLE XX

Check Off

Subject to the provisions of state and federal laws, the Company agrees to make a payroll deduction of current normal monthly Union dues of employees who are members of the Union commencing in the calendar month following receipt of an authorization signed by the employee in the following form.

This authorization shall become effective the month following the application and will be subject to revocation during the two-week period preceding the anniversary date of this Contract.

In the event the State or Federal law is changed which makes it legal to negotiate a payment of fees to the local union as a condition of employment, the Company will deduct monthly from each employee covered under the jurisdiction of Local 2-738, an amount equal to but not to exceed the amount set forth by Local 2-738 as Union dues.

Authorization for Deduction of Union Dues

I hereby assign to my Local Union affiliated with the PACE International Union from any wages earned or to be earned by me, the amount of my monthly dues and initiation fee in said Union.

I authorize and direct any employer to deduct such amounts from my pay each month and to remit the same to the order of the financial secretary of my Local Union in accordance with the terms of this Agreement.

This assignment, authorization and direction shall be irrevocable for a period of one year from the date appearing below or until the termination date of the current collective bargaining agreement between the Company and the Union, whichever occurs sooner, and I further agree and direct that, regardless of my membership status in the Union, this assignment, authorization and direction shall be automatically renewed and shall be irrevocable for successive periods of one year each or for the period of each succeeding applicable collective bargaining agreement with the Union, whichever shall be shorter, unless written notice is given by me to the Company and the Union not more than thirty days or less than ten days prior to the expiration of each period of one year or of each collective bargaining agreement, whichever occurs sooner.

DATE _____
SIGNATURE OF EMPLOYEE _____
NAME (PRINT) _____
PACE LOCAL NO. _____
ADDRESS _____
CITY AND STATE _____
SOCIAL SECURITY NO. _____
CLOCK NO. _____
EMPLOYED BY _____
DEPT. _____

It shall be the sole obligation of the Company to remit sums deducted to the designated Financial Secretary of the local Union. The Union shall keep the Company harmless against all claims, demands, or other forms of liability that may arise out of the Company's compliance with this Article.

If an employee revokes his authorization, the Company will so notify the Union.

ARTICLE XXI

General

Section 1. It is the policy of the Company that supervisory personnel are not normally to perform work customarily assigned to employees covered by this Agreement and supervisors are not expected to displace such employees.

However, the Parties hereto recognize that occasions will arise that require supervisory personnel to perform certain work in the interest of orderly and efficient operation. Such occasions may include the failure or inability of employees to do the particular work; emergencies or unforeseen circumstances where failure to act promptly might result in harm or damage to personnel, plant, or equipment or loss of production; testing materials or production methods; correcting defective work; or for the purposes of instruction or training.

Section 2. An employee who is absent from work as a result of a compensable injury or illness, will, for the inclusive period of such absence, not to exceed 39 weeks, receive as a supplement to the Workers' Compensation allowance, an amount equal to the difference between the Workers' Compensation allowance and his appropriate Accident and Sickness Benefit under the Group Insurance Program for such inclusive period.

Section 3. Once an employee is temporarily promoted to a supervisory position, he will be considered a supervisor for the purposes of this section for the entire period of such promotion and will be limited by the above restrictions. However, the employee may, during the first or last 24-hour period of such promotion only, serve as both a supervisor and non-supervisor with the following exception: An employee promoted to a day supervisory job may not work again as an hourly employee within the same workday as his promotion. For the purpose of this clause, the same principle will apply to employees working in any job not included in the bargaining unit.

When a day journeyman is temporarily promoted to a day supervisory position on a weekly or multiweekly basis, he will usually become available for non-supervisory work after he leaves the mill on his last Friday as a supervisor. However, if he is assigned to work an extra day or two as a supervisor, he will become available for non-supervisory work after leaving the mill on Saturday or Sunday on the completion of his assignment as a supervisor. A shift journeyman so assigned will have the same rights to non-supervisory work as a day journeyman and will be available for call-ins as a day worker until the end of the workweek.

Section 4. An employee who has been absent from work because of an injury on the job shall present a written release from his attending physician upon return to work.

Section 5. For absences due to non-work related illness or injury, when the employee has been absent for eight (8) days or more the employee must present a release to work from his/her physician to Health Services.

For absences due to non-work related illnesses or injuries that involve hospitalization, fracture, or back injury, the employees must comply with the return to work procedure above regardless of the length of time off from work.

If their performance causes the Company to feel that they are not in good physical condition, they will be sent to Health Services for examination by the nurse or Company physician.

Section 6. Swapping of shifts shall be done only with the direct permission of one of the employee's immediate supervisors. Employees agreeing to swap shifts must sign a shift trading agreement which includes the following:

"We the undersigned, request permission to trade shifts. We waive all rights to overtime, other than statutory, caused by this change in shifts. We do not have job refusals to these jobs. We forfeit all rights to temporary promotions on the traded shifts, except for the rights of the employee with whom we traded, however, no employee will be promoted into a job to which he/she has a job refusal."

When swapping of shifts will cause weekly overtime, it will not be permitted.

Section 7. An employee shall not be required to work overtime against his will to fill a vacancy caused by the absence of a supervisor.

Section 8. Employees absent for one week and longer must keep their departments advised on a weekly basis when they hope to return to work.

For certified long-term absences, arrangements will be made to keep the Company advised of the employee's status.

Section 9. Reels coming off one paper machine will not be transferred to the winder of another except in unusual circumstances when it is necessary to maintain production and/or efficient operations. When it is considered necessary to do so, the affected crews will be informed of the reasons in advance.

Section 10. "Emergency" means an unforeseen combination of circumstances which call for immediate action.

Section 11. The Company will promptly issue updated seniority rosters as of January 1 and June 30 of each year.

Section 12: Jurisdictional Restrictions.

There will be no jurisdictional restrictions between classifications in the Riegelwood Mill, including production vs. production, maintenance vs. maintenance, and production vs. maintenance. Any employee may be assigned to perform temporary work which he/she is trained and qualified to safely perform.

The above language supersedes all existing language, positions statements, special agreements, letters of instruction, grievance answers or arbitration awards or any other source related to jurisdictional work assignments prior to September 8, 2000.

The Company agrees that no employee will be laid off, terminated or suffer a reduction in wage rate or classification as a result of the implementation of this provision.

ARTICLE XXII

401(k) Plan

Employee 401(k) Savings Plan – Employees can contribute up to 16% of W-2 earnings before or after taxes which can be directed to any of eight (8) investment options. The Company will contribute an amount equal to 50% of the first four (4) % invested by the employees. Specific terms and conditions will be contained in the document.

IN WITNESS THEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives this 22nd day of September, 2000.

INTERNATIONAL PAPER
COMPANY, INC.
Riegelwood Mill
J. Scott Grimes
Mill Manager, Riegelwood Mill

John B. Halbert
Human Resources Leader
Riegelwood Mill

PACE
INTERNATIONAL UNION
AFL-CIO
Nancy Bradley
International Representative

Robert Joyner
President
Local 2-738

MILL RULES

I. Attendance

- A. Every worker must be in his place ready to begin work at the designated time. No employee shall leave the premises during his scheduled working hours without first securing permission from his foreman. Employees leaving the mill, except on Company business, must punch out on their time card.
- B. Shift workers shall remain at their stations in working clothes until properly relieved. Should a shift worker's relief fail to report, the employee will notify his foreman. If no shift promotion is to be made, the employee will be offered the opportunity to work as provided in Appendix "D," Section 3, A(2)b. If the late relief finally reports to work, he may be sent home if the covering employee wants to remain on the job.
- C. If a shift promotion is to be made, it will be made as promptly as possible to insure that employees from the previous shift will be relieved promptly.
- D. It is the duty of every employee to report for his scheduled shift. When a tour worker is unable to report for work, he will notify the gateman four hours ahead of time. If he is not able to notify the gateman in advance, he will notify him as soon as it is possible to do so and tell him the reason for his absence and the probable length of absence. Day workers who will be absent must notify the mill prior to starting time. When employees call to report absences, they should be sure to inform the gateman of the specific reason for their absence and, as accurately as possible, how long they will be absent.
- E. When an absent worker becomes able to return to work, he must notify the gateman at least four (4) hours ahead of time. (For the purpose of applying this clause, day workers in shift progressions will be considered shift workers.)

Because of the rescheduling problems involved, absent employees whose jobs have been filled by permanent-type (seniority) promotions must give the Company the longest possible advance notice of their expected return, but no less than four (4) hours.

- F. In their relations with each other, all employees (both supervisory and non-supervisory) are expected to conduct themselves in a courteous manner.
- G. When an employee is absent from work for seven or more consecutive calendar days without reporting to the Company, it will be assumed that he has quit and his name will be dropped from the payroll.

II. Causes for Disciplinary Action

When an employee is sent home from the mill for alleged misconduct, he will be given the reason orally and, within two (2) working days (not counting Saturday, Sunday, or a holiday) will be informed in writing of the specific violation with which he is charged. The Union will be sent a copy of such letter.

An employee may be disciplined or discharged for just cause arising out of but not restricted to the following:

- A. Repeatedly reporting late for work.
- B. Failing to report for work without giving due notice to the supervisor so that a substitute may be obtained.
- C. Bringing intoxicants into the mill (including marijuana, heroin, or other intoxicating drugs).
- D. Reporting for duty while under the influence of liquor, marijuana, heroin, or other intoxicating drugs.
- E. Careless work that causes customer's complaints or rejection of product.
- F. Damage to equipment through abuse, indifference, neglect, or carelessness.
- G. Repeatedly failing to produce sufficient work.
- H. Fighting, horseplay, and habitually annoying other employees.
- I. Neglect of duty.
- J. Smoking in restricted areas in plant.
- K. Destruction, removal, or waste of Company or employee property.
- L. Refusal to obey orders, or abide by Company rules, including safety rules.
- M. Defacing bulletin boards or any material thereon.
- N. Intentional failure to punch own time card or intentionally punching another person's time card.
- O. Dishonesty.
- P. Refusal of treatment of contagious disease which presents health hazards to other employees.
- Q. Offering or taking a bribe in connection with employment.
- R. Bringing firearms or lethal weapons into plant.

III. General

- A. No one may take any material or equipment out of the mill without a pass. Personal clothing and lunch boxes are exceptions to this rule. Employees must offer incoming and outgoing packages to the gateman on duty for examination upon request.
- B. If an employee changes his address, he must report it promptly to his superintendent's office.
- C. If an employee's marital status or the number of his dependents change, he must report the change immediately to the Human Resources Department.
- D. Each employee is expected to do his part to keep the area and equipment around his work station clean and in order.
- E. All employees will observe the safety rules pertaining to their jobs.
- F. Each year all reprimands over three years old will be removed from all employees' personal files.

ITEMS FOR DISCUSSION

An employee whose work schedule does not permit him time to vote when the polls are open, will be given time off without pay to vote if requested.

Employees elected or appointed to public boards will, upon request, be given reasonable time off without pay to serve on such boards.

The Company will provide disposable coveralls for painters spraying and applying mastic behind sandblaster.

At such time as the Company purchases new Dump Trucks, Dempster-Dumpster Trucks, Winch Trucks, Switching Tractors, or Quality Control Trucks, there will be an air conditioning unit incorporated in such purchase.

The Company will, to the extent practical, assign apprentices where they are needed in the mill. When this assignment is not practical, apprentices will be assigned to areas to fulfill the time requirements of the Apprenticeship Program. It is recognized such assignment may displace a journeyman on a temporary basis.

In interpreting ARTICLE XXI, Section 7, page 37, the Company will review schedules each Friday to assure that the scheduling of shift promotions for the next week to fill supervisory vacancies will not create overtime in any classification in the progression. Overtime caused by absences due to birthday holiday, floating holidays, or day-by-day vacations (up to a maximum of two days) will not prevent the scheduling of such shift promotion.

The sickness and accident benefits of an employee who has been temporarily promoted for at least 30 calendar days will be based on the rate of the job to which he has been temporarily promoted.

We will honor the weekly sickness and accident benefit claims of employees going to the emergency room provided they submit to us a signed statement on official stationery by the attending physician instructing them to remain away from work for a specific number of days up to seven.

Employees laid off for lack of work who are covered by insurance will continue to be covered by medical, dental, and life insurance for three months.

Employee contributions for dependents' Dental insurance will be waived for employees who are unable to work because of sickness or injury for up to six (6) months.

The Company will pay cost of medical and dental insurance for a totally disabled employee and dependents for up to two years or until he becomes eligible for Medicaid or Medicare, whichever occurs first. If you retire under the disability provisions of the pension plan and are also eligible for early or normal retirement, you may purchase health care coverage for your spouse after your Medicare eligibility by paying the rates required by the labor agreement for a maximum of 10 years which backdates to the date of retirement. This coverage ends with the death of the employee.

Anyone retiring on or after 9/01/2006 will pay the full cost of retiree health care coverage.

The Company will arrange and pay for medical examinations deemed necessary by the insurance carrier to extend life insurance and/or disability benefits for disabled employees. Such examination will be limited to the specific data required to determine

whether the disability for which the employee is receiving benefits still exists. The Company or the insurance carrier will notify such employees when physical examinations are required.

When there is a question whether an injury is or is not compensable, arrangements will be made to pay the weekly sickness and accident benefits under the Group Insurance Plan until the question is settled. If the injury is found to be compensable, and if the amount of weekly sickness and accident benefits exceeds the amount of Workers' Compensation benefits which are due the employee, the employee shall return the difference to the Company. To receive these weekly sickness and accident benefits, the employee must sign an agreement covering this method of payment.

Company will pay for automobile mileage and normally scheduled wages lost for an employee when appealing a Workers' Compensation claim to the Industrial Commission.

Change from a weekly to a biweekly pay cycle effective no earlier than 1/1/2001. Prior to converting to a biweekly pay cycle, the Company and the Union will meet to discuss transition issues and to work out potential problems. Should problems arise after the implementation of bi-weekly pay, the Company and the Union will meet to address the problems.

The PACE International Union and it's affiliated Local 2-738 will genuinely encourage it's members to participate in the job-related activities including but not limited to safety, quality, and training.

When the Company and the Union agree to establish committees, teams, groups, individuals etc., in accordance with the above that will include hourly employees, the Union will be asked to select the qualified hourly participants (with exception of ERT members). The Union will determine the length of time individuals will serve on these committees. The Company and the Union will jointly establish the guidelines by which those groups will operate.

Implement a Drug Free Workplace. Drug Policy Includes:

- Random drug testing—25% of population annually, 1/12 of 25% monthly
- Post-incident drug testing
- For-Cause Testing

Details of the policy are contained in the Drug-Free Workplace Procedures.

Retiree Health Care

A. Current Retirees

Employees who retired between the ages of 55 and 61 with at least 15 years of service prior to 9/9/95 will continue to pay \$170 per month for single coverage, \$340 per month for Retiree+1 and \$435 per month for Retiree+2.

Those employees who retired between the ages of 55 and 61 between 9/9/95 and 9/9/2000 will continue to pay \$200 per month for Retiree and \$400 for Retiree+1.

Those employees who retired between the ages of 62 and 65 between 9/9/95 and 9/9/2000 will continue to pay active rates.

B. Future Retirees

1. The Company will provide health care coverage for employees on the following basis:

- a. No dental coverage for retiree or spouse.
- b. No health or dental coverage for children.
- c. The same health care Plan as active employees.
- d. The retiree will pay cost of health care coverage as outlined below. Anyone retiring on or after 09/01/2006 will pay the full cost of health care coverage.

In any case, coverage will terminate when the employee becomes 65 years old and will terminate for the spouse when the spouse reaches age 65 or 10 years from the date of the employee's retirement, whichever occurs first. Required deductions for such coverage will be made from the employee's monthly retirement checks upon authorization by the retired employee.

If during the life of this labor agreement the spouse loses coverage after the 10 year period or upon the death of the employee and is not eligible for Medicare, coverage may be extended to age 65 or Medicare eligibility by paying a contribution of \$200 per month. This additional period of eligibility will end if the spouse 1) is or becomes eligible for coverage under another employer's plan, 2) remarries 3) becomes eligible for Medicare or 4) does not pay the contribution within the required time.

Those employees who retire between the ages of 62 and 65 will have the active plan at active rates.

Those employees who retire between the ages of 55 and 61 will have the active plan at a monthly premium of \$200 for retiree coverage only and \$400 for retiree and spouse.

Life/AD & D insurance will be \$37,000.

The Company will provide an optional group universal life insurance plan for dependent life and AD&D insurance coverage.

The retiree life insurance for anyone retiring after 9/9/1992 is \$5,000.

Schedule of Basic AD&D Benefits

Type of Covered Loss	Level of Benefit
Death	Full benefit
Loss of sight in both eyes, hearing and speech, both hands, both feet, total paralysis from the neck down (quadriplegia) or any combination of these losses	Full benefit
Loss of sight in one eye, hearing or speech, one hand, one foot or paralysis of half the body (paraplegia or hemiplegia)	One-half of the full benefit

Important Note – Loss of a hand or foot means severance through or above the wrist or ankle joint. Loss of hearing, speech or sight means a complete and irrecoverable loss.

The maximum benefit for all covered losses resulting from a single accident cannot be more than the full amount of your Basic AD&D insurance coverage.

Weekly Indemnity Coverage:

If the Plan pays benefits which are the legal responsibility of another person or organization because of an accident or because of other circumstances, the Plan is entitled to reimbursement and recovery of the total amount of the benefit payments which the Plan makes to you.

If you have returned to work after a period of disability and are disabled within 92 days due to the same or a related cause, your subsequent disability will be considered a continuation of your original period of disability.

Schedule of Benefits

<u>Basic Wkly Compensation</u>	<u>Weekly Indemnity Effective: 09/09/2000</u>
\$440 but < 460	\$265.00
\$460 but < 480	\$270.00
\$480 but < 500	\$275.00
\$500 but < 520	\$280.00
\$520 but < 540	\$285.00
\$540 and over	\$290.00

The Company will notify the Union of death benefit settlements within 60 days of such settlement.

APPENDIX "A"

MEMORANDUM OF AGREEMENT
between
UNITED PAPERWORKERS
INTERNATIONAL UNION
AFL-CIO & CLC AND ITS LOCAL 738
- and -
FEDERAL PAPER BOARD COMPANY , INC.
RIEGELWOOD MILL

"Minority Group" employees are defined for the purposes of this Memorandum as all black employees who were in the employ of the Company on July 2, 1965, but shall also include any black employees who were thereafter directly hired into the Woodyard and Building and Grounds Departments before a merger of these lines of progression with other progressions on July 18, 1970.

In making temporary or permanent promotions to fill a vacant job under Article XII, Section 4, of the labor agreement, or demotions under Article XII, Section 5, where minority group employees are in competition with other employees, the Company will make such selection in the normal sequence of the job progression involved from among the qualified employees being considered, on the basis of mill seniority. When minority group employees compete with each other, the terms of the labor agreement shall apply. If minority group employees are eliminated from competition and there remain more than one nonminority group employee in competition, seniority as provided in the labor agreement shall apply.

In laying off employees or recalling employees under Article XII of the current labor agreement, where minority group employees are in competition with other employees, the Company will do so using mill seniority provided the employees retained for work or recalled to work shall have the ability to perform the job required. When minority group employees compete with each other, the terms of the labor agreement shall apply.

In WITNESS THEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representative this 20th day of November, 1981.

FEDERAL PAPER
BOARD COMPANY, INC.
Riegelwood Operations

UNITED PAPERWORKERS
PAPERWORKERS INTERNATIONAL
UNION, AFL-CIO, CLC

C. C. Peters
Vice President-Manufacturing

Henry E. Gardner
International Representative

R. H. Aranow
Personnel Manager

W. Eugene Brown
President-Local 738

APPENDIX "B"

OPPORTUNITIES FOR OVERTIME FOR DAY JOURNEYMEN

When overtime opportunities arise for maintenance work in the various areas of the mill, the work will be assigned in accordance with the established work rules.

APPENDIX "C"

Section 1. No maintenance work will be done by other than mill employees until all factors, such as the availability of qualified employees, the necessary equipment, and the time requirements for such work have been carefully considered. No regular maintenance employees will be laid off or caused to lose any normally scheduled time as a result of using such outside help. Further, no contracts for such work will be let until the Company and the Union Committee have discussed the situation (time permitting).

If, after this discussion, it is decided to contract out the maintenance work, the Union Committee will be given, in writing, a general description specifying the work to be contracted out. Once the above discussion obligations are met, it remains the company's prerogative to assign such work to outside forces.

The above language may be subject to the grievance procedure as provided for in Article VI of the labor agreement.

Section 2. During the start-up of a new installation, there is almost always a period of time when repairs and changes must be made because of faulty construction and poor design. Also, often we start up equipment knowing that all parts of the installation are not yet complete.

We consider repairs and changes due to poor workmanship or faulty design as part of the construction project, as well as the completion of the unfinished parts of the project.

To avoid misunderstandings and confusion, and to phase out construction workers as quickly as practicable, we will meet with the Union Committee before the start-up of the installation (if it has been constructed by a contractor). At this meeting we will discuss the status of the project and how we plan to handle repairs and changes during the start-up phase.

If, after the start-up, we find considerable faulty work or design problems which might extend the construction phase of the project, we will again meet with the Union Committee to discuss the status of the project. At this meeting we will consider the

feasibility of completing part or all of the construction work with our own maintenance people with the objective of phasing out the construction crew as quickly as practical.

After each new individual piece of such equipment has been in production for four weeks, its repair shall be considered maintenance work. However, if manpower needs are such that our Maintenance crafts are unable to meet the needs of the start-up of this new equipment, while working substantial overtime, this "maintenance work" will have to be contracted out as per Section 1 of this Appendix. Uncompleted parts of the construction project will continue to be considered construction work.

A general list of uncompleted work projects will be submitted to and discussed with the Union Committee within thirty (30) days after the start-up of the project. Within six (6) months a general list of items caused by faulty design or poor workmanship will be submitted to and discussed with the Union Committee.

Any items added to these lists after these periods will not be considered part of the construction project.

The provisions of Appendix "C" will expire no more than 12 months after the start-up of the project. If the Company feels that it will be necessary to keep construction people on the project after 12 months, the problem shall be discussed with the Union on the basis of availability of qualified employees under Section 1 of this Appendix.

APPENDIX "D"

FILLING VACANCIES ON SHIFT

Section 1.

- A. For the purpose of this Appendix, when there is more than one employee in the same classification per shift, each employee will be assigned a specific number or other designation (except for paper testers and process testers).
- B. All telephone calls required by this Appendix will be logged indicating telephone number and time called.
- C. The employee on the "off shift" is defined as an employee whose shift would not be scheduled to work on a particular workday if his regular shift schedule were in effect. This will be true regardless of the schedule the individual shift employee might be working on any particular day.
- D. Employees need not be called on the phone unless they have a telephone in their house and have registered the number with their supervisor.

Section 2. The procedures outlined in Sections 3, 4, 5, and 6 apply only to the following progressions:

Woodyard
Power and Recovery
Caustic and Lime
Cooking and Washing
Pulp Drying and Shipping
Bleaching/Screening/Chemical
Technical
Paper Machine
PS&D
Stores

Section 3.

A. Vacancies on shift jobs will be filled by one of the following procedures:

(1) Promoting on Shift

Promoting on shift won't be used when such promotions will cause overtime on any job in the progression.

(2) Filling Vacancies at Overtime

(a) When the Company has at least 2-1/2 hours' advance notice before the official starting time of the shift, the following procedures will be followed:

1. Call the employee in the same classification on the off shift.
 - a. When a supervisor knows a day or more in advance of a vacancy to which an employee on the off shift will be entitled, he will give such employee advance notice that such work will be available either by offering him the work while he is on the job or by telephoning him at his home. If the employee cannot be contacted or a message delivered by the first telephone call, at least one additional call will be made to the employee's home. In any event, if the employee has not been contacted, a final call will be made during the shift preceding the vacancy.
2. If the vacancy isn't filled by the procedure above, the employee on the previous shift will be offered the opportunity to fill the vacancy.

3. If the employee on the previous shift doesn't elect to fill the vacancy, he must remain on the job until properly relieved, and the work will be offered to any employee in the classification who is within the confines of the department. However, a day man will not be used to fill a shift vacancy.
4. If the vacancy can't be filled by the above procedure, the work will be offered to the employee with the same job assignment on the oncoming shift.
5. If the vacancy still isn't filled, the foreman will be free to fill the vacancy with anyone in the department. This includes those who have been out of work because of sickness or injury, but they may be offered work only in their own classification. If, to fill the vacancy under the provisions of the above, the foreman elects to use the telephone to contact other employees, he will call the employees in the classification in which the vacancy exists before calling other employees.

(b) When the Company has less than 2-1/2 hours' advance notice:

1. The employee on the previous shift will be offered the opportunity to fill the vacancy.
2. If the employee on the previous shift doesn't elect to fill the vacancy, he must remain on the job until properly relieved, and the work will be offered to any employee in the classification who is within the confines of the department.
3. If the vacancy can't be filled in this manner, the foreman will be free to fill the vacancy with any employee in the department. Those who have been out of work because of sickness or injury may be called, but they may be offered work only in their classification. If, to fill the vacancy under the provisions of the above, the foreman elects to use the telephone to contact other employees, he will call the employee in the classification in which the vacancy exists before calling other employees.

Section 4. Determining an employee's classification for the purpose of this Appendix.

- A. Employees who have been temporarily promoted in accordance with Section 3A(1) (Promoting on Shift) will be considered as continuing in the classification to which they were promoted for the duration of the period of the vacancy which caused the shift promotion.
- B. To determine the "duration of the period of a vacancy" referred to above:
- (1) Vacancies caused by sickness or injury will be considered as continuing until the absent employee actually returns to work on his regularly scheduled shift.
 - (2) When an employee is absent for other reasons for a definite period of time, the vacancy will be considered as continuing until the expiration of this definite period.
 - (3)
 - a. Vacations starting at the start of the day shift on Monday will be considered as ending at the start of the day shift on a Monday.
 - b. Vacations starting at the beginning of a shift will be considered as starting at the start of the day shift on the day the shift starts and as ending at the start of the day shift following the end of the shift.
 - (4) Jury duty will be considered as ending at the start of the day shift on Sunday, unless the employee notifies the Company that it has ended earlier.
 - (5) Any other absences which are not for a definite period of time will be considered as continuing until the employee returns to work on his next scheduled shift.
- C. If a temporarily promoted employee is in the mill when the period of vacancy ends, he will be considered as the employee on the preceding shift in the same job he has just worked. He won't be considered as having been demoted at the end of the period of the vacancy until he has punched the time clock on the way out of the mill.
- D. An exception to the rule in Section 4A will be made when employees from a single job are given temporary shift promotions up different lines of progression to jobs paying different rates. When this happens, these promotions will be reviewed each week when preparing the schedule for the next week. Changes in assignments for the next week will be made only to fill jobs which are scheduled for the entire week. If the employees involved are qualified to exchange jobs, the senior employee will be temporarily reassigned to the higher-paying jobs at the start of the following workweek. Employees on

permanent-type (seniority) promotions won't be subject to such reassignment. However, when such an employee is demoted to the lower job, common to the different lines of progression, he will, on the following Monday, be eligible for reassignment to replace employees junior to him who are on temporary seniority promotions which are expected to last longer than two weeks.

Section 5. Filling vacancies for partial shifts after a shift has started:

If the vacancy can't be filled by shift promotion, the work will be offered to either the employee on the off shift or the oncoming shift.

If the employee coming in would have four (4) or more hours of work from the time the vacancy is known, the off employee in the same classification will be called.

If there is less than four (4) hours' work, or if the off employee can't be reached or refuses the work, the work will be offered to the oncoming employee in the same classification.

Section 6. Scheduling shift promotions.

Shift promotions to fill vacancies may be scheduled on Friday for the following workweek if, according to the Company's knowledge at the time they are scheduled, they comply with the above procedures. When deciding whether a shift promotion can be scheduled without causing overtime on any job in the progression, the Company will not assume that employees absent on a "will call" basis will be back to work. Shift promotions scheduled for the following workweek will become effective at the starting time of the day-shift on Monday of the following workweek except for vacancies caused by shift- to-shift vacations.

Shift promotions for training may be scheduled in advance for the next week in accordance with the provisions of this Appendix provided:

- A. Such shift promotions don't prevent the scheduling of a vacation requested before the schedule is issued.
- B. The employee in training won't be eligible to fill vacancies except at the "any employee in the department" stage.
- C. Such shift promotions won't cause any employee on the shift to lose any time from his normal shift schedule.

Section 7. Procedure to be followed to fill shift maintenance vacancies.

There are two ways to fill shift maintenance vacancies.

- A. Procedure "A" fills the vacancy with another shift worker.
- B. Procedure "B" fills the vacancy with a day worker for a vacancy of more than one day.

When a vacancy becomes known to the Company during the workweek in which the vacancy exists, procedure "A" must be used for at least the first day. After the first day, procedure "B" can be used if the day worker's schedule can be changed so he can fill the vacancy without working weekly overtime. The day worker's schedule will remain Monday through Friday, however.

When a vacancy becomes known to the Company during the workweek before the vacancy, it can be filled by either method ("A" or "B").

Procedure "A":

- (1) When the Company has at least 2-1/2 hours' advance notice before the official starting time of the shift, the following procedures will be followed:
 - (a) Call the employee in the same classification on the off shift.
 - 1. When a supervisor knows a day or more in advance of a vacancy to which an employee on the off shift will be entitled, he will give such employee advance notice that such work will be available either by offering him the work while he is on the job or by telephoning him at his home. If the employee cannot be contacted or a message delivered by the first telephone call, at least one additional call will be made to the employee's home. In any event, if the employee has not been contacted, a final call will be made during the shift preceding the vacancy.
 - (b) If the vacancy isn't filled by the procedure above, the employee from the same area on the previous shift will be offered the opportunity to fill the vacancy.
 - (c) If the employee on the previous shift doesn't elect to fill the vacancy, he must remain on the job until properly relieved, and the work will be offered to the employee with the same job assignment on the oncoming shift.
 - (d) If the vacancy still isn't filled, the foreman will be free to fill the vacancy with anyone in the department. This includes those who have been out of work because of sickness or injury, but they may be offered work only in their own classification.

- (2) When the Company has less than 2-1/2 hours' advance notice:
- (a) The employee on the previous shift will be offered the opportunity to fill the vacancy.
 - (b) If the employee on the previous shift doesn't elect to fill the vacancy, he must remain on the job until properly relieved, and the foreman will be free to fill the vacancy with any employee in the department. Those who have been out of work because of sickness or injury may be called, but they may be offered work only in their own classification.

Procedure "B":

Assignment of a day worker.

APPENDIX "E"

RESTRICTED TESTING

- A. Anyone wanting restricted work must fill out a "Restricted Testing Form." This form will state the nature of the work, why the restricted tests were needed, when the tests were needed, estimated time required to run the tests (if possible), and who requested the work. This form must be approved by the Technical Director.
- B. If there is a spare Tester available to do the restricted testing, it will be permissible to use him provided the work is given to him before half of the shift elapses. If the work is given to Quality Control in the latter half of the shift and there is enough work to continue until after the shift change, an off Tester will be called if the tests are needed immediately. The spare Tester can, of course, be used for any tests that can be completed by shift change.



INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: **Robert Joyner**

DATE: July 10, 2000

FROM: J. B. Halbert

COPIES: Scott Grimes

SUBJECT: LETTER OF UNDERSTANDING - CLARIFICATION OF RETURN TO WORK PROCEDURES WHEN AN EMPLOYEE IS RELEASED TO WORK AT A TIME THAT WILL NOT ALLOW HIM/HER TO PHYSICALLY PRESENT A WORK RELEASE TO HEALTH SERVICES

In order to expedite an employee's return to work following absence due to injury or illness, the employee may have his or her doctor fax a work release directly to the Health Services department. The Health Services department will communicate with the appropriate parties (i.e. employee, employee's supervisor, etc.) regarding the employee's work status in an effort to get the employee back to work as soon as possible.

In those rare occasions when an employee does not receive a release during a time when the Health Services department is open, the employee may contact the main gate. The Security Guard at the gate will contact the duty person for the safety department who will then contact the employee and make arrangements for an expedited review of the employee's release to work. For example, if an employee does not receive a release to return to work until after Health Services is closed on a Friday afternoon, the employee should contact the main gate and state that he needs to get in touch with the safety weekend duty person. The Security Guard at the gate will contact the safety weekend duty person and have them contact the employee without delay. The duty person will make arrangements to get a copy of the release and inform the appropriate parties (i.e., employee, employee's supervisor, etc.) of the employee's work status in order to get the employee back to work as soon as possible.



INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: **Robert Joyner**

DATE: July 12, 2000

FROM: J. B. Halbert

COPIES: Scott Grimes

SUBJECT: LETTER OF UNDERSTANDING - VPP

The Company and the Union have agreed to form a partnership in an effort to pursue and maintain certification by the Department of Labor in the Voluntary Protection Program provided for by OSHA. This will be accomplished using the agreed upon guidelines and will in no way affect statutory rights of either party.

VPP GUIDELINES

1. Achieving and maintaining VPP status will be a joint effort of the Company and the Union.
2. The Union will form a committee to study and implement the VPP process. The everyday operation of the VPP program will be run by the Union employees. This group will be accountable to the Executive Safety Committee and will work through the EHS Manager to address day to day issues. The Union will select two (2) hourly employees to be permanent members of the Executive Safety Committee.
3. The Union will select hourly participants for a VPP program.
4. Hourly employees who are pulled off their regular job to participate in VPP will have their shift, seniority, and job status protected.
5. Employees will be paid by the Company for all time spent in job related activities associated with VPP.

6. The Company will provide VPP participants with the necessary equipment, facilities, etc. necessary to perform duties associated with VPP.
7. The Company will promptly address any scheduling difficulties to maximize employees' opportunities to participate in open invitation meetings associated with VPP.
8. These guidelines may have to be changed periodically. The Company and the Union agree that they will jointly address any issues that arise surrounding VPP that are not addressed in this document.
9. Nothing contained in this agreement eliminates or inhibits any statutory rights guaranteed by law.
10. Nothing herein restricts the local Union's right to take the application for VPP before the membership for approval at a time other than the contract vote.



INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: **Robert Joyner**

DATE: July 10, 2000

FROM: J. B. Halbert

COPIES: Scott Grimes

SUBJECT: LETTER OF UNDERSTANDING--UNION ITEM 2, ARTICLE 11 P. 1

The Company agrees to keep the Union apprised of any additions or deletions, or significant changes in operations or classifications as they relate to Appendix B of the labor agreement.

INTERNATIONAL  PAPER

INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: Robert Joyner

DATE: July 13, 2000

FROM: J. B. Halbert

COPIES: Scott Grimes

SUBJECT: COMPANY ITEM 14--JURISDICTIONAL RESTRICTIONS

With regard to the implementation of Company Item 14--Jurisdictional Restrictions, the Company will commit to the following:

1. We will hold meetings with supervision to fully explain the intent of this item, so that it is implemented properly and as intended.
2. We can agree that we will not tolerate any abuses in the area of jurisdictional restrictions by supervision.
3. In order to alleviate any concerns on this item, we will agree for the duration of this Labor Agreement to establish a committee comprised of the Local Union Bargaining committee, whose purpose will be to meet with the Mill Manager on an as needed basis to communicate and discuss problems, improvements and/or other recommendations regarding the administration of this language.

INTERNATIONAL PAPER

INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: Robert Joyner

DATE: August 10, 2000

FROM: J. B. Halbert

COPIES: Scott Grimes

SUBJECT: UNION ITEM 31-- GAINSHARING

During the term of this agreement, should the Company make Gainsharing Plans available to operating facilities, we will meet with the Union and discuss the eligibility criteria. Should the mill become eligible, the parties will jointly participate in the development, design and implementation of a plan within the boundary conditions set forth by the Company for incentive pay plans.

INTERNATIONAL PAPER

INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: Robert Joyner

DATE: August 10, 2000

FROM: J. B. Halbert

COPIES: Scott Grimes

SUBJECT: LETTER OF UNDERSTANDING – DECEMBER 24-27 HOLIDAYS

On the holidays December 24, 25, 26, 27, the Company will continue to try to man the operation on a voluntary basis until the elimination of holiday premium on 09/09/2002. However, the company reserves the right to schedule work on those holidays if a sufficient number of volunteers are not obtained.



INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: **Robert Joyner**

DATE: August 22, 2000

FROM: J. B. Halbert

COPIES: Don Devlin, Chuck Brooks

SUBJECT: **ARTICLE IX, SECTION 3, ARTICLE X, SECTION 4**

Effective with the new labor agreement, we have made changes regarding the above-mentioned sections. However, the following provisions shall remain in place until the effective date of the elimination of Sunday and holiday premium.

The quarter-time premium for work performed on the workday Sunday, pursuant to Section 4 of Article IX shall be in addition to the half-time premium payable for hours worked in excess of 40 in a workweek or 8 in a 24 hour period until the elimination of Sunday premium effective 9/9/2003.

The half time premium for work performed on a holiday which falls on Sunday shall be in addition to pay to which an employee would be entitled above until the elimination of holiday premium effective 9/9/2002.

Double time and one half shall be paid for the time worked on December 24, 25, 26, 27 until the elimination of holiday premium effective 9/9/2002. When these holidays fall on a Sunday, quarter-time premium pay for Sunday will be paid for all hours worked in addition to any other pay to which an employee may be entitled.

Any employee who works on December 24, 25, 26, 27 may take a day off without pay at a later day. Such day off shall be arranged at least one week in advance with his/her foreman and shall be taken within twelve months of the holiday on which he/she worked and will be considered as time worked (hours) for the purpose of computation of weekly overtime. This provision for no pay holidays will be eliminated effective 9/9/2002 along with the elimination of holiday premium.

The half-time premium for work performed on a holiday shall be in addition to pay for which an employee is entitled for working more than 40 hours in a work week until the elimination of holiday premium effective 9/9/200.

A

INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: **Robert Joyner**

DATE: January 4, 2000

FROM: J. B. Halbert

COPIES: Scott Grimes

SUBJECT: MEMORANDUM OF UNDERSTANDING - MAINTENANCE SENIORITY

Until such time as all current Maintenance employees have an opportunity to certify at Level One of the Maintenance Development Program, jobs will be awarded in accordance with the new bidding language based on job seniority.

A

INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: **Robert Joyner**

DATE: November 8, 1999

FROM: J. B. Halbert

COPIES: Scott Grimes

SUBJECT: MEMORANDUM OF UNDERSTANDING - TEMPORARY JOURNEYMEN

The Company and the Union have agreed that there is no longer a need for the language in "Items for Discussion" that refers to temporary journeymen. This memorandum of understanding is to confirm that should the Company at any time in the future have a need to hire temporary journeymen, the language regarding temporary journeymen contained in "Items for Discussion" in the 1995 labor agreement would be applied to those situations.

A

INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: **Robert Joyner**

DATE: November 15, 1999

FROM: J. B. Halbert

COPIES: Scott Grimes

SUBJECT: MEMORANDUM OF UNDERSTANDING - MAINTENANCE OVERTIME
RULES

It is agreed that when the initial call-in roster is established for the new Maintenance Overtime Rules, volunteers will be listed in order of seniority.

It is also agreed that "certified mechanics" will mean former craft during the transition period into the Maintenance Development Program.

A

INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: **Robert Joyner**

DATE: January 21, 2000

FROM: J. B. Halbert

COPIES: Scott Grimes

SUBJECT: MEMORANDUM OF UNDERSTANDING - OILERS AND MOTOR
REPAIRMAN

It is agreed that upon ratification of the Maintenance Development Program, those employees currently shown under the millwright classification as oilers will become General Maintenance Mechanics with a primary craft of millwright. Also, the employee currently shown under the E&I classification as a motor repairman will become an E&I mechanic with a primary craft of electrician. Their job seniority will begin when they are placed in the new classification.

A

INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: **Robert Joyner**

DATE: November 11, 1999

FROM: J. B. Halbert

COPIES: Scott Grimes

SUBJECT: MEMORANDUM OF UNDERSTANDING - HARRY GRAHAM

It is agreed that Harry Graham will be covered under the new Maintenance Development Program. Mr. Graham will not be allowed to progress in the Maintenance Development Program until he reaches top journeyman rate. He will be paid in accordance with the Maintenance General Services Pay Structure listed below until such time as he reaches top journeyman pay.

MAINTENANCE GENERAL SERVICES - To Top Journeyman Pay*

MGS Journeyman - 48 mos	\$17.91
MGS Journeyman - 54 mos	\$18.18
MGS Journeyman - 60 mos	\$19.21
MGS Journeyman - 66 mos	\$19.50
MGS Journeyman - 72 mos	\$20.55
MGS Journeyman - 78 mos	\$22.05
MGS Journeyman - 84 mos	\$23.83

*Increases or promotions are dependent on progress.

A

INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: **Robert Joyner**

DATE: **January 21, 2000**

FROM: **J. B. Halbert**

COPIES: **Scott Grimes**

SUBJECT: **MEMORANDUM OF UNDERSTANDING - MDP**

It is agreed that if we have omitted any changes or revisions that were agreed to in the Maintenance Development Program in the final proposal (e.g. references to single craft classifications), we will make those changes when a new contract is printed.

A

INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: **Robert Joyner**

DATE: **January 25, 2000**

FROM: **J. B. Halbert**

COPIES: **Scott Grimes**

SUBJECT: **MEMORANDUM OF UNDERSTANDING - MDP LANGUAGE, Item #8**

This is to clarify the company's position regarding Item number 8 of the Maintenance Development Program. Item 8 reads, "There shall be no restriction as to assignment of maintenance personnel as long as they are certified to perform the work safely." The word certified refers to new skills obtained through the Maintenance Development Program. Journeyman mechanics will be expected to perform work that is in their current craft or other work that they routinely perform just as they do currently. They will not be expected to perform newly acquired skills that are a part of the Maintenance Development Program until they are trained and certified in accordance with the formal training and certification process to be developed by the Learning Leaders and the Skills Committee.

A

INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: **Robert Joyner**

DATE: January 21, 2000

FROM: J. B. Halbert

COPIES: Scott Grimes

SUBJECT: MEMORANDUM OF UNDERSTANDING - LAYOFFS

As a part of the Maintenance Development Program, the Company is offering a severance package in an effort to reduce the Maintenance Department to a manning level of 250 by September, 2000. If we are able to get down to a manning level of 265 by September, 2000 through all available mechanisms that impact staffing (e.g. severance package, attrition, disability retirement, etc.) we will not lay anyone off from the maintenance department as a part of this program.

A

INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: **Robert Joyner**

DATE: January 4, 2000

FROM: J. B. Halbert

COPIES: Scott Grimes

SUBJECT: MEMORANDUM OF UNDERSTANDING - MAINTENANCE SENIORITY

It is understood that for current Millwrights, Pipefitters, Machinists, Welders, or E&I Mechanics, job seniority will be unchanged. For crafts other than those listed above, the job seniority date will be the date that the employee is awarded a bid for a primary craft in accordance with the language outlined in Item number four of the Maintenance Development Program.

A

INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: **Robert Joyner**

DATE: **November 10, 1999**

FROM: **J. B. Halbert**

COPIES: **Scott Grimes**

SUBJECT: **MEMORANDUM OF UNDERSTANDING - TOOLS**

It is agreed that all employees on the payroll on the date of implementation of the Maintenance Development Program who are eligible for tool allowance will be entitled to take their tools with them should they leave the Company consistent with the current practice.

A

INTERNAL MEMORANDUM

RIEGELWOOD MILL
JOHN L. RIEGEL ROAD
RIEGELWOOD, NC 28456
PHONE 910-655-2211

TO: **Robert Joyner**

DATE: **October 24, 2000**

FROM: **John Halbert
Kevin Driscoll**

COPIES:

SUBJECT: **Pulp Mill – Digester/Washer Line of Progression**

As we discussed in our meetings on October 9th, 2000, we do not intend to randomly assign employees to classifications within a job group. With the job groups and pay structure in the current proposal, we have reserved the right to assign employees to any classification within a job group for which they are certified, but we don't intend to move people out of their normal classifications unless there is a legitimate business reason. As we discussed, some legitimate reasons for assigning employees outside their normal classification within a job group might include training or operational emergencies. As always if you feel misassignments are occurring, please let one of us know and we will address the situation.

With regard to certification on the various jobs in the line of progression, certification will not be delayed due to time spent processing paperwork. Once the foreman has signed off on an employee's certification, it will be forwarded to the Assistant Superintendent for approval. If the Assistant Superintendent approves the certification, it will become effective not more than one week following the foreman's approval. If the Assistant Superintendent does not approve the certification, the employee will have to take the required action and go through the certification process again.

EXHIBIT "A"
 SCHEDULE OF HOURLY RATES
 September 11, 2000 through September 8, 2006

+3%, 2.5%, 3%, 2.5%, 3%, 2.5%

CLASSIFICATION	Code	RATE					
		EFFECTIVE DATES					
		09/09/00	09/09/01	09/09/02	09/09/03	09/09/04	09/09/05
UTILITY EMPLOYEES							
Utility	-0	16.04	16.44	16.93	17.35	17.87	18.32
Hire-in	-1	11.00	11.28	11.62	11.91	12.27	12.58
After 6 Mos	-2	11.88	12.18	12.55	12.86	13.25	13.58
After 1 year	-3	12.80	13.12	13.51	13.85	14.27	14.63
After 2 years	-4	13.83	14.18	14.61	14.98	15.43	15.82
After 3 years	-5	14.95	15.32	15.78	16.17	16.66	17.08
After 4 years	-6	16.04	16.44	16.93	17.35	17.87	18.32

These rates apply to all departments.

ADMINISTRATIVE SERVICES							
Janitor	71341	16.04	16.44	16.93	17.35	17.87	18.32

STOREROOM							
Stores Clerk - Starting	76050	16.97	17.39	17.91	18.36	18.91	19.38
After 6 months	-1	17.49	17.93	18.47	18.93	19.50	19.99
After 12 months	-2	18.00	18.45	19.00	19.48	20.06	20.56
After 18 months	-3	18.52	18.98	19.55	20.04	20.64	21.16
After 24 months	-4	19.04	19.52	20.11	20.61	21.23	21.76
After 36 months	-5	19.36	19.84	20.44	20.95	21.58	22.12

SHIFT WORKERS ONLY							
Stores Clerk - Starting	76150	17.23	17.66	18.19	18.64	19.20	19.68
After 6 months	-1	17.75	18.19	18.74	19.21	19.79	20.28
After 12 months	-2	18.26	18.72	19.28	19.76	20.35	20.86
After 18 months	-3	18.78	19.25	19.83	20.33	20.94	21.46
After 24 months	-4	19.30	19.78	20.37	20.88	21.51	22.05
After 36 months	-5	19.62	20.11	20.71	21.23	21.87	22.42

CLASSIFICATION	Code	RATE					
		EFFECTIVE DATES					
		09/09/00	09/09/01	09/09/02	09/09/03	09/09/04	09/09/05
WOODYARD							
Fiber Systems Op	15240	24.65	25.27	26.03	26.68	27.48	28.17
Portal Crane Op	15030	23.75	24.34	25.07	25.70	26.47	27.13
Slasher Saw Op	15040	23.14	23.72	24.43	25.04	25.79	26.43
J Systems Op	15060	21.37	21.90	22.56	23.12	23.81	24.41
P Crane/SI Saw Asst Op	15250	20.78	21.30	21.94	22.49	23.16	23.74
Rail Chip Unloader Op	15200	19.95	20.45	21.06	21.59	22.24	22.80
Bark System Op	15140	19.78	20.27	20.88	21.40	22.04	22.59
Scaler (Starting)	15090	19.21	19.69	20.28	20.79	21.41	21.95
Scaler (After 12 mos.)	15091	20.28	20.79	21.41	21.95	22.61	23.18
Outside Chip Stor Op	15150	19.21	19.69	20.28	20.79	21.41	21.95
Bark Unloader	15170	18.10	18.55	19.11	19.59	20.18	20.68
Chip Unloader	15130	17.35	17.78	18.31	18.77	19.33	19.81
Woodyard Helper	15270	17.38	17.81	18.34	18.80	19.36	19.84
J-Line Helper	15120	16.59	17.00	17.51	17.95	18.49	18.95
* Utility	15900	16.04	16.44	16.93	17.35	17.87	18.32

* See Utility Scale

POWER & RECOVERY							
Power Control Op	25010	24.86	25.48	26.24	26.90	27.71	28.40
Asst Pwr Control Op	25160	23.91	24.51	25.25	25.88	26.66	27.33
Power Auxiliary Op	25040	23.05	23.63	24.34	24.95	25.70	26.34
Boiler Feedwater Op	25120	22.03	22.58	23.26	23.84	24.56	25.17
Power Boiler Tender	25020	21.68	22.22	22.89	23.46	24.16	24.76
Power Helper	25030	19.54	20.03	20.63	21.15	21.78	22.32
Recovery Operator	25050	25.24	25.87	26.65	27.32	28.14	28.84
Evaporator Op	25060	23.03	23.61	24.32	24.93	25.68	26.32
Roving Outside Op	25230	22.36	22.92	23.61	24.20	24.93	25.55
Asst Evaporator Op	25110	21.85	22.40	23.07	23.65	24.36	24.97
#5 Recovery Fireman	25190	21.19	21.72	22.37	22.93	23.62	24.21
#4 Recovery Fireman	25140	20.87	21.39	22.03	22.58	23.26	23.84
#3 Recovery Fireman	25130	20.48	20.99	21.62	22.16	22.82	23.39
First Helper	25170	18.30	18.76	19.32	19.80	20.39	20.90
* Utility	25900	16.04	16.44	16.93	17.35	17.87	18.32

* See Utility Scale

CLASSIFICATION	Code	RATE					
		EFFECTIVE DATES					
		09/09/00	09/09/01	09/09/02	09/09/03	09/09/04	09/09/05

CAUSTIC & LIME

Caustic Kiln Op	34010	23.95	24.55	25.29	25.92	26.70	27.37
Asst Caustic Kiln Op	34020	21.53	22.07	22.73	23.30	24.00	24.60
Caustic Kiln 1st Hlpr	34030	19.18	19.66	20.25	20.76	21.38	21.91
Caustic Kiln 2nd Hlpr	34040	18.08	18.53	19.09	19.57	20.16	20.66

PULP PREPARATION (AREA #1-Cooking & Washing)

Digester Washer Op	31010	24.97	25.59	26.36	27.02	27.83	28.53
Batch Digester Op	31020	23.09	23.67	24.38	24.99	25.74	26.38
Asst Dig Washer Op	31030	22.00	22.55	23.23	23.81	24.52	25.13
Washer Operator	31040	21.24	21.77	22.42	22.98	23.67	24.26
Dig Washer 1st Hlpr	31050	20.00	20.50	21.12	21.65	22.30	22.86
Dig Washer 2nd Hlpr	31060	19.63	20.12	20.72	21.24	21.88	22.43
Dig Washer 3rd Hlpr	31070	19.02	19.50	20.09	20.59	21.21	21.74

PULP PREPARATION (Area #2-Bleaching /Screening/Chemical)

Blicing & Scrmng Op	38060	25.10	25.73	26.50	27.16	27.97	28.67
Chemical Area Oper	38010	24.86	25.48	26.24	26.90	27.71	28.40
O2 Delignification and Screen R	38070	23.61	24.20	24.93	25.55	26.32	26.98
Chemical Area Asst	38020	22.90	23.47	24.17	24.77	25.51	26.15
2nd Asst B&S Oper	38080	22.71	23.28	23.98	24.58	25.32	25.95
3rd Asst B&S Oper	38090	20.75	21.27	21.91	22.46	23.13	23.71
4th Assistant B&S Oper	38100	18.23	18.69	19.25	19.73	20.32	20.83

PULP MILL UTILITY POOL

* Utility	30900	16.04	16.44	16.93	17.35	17.87	18.32
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* See Utility Scale

CLASSIFICATION	Code	RATE					
		EFFECTIVE DATES					
		09/09/00	09/09/01	09/09/02	09/09/03	09/09/04	09/09/05
PULP DRYING							
Pulp Machine Tender	41010	26.06	26.71	27.51	28.20	29.05	29.78
Asst P M Tndr #1	41020	24.06	24.66	25.40	26.04	26.82	27.49
Asst P M Tndr #2	41030	21.75	22.29	22.96	23.53	24.24	24.85
Asst P M Tndr #3	41040	20.19	20.69	21.31	21.84	22.50	23.06
Asst P M Tndr #4	41050	19.20	19.68	20.27	20.78	21.40	21.94
Asst P M Tndr #5A	41060	18.04	18.49	19.04	19.52	20.11	20.61
Asst P M Tndr #5B	41070	17.93	18.38	18.93	19.40	19.98	20.48
* Utility	41900	16.04	16.44	16.93	17.35	17.87	18.32

* See Utility Scale

PAPER MILL							
Machine Tender	50/55040	26.30	26.96	27.77	28.46	29.31	30.04
Back Tender	50/55050	24.86	25.48	26.24	26.90	27.71	28.40
Dry End Asst I	50/55070	22.91	23.48	24.18	24.78	25.52	26.16
Dry End Asst II	50/55090	19.42	19.91	20.51	21.02	21.65	22.19
Dry End Asst III	50/55140	17.63	18.07	18.61	19.08	19.65	20.14
Stk Prep/Add Engr	50/55170	24.70	25.32	26.08	26.73	27.53	28.22
SP&A 1st Asst	50/55180	22.15	22.70	23.38	23.96	24.68	25.30
SP&A 2nd Asst	50/55190	21.56	22.10	22.76	23.33	24.03	24.63
Raw Material Op	50120	17.72	18.16	18.70	19.17	19.75	20.24
* Utility	50/55900	16.04	16.44	16.93	17.35	17.87	18.32

* See Utility Scale

* +\$.30/Hr. (Core Unloading)

PS&D							
Sheeting Operator	60490	21.08	21.61	22.26	22.82	23.50	24.09
1st Asst-Sheeting	60470	17.70	18.14	18.68	19.15	19.72	20.21
2nd Asst-Sheeting	60460	16.59	17.00	17.51	17.95	18.49	18.95
Shipping Operator	60450	21.08	21.61	22.26	22.82	23.50	24.09
Roll Handling Op	60430	21.08	21.61	22.26	22.82	23.50	24.09
Asst Roll Hndlg Op	60420	18.03	18.48	19.03	19.51	20.10	20.60
1st Asst-Roll Hndlg	60410	17.70	18.14	18.68	19.15	19.72	20.21
2nd Asst-Roll Hndlg	60400	16.59	17.00	17.51	17.95	18.49	18.95
* Utility	60900	16.04	16.44	16.93	17.35	17.87	18.32

* See Utility Scale

CLASSIFICATION	Code	RATE					
		EFFECTIVE DATES					
		09/09/00	09/09/01	09/09/02	09/09/03	09/09/04	09/09/05

TECHNICAL DEPARTMENT

Water Tmt Plt Op	65010	21.78	22.32	22.99	23.56	24.27	24.88
Sample Man/Day Paper Tester	65080	19.16	19.64	20.23	20.74	21.36	21.89
Paper Tester	65120	18.94	19.41	19.99	20.49	21.10	21.63
Process Tester	65030	17.74	18.18	18.73	19.20	19.78	20.27
Water Tmt Plt Hlpr	65020	17.30	17.73	18.26	18.72	19.28	19.76
Chip Tester	65070	16.10	16.50	17.00	17.43	17.95	18.40
* Utility	65900	16.04	16.44	16.93	17.35	17.87	18.32

* See Utility Scale

LABORATORY / EHS

Anal & Environ Tech	65106	21.61	22.15	22.81	23.38	24.08	24.68
Chem Engr Tech	65136	21.61	22.15	22.81	23.38	24.08	24.68
Chem Engr Tech	65146	21.61	22.15	22.81	23.38	24.08	24.68
Starting Rate	-0	17.19	17.62	18.15	18.60	19.16	19.64
After 12 mo. or start fm Lab	-1	18.04	18.49	19.04	19.52	20.11	20.61
After 24 mo. or 12 mo fm Lab	-2	18.49	18.95	19.52	20.01	20.61	21.13
After 36 mo. or 24 mo fm Lab	-3	18.99	19.46	20.04	20.54	21.16	21.69
After 48 mo. or 36 mo fm Lab	-4	20.01	20.51	21.13	21.66	22.31	22.87
After 60 mo. or 48 mo fm Lab	-5	20.67	21.19	21.83	22.38	23.05	23.63
After 72 mo. or 60 mo fm Lab	-6	21.61	22.15	22.81	23.38	24.08	24.68

CLASSIFICATION	Code	RATE						
		EFFECTIVE DATES						
MAINTENANCE - JOURNEYMEN GROUP**								
			09/09/00	09/09/01	09/09/02	09/09/03	09/09/04	09/09/05
E & I Mechanic								
Electrical	Primary Craft	70500	24.61	25.22	25.98	26.63	27.43	28.11
Instrumentation	Primary Craft	70516	24.61	25.22	25.98	26.63	27.43	28.11
General Maintenance Mechanic								
Pipefitter	Primary Craft	70531	24.61	25.22	25.98	26.63	27.43	28.11
Welder	Primary Craft	70546	24.61	25.22	25.98	26.63	27.43	28.11
Millwright	Primary Craft	70561	24.61	25.22	25.98	26.63	27.43	28.11
Machinist	Primary Craft	70576	24.61	25.22	25.98	26.63	27.43	28.11

** \$.10 per hour additional to be paid to certain welders when welding on vessels or pipelines subject to over 450 psi.
\$.10 per hour additional to be paid for welders welding inside digesters for actual hours when time involved amounts to two (2) or more consecutive hours.
\$.15 extra work in the recovery boiler clarifying tank or lime kiln to all employees.
Paid only for actual hours, etc.
These rates are subject to general increases.

MAINTENANCE DEVELOPMENT PROGRAM

Core Competency Level	\$400 BONUS					
	GENERAL MAINTENANCE MECHANIC/E&I					
Level 1		25.42	26.18	26.84	27.64	28.33
Level 2			26.38	27.04	27.85	28.55
Level 3				27.34	28.16	28.86
Level 4					28.56	29.27

MAINTENANCE - APPRENTICE GROUP *#

Starting Rate	70800	18.15	18.60	19.16	19.64	20.23	20.73
After 6 months	-1		18.80	19.36	19.85	20.44	20.95
After 12 months	-2		19.10	19.67	20.16	20.77	21.29
After 18 months	-3			20.07	20.57	21.19	21.72
After 24 months	-4			20.57	21.08	21.72	22.26
After 30 months	-5				21.98	22.64	23.21
After 36 months	-6				23.08	23.77	24.37
After 42 months	-7					25.81	26.46
After 48 months	-8					27.85	28.55

One year's experience credit will be given to employees with three (3) years' mill seniority who transfer to the Maintenance Department as apprentices.

* Increases or promotions are dependent on satisfactory progress.

EXHIBIT "B"

JOB PROGRESSIONS

STOREROOM

Effective 10/01/99

Stores Clerk

- A. Storeroom openings will be filled by transfer.

New employees transferring into the Storeroom will be able to achieve the top rate in three years.

Overtime is to be distributed by a rotating roster that will rotate overtime opportunities equally among all Day Storeroom employees. Shift overtime will be filled by Appendix "D".

ADMINISTRATIVE SERVICES

Effective July 29, 1991

Janitor *

Utility

* The parties agree to "grandfather" this job while the present incumbent occupies it. Incumbents are John Carter and Lila Lacewell. This job classification will be eliminated thereafter

EXHIBIT "B"
JOB PROGRESSIONS

WOODYARD
Effective 09/09/00

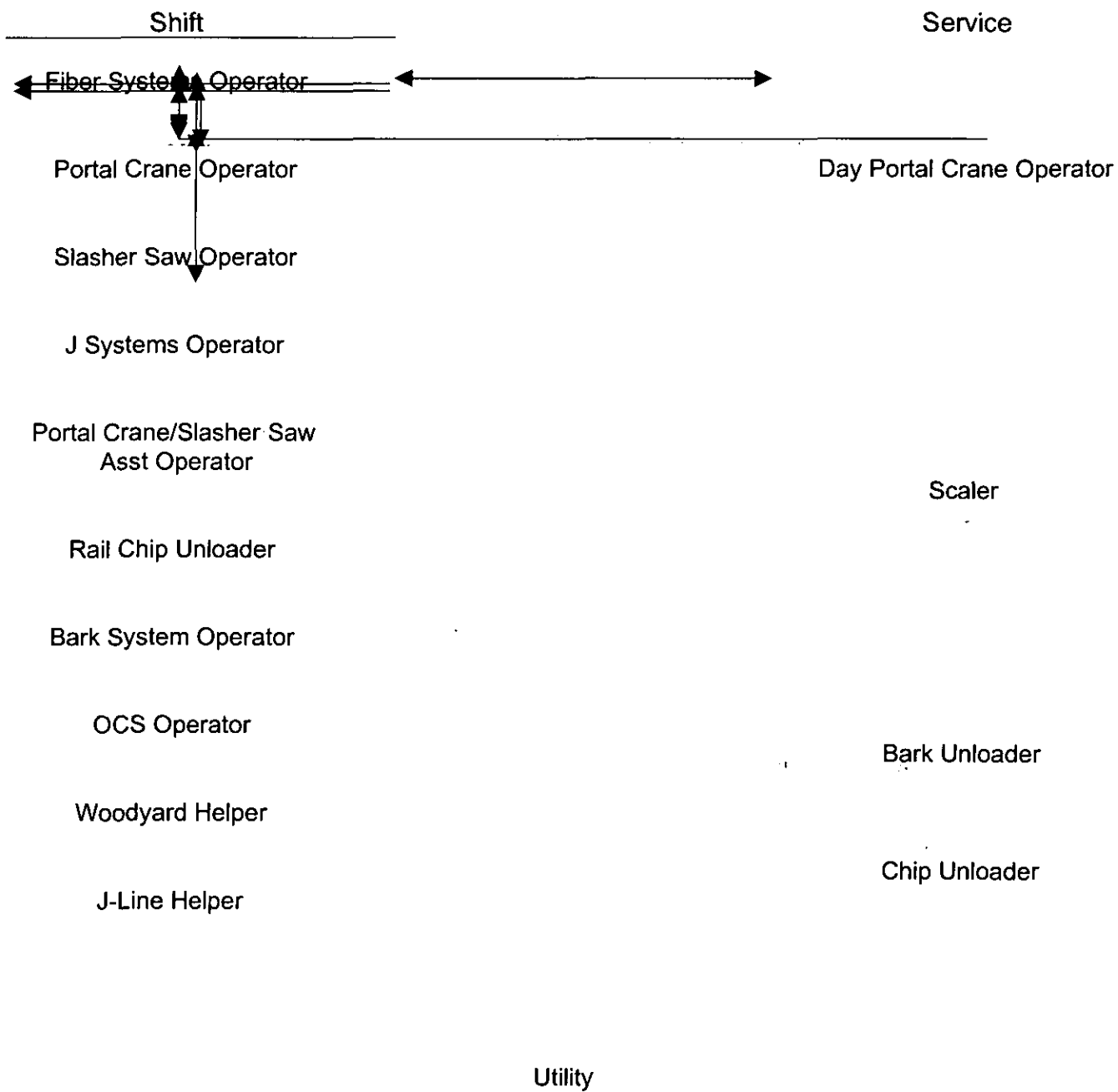


EXHIBIT "B"

JOB PROGRESSIONS

Scalers, Bark Unloaders, and Chip Unloaders will be able to exercise their department seniority to compete for future permanent vacancies respectively to Portal Crane/Slasher Saw Assistant Operator, Outside Chip Storage Operator, and Woodyard Helper. (See alignment of horizontal arrows on attached Woodyard Progression.) To turn down an offer they will not have to sign a job refusal and will be subject to being asked at the next permanent vacancy. Filling vacancies on shift in the Scaler, Bark Unloader, and Chip Unloader classification will be done following Appendix "D".

For the day jobs (Monday-Friday), the Bark Unloader and the Day Portal Crane Operator will work a two (2) shift schedule, the same times as the other shift jobs: 7:00 a.m. - 3:00 p.m. and 3:00 p.m. - 11:00 p.m. The Scaler and the Chip Unloader will work a three shift schedule: 7:00 a.m. - 3:00 p.m., 3:00 p.m. - 11:00 p.m., and 11:00 p.m. - 7:00 a.m. Any day job in this progression will be eligible to take only seniority set ups to shift jobs (except as any man).

Promotions from Portal Crane Operator, Day Portal Crane Operator to Fiber Systems Operator will be based on job seniority. Day Portal Crane Operators have rights to overtime in the Day Portal Crane classification before shift Portal Crane Operators. Shift Portal Crane Operators have rights to overtime in the shift Portal Crane classification before Day Portal Crane Operators. Day Portal Crane Operators have first rights to overtime in the Portal Crane Operator Classification at the anyman stage. Day Portal Crane Operators have temporary promotion rights to the Fiber Systems Operator before the Slasher Saw Operator.

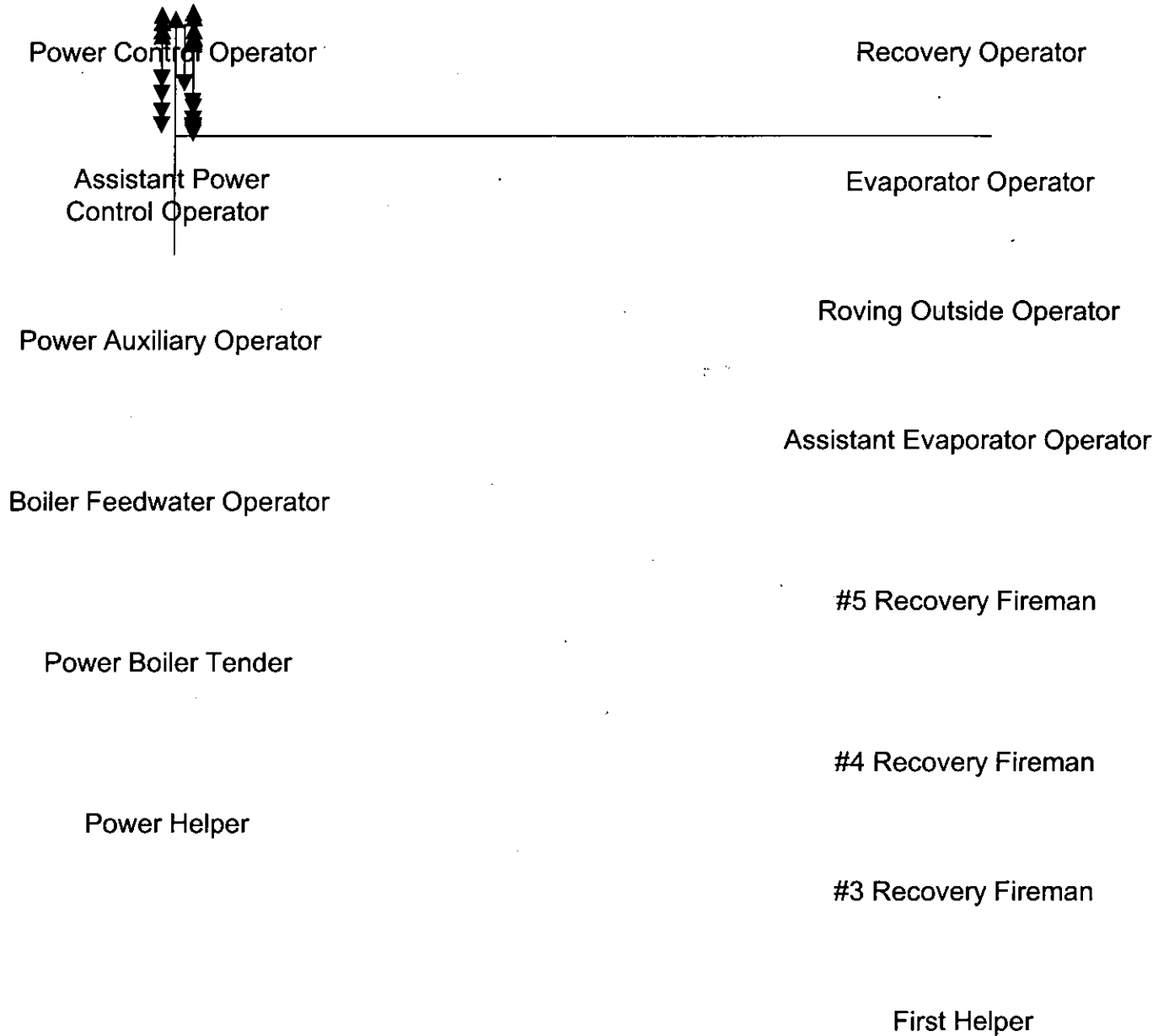
If need arises for an extra payload operator, it was clarified the Company will go through the normal Extra Work Rule procedures at the Outside Chip Storage Operator classification. (Currently the lowest paid classification operating a payload).

All job refusals prior to 04-22-91 will be voided.

If Day Utility are needed, it will be offered by Utility seniority. If none of the senior Utility want to be Day Utility, the junior Utility will be assigned. Day Utility will not be used for shift set-ups except at the any man step.

The procedure for filling requests for single days off and subsequent unexpected vacancies was clarified. It was concluded that if supervision allows a person to take a day off with the understanding that the shift will be set up to fill the vacancy, the set-up becomes the schedule. Subsequently, if a second vacancy occurs, (i.e. someone in a lower paying job calls in sick) and a double set-up cannot be made, the overtime is worked at the second vacancy (lower paying job.)

EXHIBIT "B"
JOB PROGRESSIONS
POWER AND RECOVERY

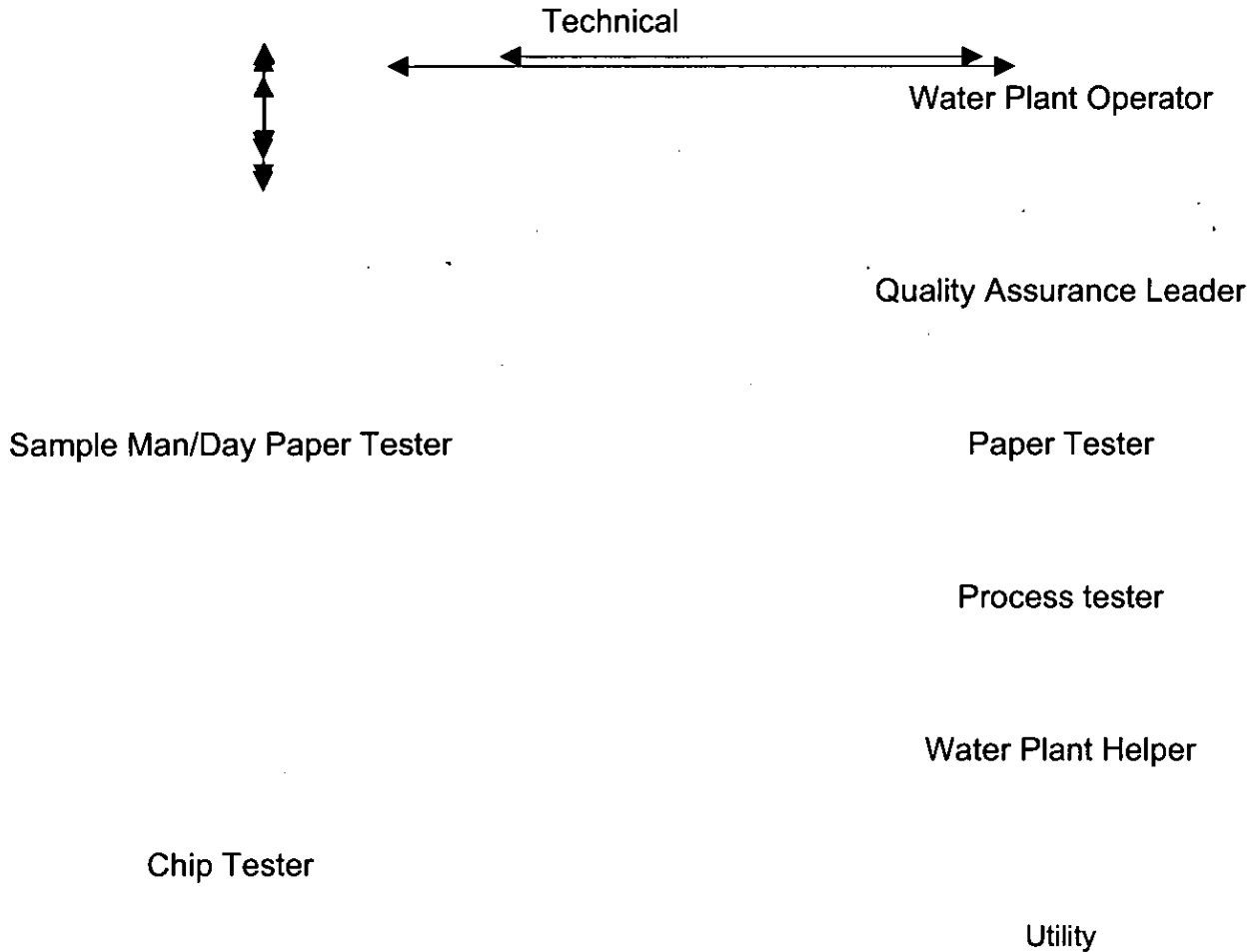


Utility

EXHIBIT "B"

JOB PROGRESSIONS

Effective 12-11-00



* Those employees who currently have rights to the Water Plant Operator classification will retain rights to the Water Plant Operator classification even if they choose to sign a job refusal to the Quality Assurance Leader classification. The incumbents who may sign a job refusal to Quality Assurance Leader and retain rights to Water Plant Operator are listed below in order of seniority.

Sample Man / D Paper Tester H. Simpson (3871) W Clemmons (4167) E. Andrews (4283)	Paper Tester R. Antone (4438) D. Bright (5639) D. Williamson (5832) T. Cutrell (5917) M. Williams (5592) C. Rooks (5802) T. Reynolds (5820) J. Bryant (0236) D. Greene (0238) P. Soles (4820) A. Skipper (4760) J. Blanks (4767)	Process Tester R. Lee (5431) P. Jones (5462) J. Etheridge (5749) K. King (0222) P. Watterson (0430) R. Daniels (0446) J. Strickland (0462) L. Walter (0434) G. Rogers (5819) Chip Tester T. Dale (0478)	Utility G. Grainger (0468) G. Pridgen (0477) K. M MCKoy(0499) J. Henry (5751) I C Spaulding (0564) S D Dixon (0566) E H Harley (0634) J B Strickland (0639) M. Graham (0503) T. Brooks (0525) G. D. Peck (0601)
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EXHIBIT "B"

JOB PROGRESSIONS

Promotion from Paper Tester, Day Paper Tester, or Sample Man to Quality Assurance Leader will be made on the basis of job seniority as a Paper Tester and ability.

The chip tester will be able to exercise department seniority to compete with utility workers for future permanent vacancies to water plant helper.

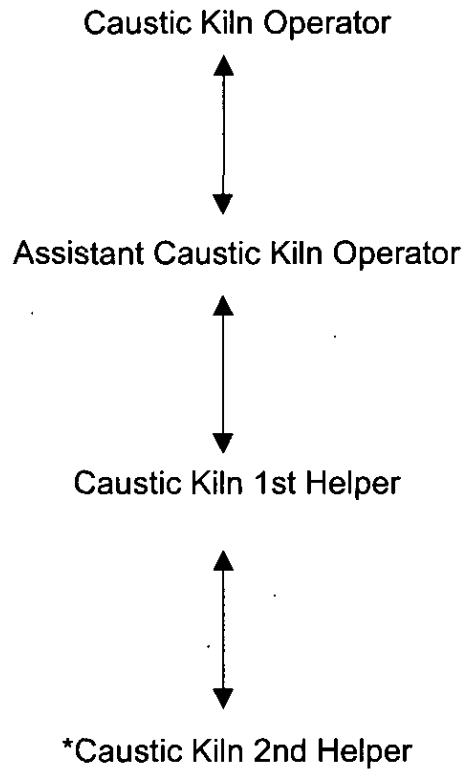
Any day job in this progression will be eligible to take only temporary seniority (or permanent type) promotions for setups to shift jobs (except as any man).

See text following Bleaching/Screening/Chemical job progression concerning Technical Department employees' incumbency to Chemical Area Assistant Operator classification and Chemical Area Operators'/Chemical Area Assistants' return rights to Technical Department....

EXHIBIT "B"

JOB PROGRESSIONS

CAUSTIC AND LIME



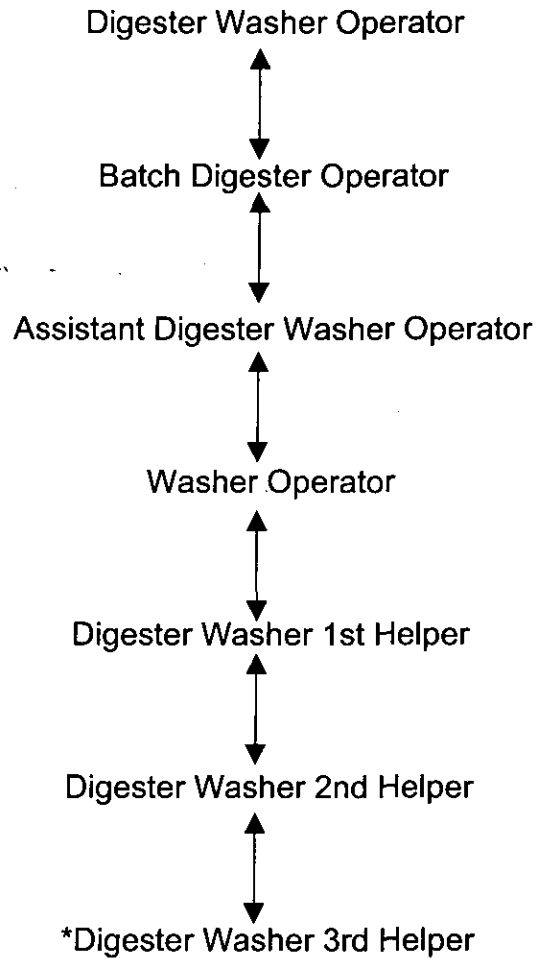
* Employees will be promoted into this job from the Pulp Mill Utility Pool.

EXHIBIT "B"

JOB PROGRESSIONS

COOKING AND WASHING

Effective 06-20-94



- Employees will be promoted into this job from the Pulp Mill Utility Pool.

The current line of progression will be compressed into job groups as follows:

<u>Job Groups</u>	<u>Current Classification</u>
Operator A	Digester Washer Operator
Operator B	Batch Digester Operator
	Asst Digester Washer Operator
	Washer Operator
Operator C	Digester Washer 1 st Helper
	Digester Washer 2 nd Helper
	Digester Washer 3 rd Helper

EXHIBIT "B"

JOB PROGRESSIONS

Once an Operator is certified on the tasks at the different levels within the job group he or she will be paid the rate associated with that level. For example, once an Operator C is certified on Digester Washer 2nd Helper tasks his or rate of pay will be \$20.03. Once an Operator C learns the tasks of the Digester Washer 1st Helper, his or her rate will become \$21.00. Job Groups have been established for purposes of establishing pay. Current classifications and seniority within those classifications will be maintained.

When taking temporary promotions from one job group to another, employees will be paid at the highest level for which they are certified within the job group to which they are temporarily promoting.

Employees will be expected to work at any job within the job group for which they are certified.

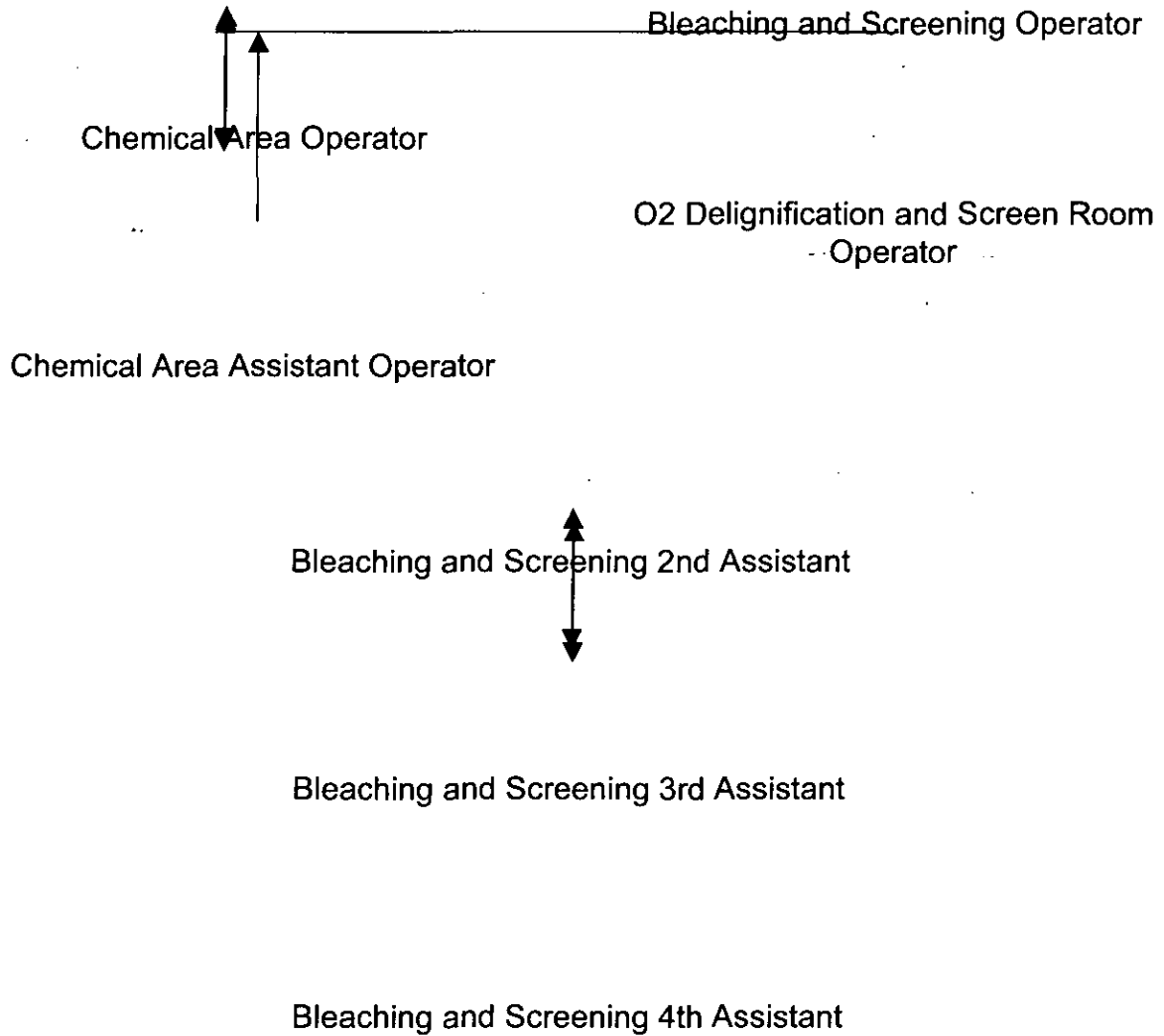
A member of Pulp Mill management will develop a training matrix to ensure that all employees have ample opportunity to train and advance. The Union will select an hourly representative from the Pulp Mill to provide input into the training plan.

EXHIBIT "B"

JOB PROGRESSIONS

BLEACHING/SCREENING/CHEMICAL

Effective 09-21-99



* Employees will be promoted into this job from the Pulp Mill Utility Pool.

A. 4th Assistant - (4th Assistant Bleaching & Screening Operator eliminated)

Classification originally filled by former Chemical/Raw Material Handlers. The following employees are 4th Assistants:

McPherson, F.D.	#4630
Sellers, B.M.	#4800
Skipper, E.R.	#5231
Smith, E.C.	#5138

The job seniority date of these employees in this new classification will be the same job seniority date they held as Chemical-Raw Material Handler. Their department seniority date will be May 7, 1991, which is the date the Company transferred them to the former Bleaching and Screening progression.

These employees are not eligible for promotion to 3rd Assistant Bleaching and Screening Operator classification or any other classification in the new Bleaching/ Screening/Chemical job progression until after:

1. The former 4th Assistant Bleaching and Screening Operator employees have been permanently transferred to the 3rd Assistant Bleaching and Screening Operator classification or to a job progression higher than that in the new job progression; have signed a job refusal to the Bleaching/Screening/Chemical job progression after June 20, 1994; or have transferred at their own request to a different job progression after June 20, 1994.
2. All permanently assigned employees in the Pulp Mill Utility Pool progression with a department seniority date before May 7, 1991 have accepted a transfer to 3rd Assistant Bleaching and Screening Operator classification or to a classification higher than that in the new job progression; have signed a job refusal to the new Bleaching/Screening/Chemical job progression after June 20, 1994; or transferred at their own request to a different job progression after June 20, 1994

These employees cannot be displaced from the 4th Assistant classification should a demotion occur in the new Bleaching/ Screening/Chemical progression.

Per Item 14 in the Maintenance General Services agreement, these employees will have incumbent rights to fill a permanent vacancy in the Crane-Heavy Equipment Operator classification before hiring from the outside. It is the intent of both the Company and the Union that these four employees be made a part of the new Pulp Mill progression.

B. Chemical Area Operator/Chemical Area Assistant Operator

Those employees permanently assigned to jobs in the former Quality Control, Water Plant, and Chemicals job progression on March 2, 1992, will have their job refusal to any job classification in the progression removed and considered invalid. Previous job seniority will be restored to allow the most senior employee the opportunity to promote to those job classifications. An incumbent employee in the former Quality Control, Water Plant, and Chemicals job progression as of May 5, 1991, may sign a job refusal for promotion to the new Technical job progression, but still be eligible for promotion to the Chemical Area Assistant job classification.

If an employee from the former Quality Control, Water Plant and Chemicals job progression is transferred at his own request to the Chemical Area Operator or Chemical Area Assistant Operator

job classification, he will return to the new Technical job progression should he sign a job refusal to either Chemical Area job classification; or if a demotion were to occur in either classification. An employee promoted to either Chemical Area job classification from the new Bleaching/Screening/Chemical progression will demote in that job progression line should a job refusal be signed or a demotion occur.

The employees permanently assigned to the Chemical Area Operator and Chemical Area Assistant job classifications as of March 2, 1992, will remain in the job classifications unless they sign a job refusal. If they sign a job refusal, they will return to the new Technical progression. Employees in the Chemical Area Assistant classification who do not sign a job refusal will continue to promote to the Chemical Area Operator classification.

Permanent vacancies in the Chemical Area Assistant classification will be filled by job seniority from those employees permanently in the former Quality Control, Water Plant, and Chemicals job progression prior to May 5, 1991.

Temporary vacancies in the Chemical Area Assistant job classification will be filled according to the following sequence:

1. An employee from the new Technical progression who is eligible to promote to the job.
2. If a vacancy still exists, then trained employees from the Bleaching and Screening job progression, starting with the 2nd Assistant Bleaching and Screening Operator, who are eligible to promote to the job.
3. If a vacancy still exists, then trained employees from the Pulp Mill Utility Pool will be used.

Employees from the new Technical progression will receive training to fill the temporary vacancy before the employees in the Bleaching and Screening job progression. It is understood that Pulp Mill Utility Pool employees may be used until the proper employees can be trained.

Employees in the Bleaching and Screening job progression will not promote to permanent vacancies in the Chemical Area Assistant job classification until after all incumbents from the former Quality Control, Water Plant, and Chemicals job progression have had an opportunity.

For vacation scheduling purposes, the employees in the Chemical Area Operator and Chemical Area Assistant job classifications from the former Quality Control, Water Plant, and Chemicals job progression will schedule their vacations with those employees in the new Technical job progression, as long as we have incumbents to adequately fill the job classifications.

EXHIBIT "B"

JOB PROGRESSIONS

PULP MILL UTILITY POOL

Effective 2-5-98

- I. Employees in the Pulp Mill Utility Pool will be in line for promotion to the bottom job of the following progressions:
 - (A) Cooking and Washing
 - (B) Bleaching/Screening/Chemical
 - (C) Caustic and Lime

Promotion to these jobs will be based on job seniority in the Utility Pool and ability.

- II. If employees in the Utility Pool want to enter any other progression, they should apply for transfer. This application for transfer will be considered along with those of any other employees applying for the same job.

EXHIBIT "B"

JOB PROGRESSIONS

PULP DRYER
EFFECTIVE 2-5-98

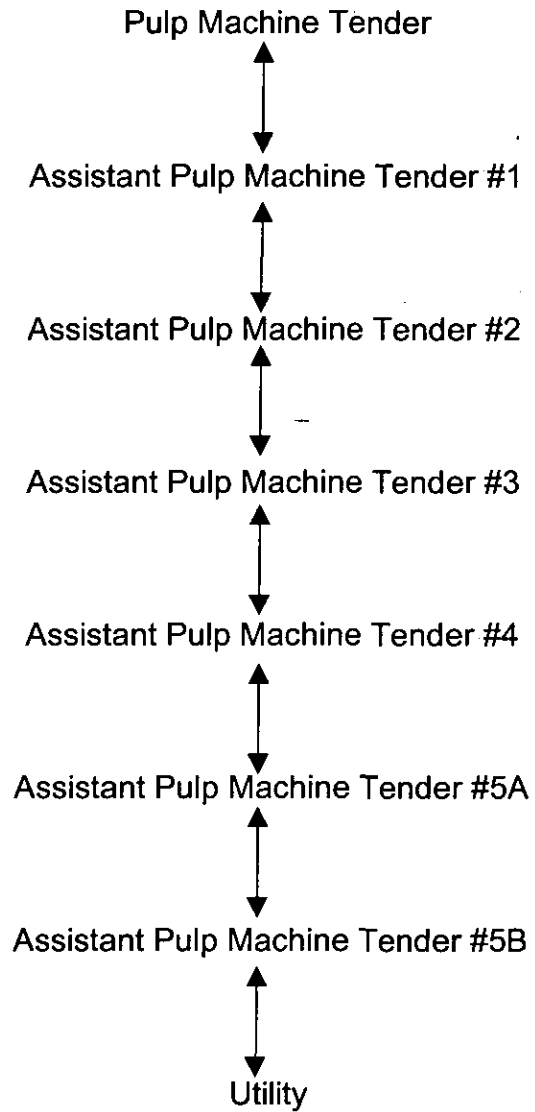
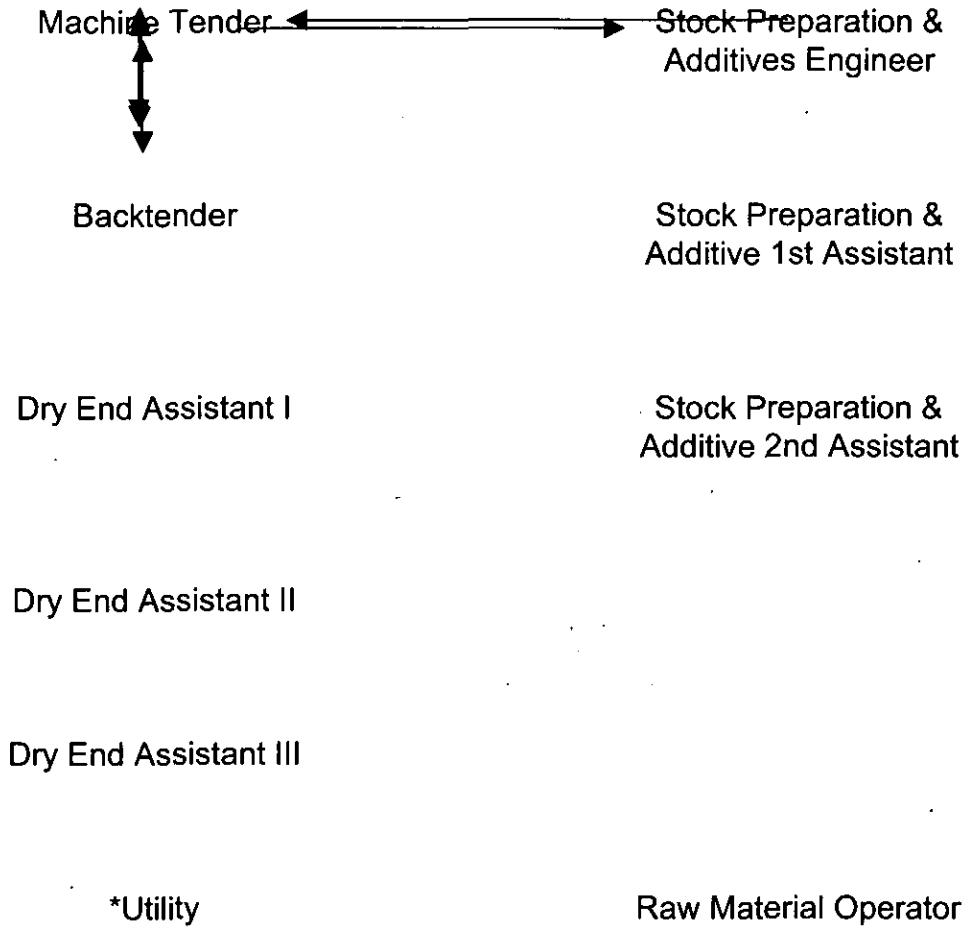


EXHIBIT "B"

JOB PROGRESSIONS

PAPER MILL

Effective 4/30/96



* When unloading cores for two hours or more, wage rate to be adjusted upward by 30 cents.

All persons holding seniority in the SP&A line of progression or who hold incumbent rights as a result of the 1990 SP&A negotiations in the SP&A line of progression will have rights to fill all temporary and permanent vacancies in the SP&A line of progression. After all incumbents are exhausted, vacancies in the SP&A 2nd Assistant will be filled according to the new line of progression.

SP&A Employees with Rights to SP&A 2nd Assistant Classification

Former SP&A Personnel

- | | |
|----------------|-------|
| 1. Robbins, WA | #3993 |
| 2. Nichols, VW | #3671 |

The above employees will be allowed to refuse jobs to the Paper Machine jobs without forfeiting their rights to promote to the New Stock Prep & Additive Room jobs.

Note: Promotions to RMO will come from Utility classification. RMO has no promotional rights in the department. RMO will be filled by incumbents as listed in the 1990 negotiations. After that time promotions will be made from Utility. If employee is forced into RMO classification, the employee will retain promotional rights to the Paper Machine line of progression.

Employees working on #15 and #18 machines will not be required to move from one machine to another as long as their jobs are running except in abnormal circumstances.

Promotions: Vacancies known in advance to be of less than four week's duration will be filled on a temporary basis as though the progressions for #15 and #18 machines were separate.

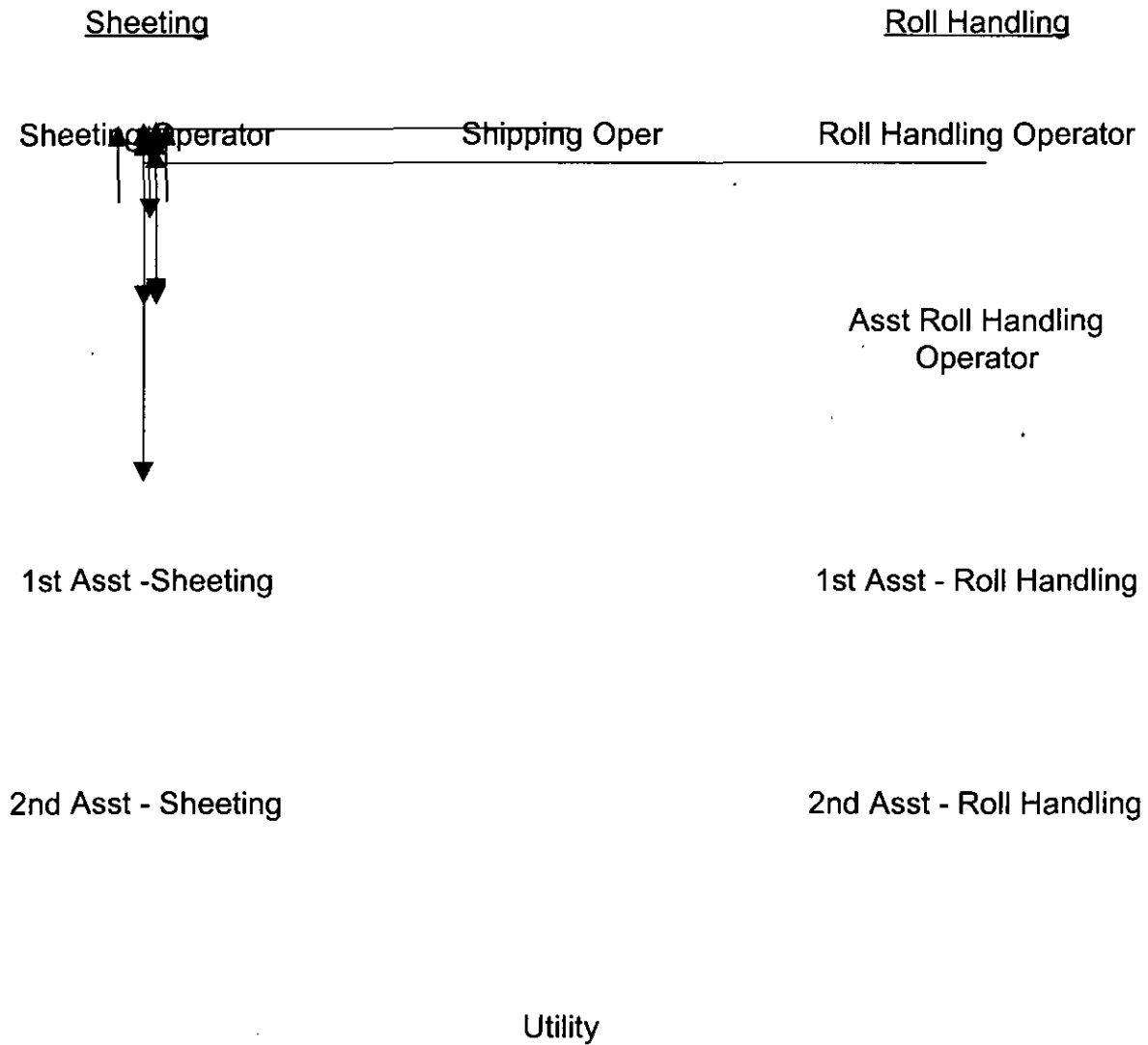
An exception to this provision may be made when filling shift vacancies under the provisions of Appendix "D", when the Company is attempting to fill the vacancy from employees in the same classification from within the confines of the department. In such a case, the work will be offered to employees in the same classification from the other machine provided they are qualified (to be considered qualified the employees on the other machine must have worked, and been paid the rate of, the same job on the other machine).

When the Company is trying to fill the vacancy with "any employee in the department," the work may be offered to employees on the other machine.

Vacancies known to be of more than four weeks' duration will be filled on a permanent basis as though there were a single progression for both machines. (All permanent vacancies will be filled in this manner.)

Layoffs: Layoffs will be made as though there were a single progression.

EXHIBIT "B"
JOB PROGRESSIONS
PS&D
Effective 08-15-94



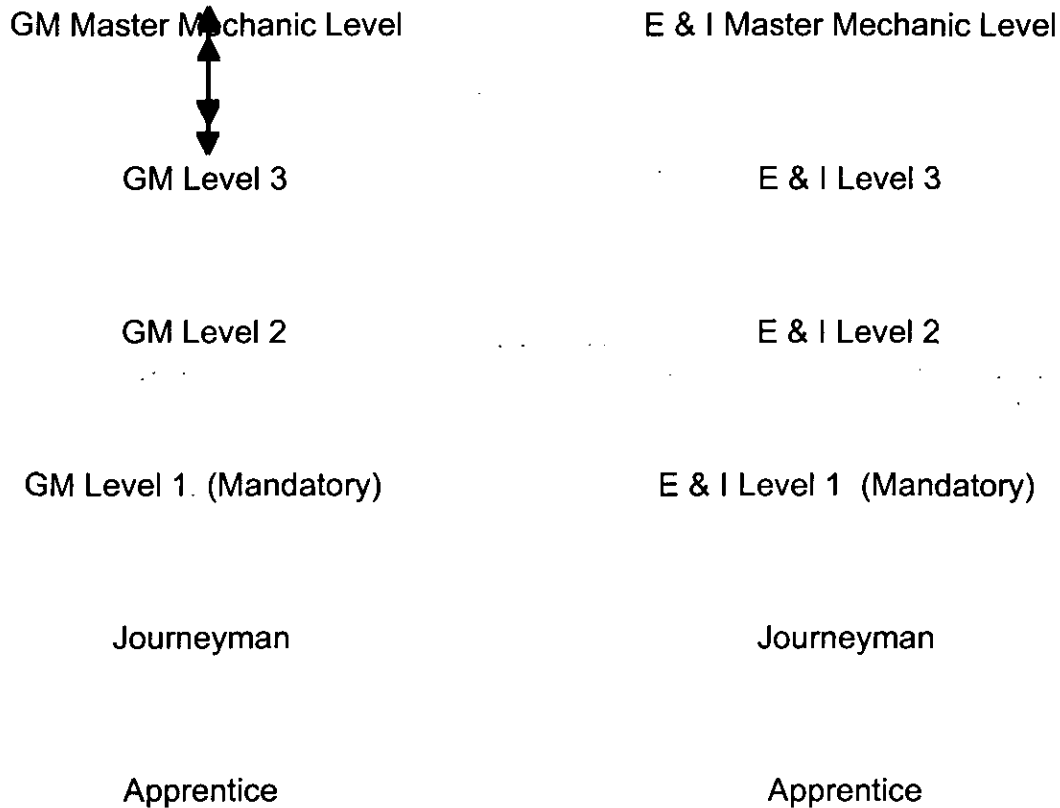
Promotions to Shipping Operator shall be made between the 1st Assistant - Sheeting and the Assistant Roll Handling Operator with the most department seniority.

When there is more than one incumbent per job on a shift, jobs will be identified separately for filling vacancies under Appendix "D".

EXHIBIT "B"

JOB PROGRESSIONS

Maintenance
Effective 1-27-00



Truck Driver

* For the filling of permanent shift vacancies, preference will be given according to job seniority and ability. If it is necessary to require a man to be assigned to shift work, the junior qualified man will be required to accept such assignment. The same procedure will be followed in assigning a shift relief man, except for millwrights assigned to roll grinding.

A journeyman who has been assigned to shift work for two or more continuous years and who applies to the Maintenance Superintendent in writing for assignment to day work will be so assigned as soon as the Company can practically arrange reassignment, but in any event, within six months of the date of his written application, provided it can be arranged in conformance with the above seniority provisions. For millwrights assigned to roll grinding, the period will be three years with twelve months' notice.

EXHIBIT "B"

JOB PROGRESSIONS

The apprenticeship training program will be administered according to the program as established by the Company and the Union.

This program will apply only to apprentices listed below. Rates for the various stages of apprenticeship training are listed in Exhibit "A" and will be based on satisfactory progress.

Apprenticeship training programs will be established for the following:
General Maintenance Mechanic / E&I Mechanic

When the need arises to increase the number of qualified mechanics in an area, the vacancy will be posted millwide and the job awarded by job seniority to the senior qualified mechanic. If there is a need to reassign mechanics from one area to another, the job will be posted and the vacancy resulting from the original bid will be awarded by job seniority to the senior qualified mechanic or the junior certified mechanic from that area will be assigned.

When there is a need to assign employees graduating from the Apprentice Program or to hire from the outside, the designated vacancies will be posted millwide and awarded by job seniority to the senior qualified mechanic. Once the designated vacancies are filled, the Apprentice graduates or the new hires will be assigned to the resulting vacancies.

(For purposes of determining qualifications, the minimum qualifications will be completion of Level one certification in the Maintenance Development Program.)

Journeyman transferred under this language will not be eligible for another transfer for a period of three (3) years.

If a Journeyman with special skills required in an area requests a transfer from that area, the Company will be given a reasonable time to train a replacement, but in no event will this time extend beyond twelve (12) months.

Other transfers between areas may be made by the Company to transfer employees for reasons of health.

Nothing herein will prevent a rotation program to rotate journeymen between areas.

Truck Drivers will assume responsibility for servicing trucks with the assistance of the Gasoline Mechanic.

Future permanent vacancies, if needed, in the Truck Driver Classification will be posted for bid millwide. A temporary vacancy in the Truck Driver Classification may be filled by assigning anyone in Maintenance.

EXHIBIT "B"

JOB PROGRESSIONS

MAINTENANCE DEVELOPMENT PROGRAM

- 1) The purpose of the Maintenance Development Program is to increase the Company's capability to match skills with operational needs, to increase the skills capabilities of existing journeymen, to eliminate craft lines, and to streamline the numbers of maintenance personnel.
 - a) The Company and Union have identified 6 primary craft skills: General Maintenance Mechanic skills - millwright, pipe fitter, welder, machinist and E&I Mechanic skills - electrician, instrument.
- 2) All maintenance journeyman skills will be assessed against a skills inventory of core competencies. From those results, a training outline will be developed for each journeyman which will progress him to the minimum core competency level. All journeymen will be required to attain the minimum core competency level in a twelve month period. Should any journeyman be unable to attain the required levels of core competency in a twelve month period, he/she will be granted an additional twelve months to achieve the core competency level. If a journeyman achieves core competency level and cannot attain Level 1 certification within a twelve month period, he/she will be given an additional twelve month period to gain certification. Should a journeyman, following the second twelve month period, be unable to attain either the Core Competency level or Level 1 certification within the prescribed time frames, he/she will maintain his/her existing hourly rate. Negotiated general increases will be applied as they occur in the future. This will not prevent any journeyman from continuing to strive for certification. Work assignments will be made in accordance with certifications.
- 3) Following attainment of the Core Competency level, those employees who are currently classified as a Millwright, Pipefitter, Machinist, Welder, or E&I Mechanic will be given a training plan for acquiring two additional skills (primary skills) in their identified craft and two skills in another craft (secondary skills) to achieve Level 1 competency. The secondary skills will be identified by the Company taking into consideration the employees department seniority, desires, competencies, past work experience, and the operational needs of the mill.
- 4) Following attainment of the Core Competency level, those employees who are currently in maintenance classifications other than Millwright, Pipefitter, Machinist, Welder, or E&I Mechanic will be given a training plan for acquiring three skills (primary skills) in a newly identified craft to achieve Level 1. Once the Company has determined the number of vacancies in primary crafts, those employees in crafts other than Millwright, Pipefitter, Machinist, or Welder who have taken the core competency assessment will be allowed to select their primary craft by department seniority. If these employees are not placed in the primary craft of their choice after exercising their seniority, they will have the right to attempt to certify on those craft skills. Those

EXHIBIT "B"

JOB PROGRESSIONS

employees who are training in their assigned primary crafts will not be impeded by those attempting to certify on skills other than their assigned crafts.

- 5) There will be three additional skill levels which journeymen may elect to attain leading ultimately to master mechanic qualification. Each level will have additional skills requirements and training outlines. Each additional level will require a minimum of twelve months to completion.
- 6) A Maintenance Development Committee consisting of three representatives each from the Company and the Union will establish the primary and other skills requirements at each level of the Maintenance Development Program.
- 7) Once developed and fully implemented, the Maintenance Development Committee will meet at least quarterly to review the progress and functionality of the program. The Committee can recommend changes and modifications which will require approval of both the Company and the Union.
- 8) There shall be no restriction as to assignment of maintenance personnel as long as they are certified to perform the work safely.
- 9) The Company and the Union agree that no employee who is age 60 or older on the date of implementation of the Maintenance Development Program will be required to advance. Those employees age 60 and older who do not advance will maintain their existing hourly rate. Negotiated general increases will be applied as they occur in the future.
- 10) While not all inclusive, the elements of the MDP concept are explained in a general sense above. It is fully understood and agreed that the MDP supersedes any rule, commitment, understanding, practice, language in any other agreements, grievance settlements, and arbitration, etc., either written or verbal, that may have existed in the past or as may be contained elsewhere in the Labor Agreement which are in direct conflict with it.
- 11) Job skills training will be provided on company time so that work can be performed safely and efficiently. Formal training will be administered in a manner that is fair and consistent. Participants in the Maintenance Development Program will spend approximately twenty percent of their time in training. Twenty percent of training time will be in the classroom. Forty percent of training time will be at the job and forty percent of training time will be on the job. The maintenance learning leaders will be responsible for the coordination of this training.
- 12) All maintenance journeymen will be eligible to participate in a company sponsored associate degree program on their own time if they so choose.
- 13) The maintenance Learning Leaders at the direction of the Maintenance Manager will be responsible for the coordination of the Maintenance Development Program and will facilitate the certification process.

EXHIBIT "B"

JOB PROGRESSIONS

MAINTENANCE OVERTIME RULES

CALL-INS

1. Call-ins will be by a rotating roster system designed to equalize overtime opportunities. Area, Zone, and Mill call-in lists will be maintained. Each week, the 10% of employees that were on the bottom of the list the prior week will move to the top of the list and that list will remain in effect for that work week. For example, if there are fifty people on an area call-in list, the bottom five will become the top five at the beginning of each work week. The company will provide a copy of the roster to the president of PACE Local 2-738 each week.

First Priority -	Volunteer Rotating Roster by Area
Second Priority-	Volunteer Rotating Roster by Zone
Third Priority -	Volunteer Rotating Roster by Mill

2. Employees assigned outside their normal area will retain call-in rights in their permanent area.

3. Calls made from volunteer rosters will be made in order. If an individual is accidentally missed, he/she will be offered the next available opportunity. He/she will then be placed back in the original position on the roster. If call-ins are deliberately offered to individuals other than those entitled by the call-in list, the employee(s) who was entitled to the call-in will be made whole.

4. In the case of absence for any reason the employee will be checked on the call-in list as if he/she was present and called.

5. Volunteer roster changes can be made every three (3) months.

6. When it appears that a job will extend more than one hour beyond the end of the shift, the area and zone call-in rosters will be used.

DAILY OVERTIME RULES

1. Daily overtime rights will be in the area to which a mechanic is assigned if outside his permanent area.

2. When day overtime opportunities arise for maintenance work in the various areas of the mill, the crew who is working on the job on which that overtime arises continues on the job until they clock out. If it becomes necessary to find a relief, offer first to certified

EXHIBIT "B"

JOB PROGRESSIONS

mechanic in the area; second to certified mechanic in the zone; and third to certified mechanics in the mill.

3. During regular day assignments or holdovers and call-ins, a mechanic who is assigned a diagnostic determination, locking and tagging and gas testing is not considered as assigned to any further part of the repair of that job unless it is determined that he is involved in the repair of the job.

APPRENTICE OVERTIME RIGHTS

Learning Leaders will establish a weekly apprentice work schedule. Apprentices will be assigned jobs on that schedule for both training and certification purposes when a window of opportunity opens during that week to perform such work. Apprentices will be entitled to overtime only on those scheduled jobs or for certification purposes unless all journeymen have been afforded the opportunity to work.