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LABOR AGREEMENT

MEMORANDUM OF AGREEMENT by and among the SCA TISSUE NORTH AMERICA LLC, Menasha, Wisconsin, hereinafter referred to as the Company, and PAPER ALLIED INDUSTRIAL, CHEMICAL AND ENERGY WORKERS INTERNATIONAL UNION, AFL-CIO affiliated Local Unions 7-0324 and 7-1279 (unincorporated associations), hereinafter referred to individually as Union, or collectively as Unions:

WITNESSETH:

The purpose of this agreement is to provide for and promote a cooperative and mutually beneficial relationship between the Company and the Unions consistent with the Strategic Alliance and Partnership between PACE International and SCA North America - Tissue Division to:

- ❖ Ensure the long-term success of the Partnership; and,
- ❖ To prove that PACE is a value-adding entity to the success of SCA Tissue.

It is our goal to have the best Union/Management relationship in the paper industry. This cooperative relationship will ensure SCA North America LLC, Tissue Division's success in the paper industry by outperforming its competition in safety, customer service, quality and costs. It is recognized by the parties to this agreement that it is the duty of the Company, Unions and employees to cooperate fully, individually and collectively, for the advancement of the following conditions:

- a. Safety and health of its employees;
- b. Quality and quantity of output;
- c. Cost effectiveness of operation;
- d. Cleanliness of the plant and the protection of property;
- e. Economic welfare of the Company and its employees.

In consideration of the mutual covenants and agreements hereinafter contained and for other good and valuable consideration, the Company and the Unions pledge and agree as follows:

Union Management Cooperative Effort

The parties recognize that their futures are intrinsically tied together based upon the successful operation of the Company. The Parties acknowledge that every effort must be made to initiate and sustain a successful Union/Management Cooperative effort to enhance the future success of the company and its employees. With this understanding, the Company and Unions agree to the following:

July 1, 2004 - June 30, 2009

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The Unions and the Company agree to participate in a Labor and Management Cooperative effort.

We are committed to enhancing the safety of all employees.

We are committed to providing quality products and service to our customers.

We are committed to improving the productivity and cost effectiveness of the Neenah and Menasha facilities and enhancing the long-term job security of all employees.

We are committed to improving the competitive position of the Company.

We recognize that the main stakeholders in this process are our customers, employees and shareholders. In order to add value to all stakeholders we believe that our actions must be consistent with our core values of *Responsibility*, *Excellence* and *Respect*.

The underlying factor in our success will be the initiative we take individually and collectively as Company, Unions and employees to:

- Promote the active involvement of employees in any change process;
- Foster continuous improvement;
- Depend upon a fair sharing of the business' success with PACE represented employees.

The joint cooperative effort will include but is not limited to product cost reduction, expense reduction, lead-time reduction, improvements in quality and customer service, problem solving and employee training. This joint participation effort can take various forms such as experimental programs or other actions.

The Unions and Management will work together to actively promote and support employee participation, group problem solving and cross-functional and collaborative efforts, encourage personal responsibility and other actions to stimulate the best effort from every employee.

It is further agreed that the Company and Unions are committed to enhancing mutual cooperation.

It is understood that the training will not exceed sixteen (16) hours of mandatory overtime per year, with the exception of Self-Directed Work Redesign, and will not be done on off days or during prime time unless mutually agreed. Further no contractual issues will be discussed.

Successorship

The Company agrees that if during the life of the Agreement it discontinues operations, sells, leases, transfers or assigns the operations covered by this Agreement, it shall inform the purchaser, transferee, or assignees of the exact terms of this agreement and shall make the sale, lease, transfer or assignment conditional upon the purchaser, lessee, transferee, or assignee,

assuming all the obligations of this Agreement until its expiration date and treating the effected employees of the Bargaining Unit in accordance with the terms of this Agreement.

HIGH PERFORMANCE WORK REDESIGN GUIDELINE SELF-DIRECTED WORK GROUPS

This guideline represents the commitments and understandings between the parties pertaining to high performance work system redesign.

There will be no layoffs as a result of the implementation of high performance work system redesign. This does not protect the workforce from lay-off for reasons of asset shutdowns, loss of business or new capital.

The specific elements of the High Performance Work System design are as follows:

I. Union/Management (U/M) Steering Committee

A. The U/M Steering Committee (50:50 Union: Management participation) will provide overall direction and expected outcomes for the high performance work redesign effort. To this end, the U/M Steering Committee will guide the redesign efforts.

B. The work of the U/M Steering Committee shall include:

1. Establishment of Design Committees' membership, time requirements and ground rules. Design Committees will be populated by two-thirds union and one-third management employees from the areas being redesigned.
2. Education by a Lead consultant and Redesign consultants on the process to be used.
3. Evaluation and selection of the Lead consultant and Redesign consultants.
4. Self-Directed Work Group learning opportunities, including site visits, where appropriate.
5. Establishing of benchmarking standards.
6. Joint communications on progress, learnings, etc.
7. Development of the implementation plan, expected results and timing.
8. Managing the implementation process.

II. High Performance Work Redesign -Values and Principles

- A. Safety and well being of all employees involved in any redesign will be first and foremost in any consideration of redesign for the viability of the site's long term success. The U/M Steering Committee will review all redesign concepts for safety compliance.
- B. The parties agree that in order to be competitive in the future and meet customer needs, we must transition to a work group based, customer focused, self-directed high performance work system.
- C. Training is a key and vital ingredient for successful high performance work redesign. The parties agree and are committed to providing the needed training systems required to have the best-trained and most skilled people in our industry. The training program will include technical, operational, business, process, interpersonal and work group skills. It is understood that the Training System will be developed in a way that anyone willing to learn will succeed. It is further understood that the Company will provide the required resources to insure the training required is accomplished. The U/M Steering Committee will audit training.
- D. The concept behind a self-directing work group is highly skilled people in a department or area affected sharing responsibility for many functions. Instead of a traditional high performance work system that places responsibility for a single function with a single individual, any new design will place responsibility for cost, quality and performance with the operating work group as a whole. This shared responsibility makes operating work group members more aware of the factors that affect the performance of their high performance work system.
The operating work group takes the broadest practical responsibility within their Department to foster feelings of ownership for their process. This responsibility extends from receipt of the incoming materials through delivery of products to downstream customers.

The operating work group has the accountability and knowledge necessary for proposing and implementing improvements and solutions to problems. Operating work group members work together to monitor and manage their own overtime, job assignments, work planning and scheduling per the Labor Agreement. They also affect budgets, maintenance planning and training.

Operating work group members will learn new skills by assuming various technical and coordinating roles, thereby increasing members' process and business knowledge. New skills help keep operating work group members challenged and interested in their work and add to their potential to contribute to the business.

- E. Work groups will work to ensure the work environment is free of discrimination and harassment consistent with state and federal regulations.

- F. It is also agreed that the initial focus of the training efforts will be on accelerating the development of the basic skills and knowledge of operators necessary to better control the process, operate, adjust and maintain the equipment. Basic interpersonal and problem solving skills will be provided as well as the advanced skills and knowledge required to evolve work groups from supervisory leadership to operating work group leadership.

III. Design Criteria

- A. The new high performance work system will be designed so as to incorporate a work group structure.
- B. The high performance work system design will include specific support and coordination roles for operating work group members, which, over time, will enable operating work groups to become self-directed.
- C. Participation in the new high performance work system will not be optional. Everyone within an operational unit being redesigned will be expected to be a participating, contributing member of the high performance work system. Everyone will be provided training opportunities over a period of time.
- D. The design and delivery of training will be in a timely manner, and without unnecessary delays. It is also an expectation that training will be accomplished both in formal classroom and on the job. Additionally, barriers that hinder access to capability development will be addressed and the expectation is that individuals are freely transferring their unique skills to others within the operating work group. Training resources will be approved by the U/M Steering Committee.

IV. Operating Work Groups

An Operating Work Group is a highly evolved group with a capable and interdependent group of hourly personnel of multiple disciplines who collectively possess the skills and knowledge required to control the process and safely operate the equipment.

Minor Maintenance Work is defined as follows: Operations employees will participate in maintenance that is a logical extension of their operating job.

Material Handling and Flow -Operating work group members will be responsible for the movement of materials required, consistent with safe practice, procedures and design.

A. Operations

1. A shift change process will exist for adequate exchange of any information

required for continuous trouble shooting/problem solving.

2. Operators will do minor maintenance work.
3. Operating work group members will be aware of needs downstream and will let upstream operations know the results of their work.
4. Operating work groups will self-direct their own formal training system and will participate in the delivery of such training.

Maintenance

1. Maintenance crafts are responsible for:
 - a. Utilizing their expertise on special jobs requiring higher skills.
 - b. Providing training to operators who are accountable for minor maintenance and adjusting work.
 - c. Providing additional resources in the execution of planned maintenance.
2. The Operating work group is responsible for overall maintenance planning and scheduling, as well as auditing the outcome of their work to improve ongoing performance.
3. Craft people and operators are actively responsible for failure analysis and follow-up implementation.
4. Craft people work with operators on a frequent enough basis to build their process skills and understanding of the operating requirements of the equipment.

Quality/Process Control

1. Quality will be monitored and controlled at all points of the process by those operating work group members involved at that point of the process.
2. Individual operating work group members will be self-directing and will perform problem solving and problem prevention analysis around quality and process.
3. The high performance work system will be self-directing, utilizing formal (individual and work group) decision making, problem solving and problem prevention techniques. This is the ultimate goal of a High Performance Work Redesign system and will transition over time.

B. Leadership/Problem Solving/Decision Making/Business Skills

1. work groups are responsible for safety training and the development of and adherence to safe operating procedures and environmental compliance.

2. Operating work groups will be connected to the needs and expectations of their customers and will actively control the quality and service they deliver to match those needs.
3. Operating work groups will be accountable for auditing and tracking performance to ensure clear measurement of results against operating goals.
4. Operating work groups will have, through training an understanding of the total business and have capability to impact business results. They will be aligned to direction provided by the business and make decisions focused on consistently achieving business goals.
5. Operating work groups will share accountability for cost decisions pertaining to the usage of labor, parts, materials and goal-setting.
6. Operating work groups will make supplier contacts when appropriate.
7. Operating work groups will administer discretionary time, work assignments, work group meetings, vacancies, vacations, etc.
8. Operating work groups will be given training in work group skills, including conflict prevention/resolution, valuing differences, etc. to enable them to effectively function as a work group.
9. Operating work groups will schedule, lead and facilitate work group meetings to accommodate the following functions:
 - a. Group decision making
 - b. Problem solving
 - c. Group communications
 - d. Goal setting and performance tracking
 - e. Project improvement work
 - f. Maintenance planning and scheduling

V. Approval Process for Redesign

Each redesign will be first approved by the U/M Steering Committee. The Unions reserve the right to determine whether or not the design(s) should be ratified.

ARTICLE 1. TERM OF AGREEMENT

This Labor Agreement shall remain in full force and effect from July 1, 2004 to June 30, 2009 inclusive, and from year to year thereafter, unless terminated in accordance with the provisions of Article 2 below.

If the Company or the Unions shall desire to change any provision of this agreement effective after June 30, 2004, the party requesting the change shall give written notice of such desire to the other at least sixty (60) days prior to June 30, 2009 or sixty (60) days in advance of any subsequent anniversary date.

The giving of notice shall constitute an obligation upon both parties to negotiate in good faith all questions at issue, with the intent of reaching written agreement prior to the anniversary date.

In the event that the new agreement is consummated after July 1, all provisions of said agreement shall be made retroactive to July 1, provided either party has requested a conference at least sixty (60) days prior to July 1 for the purpose of negotiating the renewal or modification of this Labor Agreement.

If the parties have not reached agreement on or before the anniversary date, all the provisions of the Labor Agreement shall remain in effect unless specifically terminated in accordance with the provisions of Article 2, below.

ARTICLE 2. TERMINATION OF AGREEMENT

At any time after the anniversary date, if 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 Labor Agreement in not less than six (6) days. All the provisions of the Labor Agreement shall remain in full force and effect until the time set forth has elapsed. During this period, attempts to reach an agreement shall be continued.

If the parties have failed to resolve their differences before the time set forth has elapsed, all obligations under this Labor Agreement are automatically canceled.

ARTICLE 3. RECOGNITION

The Company recognizes the Unions as the sole collective bargaining agents for all production and maintenance employees of its plants in the City and Town of Menasha, Wisconsin, excluding office clerical employees, sales people, professional employees, guards and supervisors as defined in the National Labor Relations Act, as amended.

ARTICLE 4. UNION MEMBERSHIP

All employees who are or become members of one of the respective Unions shall maintain such membership as a condition of employment.

All eligible employees who are not members on the effective date of this Labor Agreement shall join one of the respective Unions sixty (60) working days after the effective date.

All new employees eligible for membership shall be notified at the time of hire by the Company that they must join one of the respective Unions sixty (60) working days after the beginning of their employment.

Failure by any employee to pay his or her initiation fee and/or dues after he or she has had ample time to do so, the Company having been notified in writing and signed by an officer of the Union, shall be just cause for termination of employment when requested by the Union.

Where a question arises on a given employee probationary case, the probationary period may be extended by mutual agreement of the Company and the Union.

ARTICLE 5. UNION DUES CHECK-OFF

The Company agrees to deduct the regular monthly Union dues from earned wages of those employees who individually authorize such deduction in writing on "authorization cards" approved by the Union and the Company and in the proper form to comply with the National Labor Relations Act, as amended. The deductions shall be remitted to the respective financial secretaries of Local 7-0324 and Local 7-1279 of the Paper Allied Industrial, Chemical and Energy Workers International Union, AFL-CIO within ten (10) days of the date the same are deducted.

Union Authorizations Cards will be handed out by the Union and filled out during orientation. Union dues deduction will be started for new employees upon the completion of their probationary period as outlined in Article 5.

ARTICLE 6. NO STRIKES - NO LOCKOUTS

There shall be no strikes during the term of this agreement and any employee who participates in activity so prohibited shall be subject to discipline. There shall be no authorized lockouts during the term of this agreement.

ARTICLE 7. JURISDICTION

All questions of jurisdiction between the Local Unions shall be decided by the International Union.

ARTICLE 8. DEFINITION OF SHIFT AND DAY WORKERS

Employees engaged in an operation scheduled in advance for at least twenty-four (24) hours continuous running or employees engaged in an operation where one person succeeds another in conducting the operation for less than twenty-four (24) hours are considered shift workers. All other employees are day workers.

ARTICLE 9. HOURS OF WORK AND RUNNING SCHEDULE

The regular scheduled workweek for the converting plant with the exception of the Sample Room and the ASRS shall start at 6:45 A.M. on Monday and shall end at 6:45 A.M. on Sunday. The Sample Room shall start at 7:45 A.M. and work through 3:45 P.M. All ASRS employees, with the exception of those on a continuous seven (7) day basis, shall start at 6:00 A.M. on Monday and shall end at 6:00 A.M. on Sunday.

The Paper Mill will operate on a continuous seven (7) day basis starting at 7:00 A.M. on Monday and running through 7:00 A.M. the following Monday, with the exception of specified down days as stated in this contract. It will utilize the 7-1, 7-2, 7-4 schedule also known as the SCA Tissue North America LLC swing shift.

If paper production requirements are to be curtailed, the Company will give a fourteen (14) day notice of a change from the present seven (7) day swing shift at Plant 1 to another schedule. The Company may change the schedule after the completion of the twenty-eight (28) day cycle following the fourteen (14) day notice.

The schedule will be changed by laying employees off for seven (7) days and then operating another twenty-eight (28) days. Operations will continue on a twenty-eight (28) day run with seven (7) days off procedure.

If it is not possible to shut down for seven (7) days because of the effluent treatment plant, a forty (40) hour workweek will be scheduled.

The Company may cancel its notice of reduced schedules any time up to the implementation of the reduced schedule.

The Deink Plant will operate on a continuous seven (7) day basis starting at 7:00 A.M. on Monday and running through 7:00 A.M. the following Monday with the exception of specified down days as stated in this contract. It will utilize the 7-1, 7-2, 7-4 schedule, also known as the SCA Tissue North America LLC swing shift.

If Deink operations are to be curtailed, the Company will give a seven (7) day notice prior to the curtailment. The curtailment will start on Sunday. The schedule will be changed to a forty (40) hour workweek or another schedule. The schedule will run at least one (1) week prior to changing back to the seven (7) day swing shift. The Company may cancel this notice of reduced schedules any time up to the implementation of the reduced schedule.

The Converting Plant, or any part of it, and the ASRS can be operated on a continuous seven (7) day basis starting at 6:45 A.M. (6:00 A.M. ASRS) on Monday and running through

6:45 A.M. (6:00 A.M. ASRS) the following Monday, with the exception of specified down days as stated in this contract.

If production requirements are to be curtailed, the Company will give a fourteen (14) day notice of a change from the present seven (7) day swing shift to another schedule. The Company may change the schedule after the completion of the twenty-eight (28) day cycle following the fourteen (14) day notice.

The Unions and the Company may mutually establish hours of work and running schedules according to the needs of a department and the company. Department employees, the Unions and the Company must agree before the changes would occur.

Employees reporting late for work more than two hours at either the Paper Mill or the Converting Plant without notifying the Company in advance of the shift may be assigned anywhere in the Plant to other available work.

The Unions will provide the Company with a waiver of the ONE DAY REST IN SEVEN for Plant 2/ASRS for the duration of the Labor Agreement and that the Company can operate on a seven (7) day basis. If it is determined that a machine or operation will run seven (7) days for an extended period of time, the Company will immediately post for swing shift. The Company can operate Plant 2/ASRS on a seven (7) day swing operation. If any machine in the Base or R & T departments runs seven (7) days after eight (8) weeks, the Company must post for swing shift operations or leave the machine down for the next Saturday and Sunday before resuming seven (7) day operations. The number of weeks beyond eight (8) weeks of seven (7) day operation may be extended by mutual agreement.

SHIFT WORK HOURS: The normal work day for eight (8) hour shift workers shall be from 6:45 A.M. to 2:45 P.M., 2:45 P.M. to 10:45 P.M., and 10:45 P.M. to 6:45 A.M. for the Converting Plant. The normal work day for eight (8) hour shift workers shall be from 7:00 A.M. to 3:00 P.M., 3:00 P.M. to 11:00 P.M., and 11:00 P.M. to 7:00 A.M. for the Paper Mill.

The shift hours for the ASRS will be 6:00 A.M. to 2:00 P.M., 2:00 P.M. to 10:00 P.M., and 10:00 P.M. to 6:00 A.M. Shift pay differential will apply on these changed hours.

The shift hours for the Plant 2 Semi-truck Drivers are 6:00 A.M. to 2:00 P.M., 2:00 P.M. to 10:00 P.M., and 10:00 P.M. to 6:00 A.M.

DAY WORK HOURS: The normal work day for eight (8) hour day workers shall be from 6:45 A.M. to 2:45 P.M. The work schedules provided above shall not apply to any employees when engaged in emergency work involving breakdown or emergency work involving protection of life and property.

FIREMAN-MAINTENANCE & PAPER MACHINE JEEP DRIVERS: Fireman-Maintenance employees and paper machine jeep drivers will work on a continuous seven (7) day basis with the exception of specified down days as stated in this contract. Workers will utilize the 7-1, 7-2, 7-4 schedule also known as the SCA Tissue North America LLC swing shift.

OPERATION OF CONVERTING PLANTS: The hours of work for converting employees will commence at 6:45 A.M. until 2:45 P.M. for the day shift, and 2:45 P.M. until

10:45 P.M., and 10:45 P.M. until 6:45 A.M. for the night shifts for five (5) days per week or as the weekly schedule requires.

Shift workers will maintain continuous operation and may punch out ten (10) minutes prior to the end of their shift when properly relieved. The Company reserves the right to discontinue this practice based upon conflicts of the Federal Wage and Hour Division or state laws effecting the payment of overtime.

ARTICLE 10. LUNCH AND RELIEF PERIODS

A twenty-(20) minute lunch period for Plant 2 operations will be scheduled between 10:15 A.M. and 12:40 P.M., 6:15 P.M. and 8:40 P.M., and 2:15 A.M. and 4:40 A.M. Ten-minute relief breaks for Plant 2 operations will be scheduled between 8:30 A.M. and 9:55 A.M., 12:45 P.M. and 2:10 P.M., 4:30 P.M. and 5:55 P.M., 8:45 P.M. and 10:10 P.M., 12:30 A.M. and 1:55 A.M., and 4:45 A.M. and 6:10 A.M. Employees on machines with semi or fully automated casepackers shall assist other employees on similar machines to keep the machinery running through breaks. Employees can assist other employees to keep all equipment running at all times, keeping safety and quality in mind. Listed below are times that Relief Operators and Relief Napkin Supports are scheduled to work in the Base Business area:

RELIEF OPERATOR & RELIEF NAPKIN SUPPORT SCHEDULE

	<u>6:45 A.M. -2:45 P.M.</u>	<u>2:45 P.M. -10:45 P.M.</u>	<u>10:45 P.M. -6:45 P.M.</u>
1 st Operator	8:30- 8:40	4:30- 4:40	12:30-12:40
2 nd Operator	8:45- 8:55	4:45- 4:55	12:45-12:55
3 rd Operator	9:00- 9:10	5:00- 5:10	1:00- 1:10
4 th Operator	9:15- 9:25	5:15- 5:25	1:15- 1:25
5 th Operator	9:30- 9:40	5:30- 5:40	1:30- 1:40
Relief Operator	9:45- 9:55	5:45- 5:55	1:45- 1:55
1 st Operator	10:15-10:35	6:15- 6:35	2:15- 2:35
2 nd Operator	10:40-11:00	6:40- 7:00	2:40- 3:00
3 rd Operator	11:05-11:25	7:05- 7:25	3:05- 3:25
4 th Operator	11:30-11:50	7:30- 7:50	3:30- 3:50
5 th Operator	11:55-12:15	7:55- 8:15	3:55- 4:15
Relief Operator	12:20-12:40	8:20- 8:40	4:20- 4:40

RELIEF OPERATOR & RELIEF NAPKIN SUPPORT SCHEDULE

	<u>6:45 A.M. -2:45 P.M.</u>	<u>2:45 P.M. -10:45 P.M.</u>	<u>10:45 P.M. -6:45 P.M.</u>
1 st Operator	12:45-12:55	8:45- 8:55	4:45- 4:55
2 nd Operator	1:00- 1:10	9:00- 9:10	5:00- 5:10
3 rd Operator	1:15- 1:25	9:15- 9:25	5:15- 5:25
4 th Operator	1:30- 1:40	9:30- 9:40	5:30- 5:40
5 th Operator	1:45- 1:55	9:45- 9:55	5:45- 5:55
Relief Operator	2:00- 2:10	10:00-10:10	6:00- 6:10

Relievers will receive the highest rate in the category they relieve. Operator and Napkin Support seniority will be used for the selection for break times. The selection will be made on a one-time basis. When promoted to a vacancy, the employee takes the break time scheduled for that position.

If there are two Napkin Supports on a machine, the necessary relief breaks will be provided for both Napkin Supports. This could be one after another or at the same time. If a vacation relief person is not available for the permanent reliever, then the Company can choose not to run through breaks. The relievers would have to be qualified on all the machines that are in a particular group. If relievers are not relieved at the end of their scheduled hours, they then have partnership responsibility. All other overtime will be determined by overtime rules. Relief operators and relief Napkin Supports will not be used to fill vacancies other than their partnership responsibility. The relievers will schedule their vacations separate from the group they relieve.

Relief operators and relief Napkin Supports will be filled by progression moves after offering lateral moves within the group. Employees will not be forced to move up into a relief position. Operators may be needed to assist maintenance employees as in the past when their machine is down. If the operators are not needed and the machine is idle, they may take their break at that time. On some machines the printers and Napkin Supports may relieve themselves, as is currently being done, but the Company reserves the option to use relief people.

Vacation numbers will be established once it is known who has been selected for the relief jobs and the numbers will be adjusted accordingly for the following years. When not relieving, the relief operators and relief Napkin Supports will perform other work as assigned by their supervisor.

The Company may choose not to run through breaks on certain machines.

If relief operator positions cannot be filled by progression moves, the positions will be posted mill wide before hiring from the outside.

Maintenance workers in the Paper Mill shall take their thirty (30) minute lunch period sometime between 11:00 A.M. and 12:30 P.M. The normal lunch period shall be 12:00 P.M. to

12:30 p.m. although it may be taken within the time stated above, if necessary, due to work requirements. It will be changed only by emergency situations.

Plant 1 Department J and Paper Mill Local 7-1279 employees will be scheduled for a thirty (30) minute lunch period between 10:15 A.M. and 12:40 P.M., 6:15 P.M. and 8:40 P.M., and 2:15 A.M. and 4:40 A.M. All employees will receive a ten (10) minute break time before lunch to be scheduled between 8:30 A.M. and 9:55 A.M., 4:30 P.M. and 5:55 P.M., and 12:30 A.M. and 1:55 A.M.

Maintenance workers in the Converting Plant and ASRS shall take their thirty (30) minute lunch period sometime between (first shift) 11:30 A.M. to 1:00 P.M., (second shift) 7:30 P.M. to 9:00 P.M., (third shift) 3:30 A.M. to 5:00 A.M. The normal lunch period for day workers shall be 12:00 P.M. to 12:30 P.M. although it may be taken within the time stated above, if necessary, due to work requirements. It will be changed only by emergency situations.

Workers scheduled in advance for a shift of twelve (12) hours shall be entitled to two (2) ten (10) minute lunch and relief periods. The first ten (10) minute lunch and relief period will take place between the 8th and 10th hour, and the second ten (10) minute lunch and relief period will take place between the 10th and 12th hour.

Workers scheduled for a shift of more than ten (10) hours shall be entitled to a paid ten (10) minute lunch and relief period after ten (10) hours.

Shift workers (excluding Local 7-0324 employees), Machine Operators, Material Handling, Shipping and Receiving employees shall have a ten (10) minute break time before lunch and a ten (10) minute break time after lunch. Except for these two (2) ten (10) minute break times, Machine Operators must stay at their machines at all times except when getting jumbo rolls, labels, etc. and in cases of emergency and personal relief and other duties consistent with the job. Plant 1 Day Maintenance and all Maintenance employees in the Converting Plant and ASRS will only be scheduled for a ten (10) minute break before the lunch period.

Napkin Supports may take ten (10) minutes of break time before and ten (10) minutes of break time after lunch but only when the machine is down for roll changes or other reasons, or the Napkin Support is properly relieved. Except for these breaks, Napkin Supports must stay at their machines at all times except in cases of emergency and personal relief and other duties consistent with the job.

The following procedure will be utilized for Paper Machine employees who work an additional unscheduled four (4) hours:

- a. A decision will be made at shift time as to whether or not an employee will be needed to relieve the employee working the unscheduled four (4) hours. If it is decided that an employee is needed for relief, the junior qualified employee on the machine will work the relief.
- b. If it is decided at shift time that an employee is not needed for relief and some difficulties arise on the machine after shift change, the employee working the unscheduled four (4) hours will be expected to go back out on the floor.
- c. The relief employee will be paid the rate of the job.

MEALS PROVIDED BY THE COMPANY: Employees required to work unscheduled hours more than two (2) hours past their scheduled quitting time may procure a meal from the vending machine in the plant lunch room. The cost of the meal will not exceed \$6.00.

When an employee is held over without previous notice to work two (2) consecutive eight (8) hour shifts, or an employee is held over, without previous notice, to work more than four (4) additional hours, he or she shall be granted a paid twenty (20) minute meal period in addition to the meal provided.

When an employee is called in on an emergency basis and his or her presence is desired as soon as possible, the employee shall be provided with one meal if the work extends into his or her normal tour or shift. No meal will be provided if the employee is allowed one hour plus reasonable travel time to be on the job.

ARTICLE 11: OVERTIME

OVERTIME HOURS: Shift workers shall be required to work overtime in order to fill vacancies caused by absence of their relief, although they may be released from such work by their supervisor.

Day workers may be required to work reasonable overtime hours when requested by their supervisor unless they have a prior commitment which prevents them from working. In case the employee required to work overtime has a prior commitment, which prevents him or her from working, the employee has the responsibility to continue to work until the supervisor can obtain a substitute worker provided the supervisor has given the employee notice to work prior to two (2) hours before the employee's normal shift ends.

It was agreed that 7-day workers would not be required to work overtime on 5-day jobs and vice versa at Plant 2 only.

The Company shall assign overtime on a fair and equitable basis among the employees consistent with seniority, ability and operating conditions and shall maintain records of such assignments. These records shall be made available to the Union upon request. Overtime rules will be used to distribute overtime. The Company or the Union can initiate discussions to change these rules as needed through mutual agreement by the parties.

LOCAL 7-0324 OVERTIME RULES: The overtime rules listed below will affect the allocation of overtime in Local 7-0324. All of the overtime rules will be applied consistent with the partnership responsibility clause in the Labor Agreement.

1. Overtime is to be avoided whenever possible. These rules will apply only when overtime is necessary. In those instances where a vacation relief or a move-up person is available, he/she will fill in on the bottom position so that overtime is not required.
2. When overtime is required, the individual who is on shift, will be the first person asked to work overtime. Normally, he/she will be asked to work an additional four

(4) hours and his/her relief will be called in four (4) hours early. In the event that the relief person is not available, the individual on his/her day off will be called. If the individual on his/her day off cannot be reached, the first solution that should be tried is to move everyone up on the shift where the vacancy occurred. If for some reason it is impossible to move employees up and fill vacancies, it will be the individual's responsibility to work sixteen (16) hours. Under no circumstances will employees be allowed to cross machines. In other words, you cannot call in an individual to work on No. 1 who is currently assigned to No. 2 Paper Machine. This, however, does not include wire time. Under certain circumstances employees will be allowed to assist on other machines. This may be done on an emergency basis only when machines cannot be staffed with assigned employees.

3. During vacations and when the shift does not have a vacation relief, overtime will stay in the class code where it originated. However, by mutual consent and supervisory approval, this overtime may be split up by people on duty providing all individuals are qualified for the work that is available.
4. If for some reason an individual is going to be off for an extended period of time, after four (4) weeks the Progression System will go into effect and the individuals will be moved up to fill the vacancy that has been created.

It is Management's intention whenever possible to limit overtime work to four (4) hours so the maximum an employee will have to work will be twelve (12) hours. In the event that a relief employee cannot be contacted within the class code, the next qualified employee available will be contacted to be moved up to fill in for the overtime. In instances where a qualified employee cannot be reached, the employee on duty will be required to stay over to work the available overtime.

5. An employee is subject to be called four (4) hours prior and four (4) hours after their scheduled shift as defined in Article 9 "Shift Work Hours". This will take into consideration felt changes, wire changes and any other miscellaneous items that may be requested of him/her by the shift supervisor.

LOCAL 7-1279 SEVEN-DAY AND FIVE-DAY WEEKLY OVERTIME RULES:

The overtime rules listed below will affect the allocation of overtime in Local 7-1279 Swing (7-day), and weekly overtime for 5-day operations (Monday through Friday). Department rules or practices that are in conflict are superseded by these provisions.

1. Overtime is to be avoided whenever possible. These rules will apply only when overtime is necessary. All temporary vacancies will be filled by employees on that shift if possible by using spare employees which include, vacation relief, support operators, or other qualified employees, in that department, who are or can be made available on shift. Employees may be moved between Departments if they were qualified on the equipment or job within the past 12 months. This applies to all or part of the shift.

2. When overtime is required, the individuals who are on the operation will be the persons required to work overtime. Normally, he/she will be asked to work an additional four (4) hours and his/her partner will be called in four (4) hours early. If the partner is not available, the partner on day off will be called.
3. If it is determined to continue the process, and the partner on their day off is not available, the qualified individuals, within their progression box, on the incoming shift will be called in by seniority.
4. If it is determined to continue the process, the qualified individuals, within progression box, on his/her day off will be called. If the individuals to be called in cannot be reached, it will be the partner's responsibility to work up to sixteen (16) hours. No employee will be required to work more than sixteen (16) consecutive hours.
5. For weekly scheduling, if extra available qualified employees are not available, the overtime will be scheduled between the employees on the operation.
6. If a person does not wish to work their overtime, it will be their responsibility to find a qualified replacement. Supervisors will notify the employee required to stay over in a timely manner, whenever proper notice is given of the absence.
7. If for some reason an individual is going to be off for an extended period of time (30-days or more), an available vacation relief will be used to fill for the duration of the vacancy in accordance with the vacation relief rules.
8. It is Management's intention, whenever possible, to limit overtime work to four (4) hours, so the maximum an employee will have to work will be twelve (12) hours. A period of eight consecutive hours off will be required in any 24-hour period. No employee will be required to work more than sixteen (16) consecutive hours.
9. An employee is subject to be called four (4) hours prior and four (4) hours after their scheduled shift as defined in Article 9 "Shift Work Hours".
10. Plant 1 day maintenance employees, who are called in for overtime work prior to the start of their shift and are subsequently excused by the supervisor from working their full regularly scheduled shift immediately following such overtime, shall be allowed to work on Saturday of the same work week (unless they are scheduled for that Saturday then they would be allowed to work the following Saturday) to make up for the time lost due to being excused, no less than four (4) hours and no more than eight (8) hours, provided the employee has worked all their other regularly scheduled hours for that week.
11. Plant 1 maintenance personnel, on occasion, will be scheduled for a following work day that is expected to require overtime to complete. In this case, a sign up list will be posted and the job will be assigned to the most senior qualified volunteers, low in hours. If there are not enough volunteers, the job will be assigned to the least senior qualified department employees. Those workers assigned will remain on the job until it is complete or they are released by supervision.

LOCAL 7-1279 WEEKEND OVERTIME RULES:

1. Employees scheduled on a machine or operation Monday through Friday will be scheduled for Saturday overtime. If for some reason the employee is unavailable for work due to vacation, banked holiday, birthday holiday, OWP or other day off awarded in advance, and the partners are unavailable to work, the company will assign the junior qualified employee on shift to fill the vacancy.
2. If a person does not wish to work their overtime, it will be their responsibility to find a qualified replacement. Supervisors will notify the employee required to stay over in a timely manner, whenever proper notice is given of the absence.
3. In departments or operations where a common position is held by multiple employees, the company will seek volunteers before forcing Junior Qualified.
4. If employees scheduled for weekend overtime become unavailable to work, management has the option of filling the vacancy by using employees on shift or by assigning overtime under the present overtime rules.
5. Partners scheduled on a machine or operation Monday through Friday will be offered Sunday overtime first. If the overtime cannot be filled with the partners scheduled on the machine or operation, the next consideration will be given to employees in that department qualified for the machine or operation with the consideration for equal overtime.

OVERTIME PAY: Time and one-half shall be paid for all work performed in excess of eight (8) hours per day or forty (40) hours per week, whichever is the greater, but not for both.

Time and one-half shall be paid for all Saturday work as such on the converting machines when during the normal work week preceding Saturday a worker loses time for lack of paper to continue operation.

Time and one-half shall be paid for all Saturday work as such to all workers utilizing the 7-1, 7-2, 7-4 schedule also known as the SCA Tissue North America LLC swing shift. These same individuals will also be paid time and one-half for work on a scheduled day off.

Time and one-half shall be paid for each maintenance department employee for all work performed on Saturday as such, provided that said employee has not been absent from work for more than one authorized day during that week. Necessary absence as defined in this Labor Agreement excluded.

Double time shall be paid for all Sunday work. Sunday work shall be construed to mean work performed during the twenty-four (24) hour period beginning at 7:00 A.M. (6:45 A.M. in the Converting Plant and day maintenance) on Sunday and ending at 7:00 A.M. (6:45 A.M. in the Converting Plant and day maintenance) on Monday except for the Shipping Department whose Sunday period will run from 6:00 A.M. on Sunday to 6:00 A.M. on Monday as stated in Article 9.

All holiday hours worked shall be paid at the rate of double time.

For the purpose of computing overtime, when a shutdown holiday occurs in the employee's regular scheduled work week, such idle holiday hours shall be considered as time worked.

All necessary absence hours as defined in Article 15 of this contract shall be counted as time worked for the purpose of computing overtime.

Employees who are late for work four minutes or more will be docked one-tenth of an hour. Employees working four minutes or more beyond their scheduled shift will receive premium pay when the employee is required to stay over. Employees being docked or paid premium pay will be paid as shown below:

<u>MINUTES BEYOND SCHEDULED SHIFT</u>	<u>PAY HOUR</u>
4	0.1
10	0.2
16	0.3
22	0.4
28	0.5
34	0.6
40	0.7
46	0.8
52	0.9
58	1.0

ARTICLE 12. WIRE TIME

Tour workers called in to put on fourdrinier wires at any time other than their regular tour shall be paid eight (8) hours on any one call Monday through Friday. If tour workers continue such work after their tour ends, or put on wires during their regular tour, they shall receive eight (8) hours for the time required to change the wire, plus two (2) hours call time for those being called in to put on the wire. It is understood that their regular hours, however, shall not continue during the wire change. All tour workers (called in or on regular tour) shall receive eight (8) hours at time and one-half on Saturday and eight (8) hours at double time on Sunday for time taken to change wires, but two (2) hours call time will be at straight time. All other work, such as changing felts, major repair work, general maintenance work shall be paid for at the regular hourly rate of employees.

ARTICLE 13. CALL TIME

Employees called in to work at any time other than the start of their established shift, or on a day off, shall be paid two (2) hours call time plus actual hours worked, but not less than four (4) hours on any one call.

No call time shall be allowed, but a minimum equal to three (3) hours straight time pay shall be allowed to employees who return to work after having completed their day tour, or shift work schedule and who have been notified to return to work before leaving the premises of the plant.

ARTICLE 14. REPORTING TIME

When an employee reports on his or her regular shift and no work is available and said employee has not been notified within at least one (1) hour prior to his or her starting time not to report for work, said employee shall receive two (2) hours pay, or at least four (4) hours of work at the regular pay except in case of breakdown.

ARTICLE 15. NECESSARY ABSENCE

Necessary absence of an employee shall be construed to mean necessary absence as outlined in the attendance policy. At least two (2) hours notice - [one (1) hour on the 7-3 shift] must be given to the Company in case of any absence.

ATTENDANCE POLICY

Policy

Regular attendance at work is expected at SCA NA Tissue and is necessary for the orderly and efficient operation of the plant. It should be the responsibility of every employee to meet this

expectation. Management does recognize that occasional absence due to sickness or emergency may be beyond the control of the employee. However, repeated absences for any reason can cause unnecessary operating burden for the Company and co-workers. Excessive absenteeism often results in daily vacancies that interfere with plant operations and cause unnecessary overtime. For this reason an attendance policy has been established to help assure consistent, fair and equitable treatment of employees who are repeatedly late or absent. This policy outlines the specific procedures for dealing with those employees who are late and/or absent.

If it becomes clear to the Company that an employee cannot fulfill his/her employment obligations, responsibilities and duties on a regular and consistent basis as a result of being absent and/or late, the Company will issue appropriate disciplinary actions. These actions will range from coaching up to and including termination of employment. It is the Company's hope that none of our employees put themselves in jeopardy of losing their jobs as a result of unacceptable attendance.

Application

This policy applies to all hourly employees at the Neenah and Menasha facilities.

Guidelines

To assure that employees are fully aware of their disciplinary status and to allow them an opportunity to correct an attendance problem, the Company will issue to the employee a warning letter that corresponds with each level of discipline based on total points accumulated. Listed below are the Levels, the disciplinary action for each level and the point total associated with each Level:

Level 1	Coaching	Five points accumulated
Level 2	Warning and Cautioning	Six points accumulated
Level 3	Written Warning and Cautioning	Seven points accumulated
Level 4	Three-Day Suspension	Eight points accumulated
Level 5	Termination	Nine or more points accumulated

Points for absences are assessed on a per occurrence basis. Each day of absence will be considered an occurrence. Absences that extend across scheduled days off will be considered separate occurrences. If an employee provides a Doctors Report upon return from a multiple day absence, these days will be considered one occurrence.

A Doctors Release Report is required when an employee misses five (5) or more consecutive scheduled workdays. This provision enables the Company to make decisions about the employee's ability to safely perform his/her job within any restrictions set forth by the doctor and to minimize safety risks to the employee and others around him/her.

The point system operates on a rolling 365-day period. Assessed points will be dropped from the cumulative total after 365 days from the occurrence of the violation.

Points will not be assessed for the following necessary absences:

- FMLA approved absences
- Workers Compensation leave
- Jury duty
- Military duty
- Holidays, vacation days and banked days awarded in advance
- Personal leaves approved and awarded in advance
- Death, funerals or weddings in the immediate family
- All business in connection with the Union or the Company
- Absence with supervisory approval

For the purposes of this policy, references to in advance would be defined as prior to the employee being absent from or leaving work.

Employees will use the proper call in procedure identified for each location.

ATTENDANCE VIOLATIONS

<u>Codes</u>	<u>Offense</u>	<u>Point Value</u>
T-1	Tardy 0.1 hours to 4.0 hours	0.5
T-2	Tardy more than 4.0 hours	1.0
EP	Early punch out after proper relief	0.5
LWPI-1	Left work - personal illness less than 4 hours	0.5
LWPI-2	Left work - personal illness more than 4 hours	1.0
AC	Absence Call - With proper notification	1.0
AWON	Absence with out proper notification or satisfactory reason	2.5
NC/NS-3	No call No show 3 consecutive work days	9.0

If you have any questions concerning this policy, please contact the local Human Resources Department.

ARTICLE 16. ABSENCE DUE TO DEATH IN THE IMMEDIATE FAMILY

In the event of a death in the immediate family of an employee, said employee may be absent from work for three (3) days and said employee will be paid three (3) days wages at his or her regular straight time rate. The immediate family for purpose of this Labor Agreement shall include the employee's husband (or wife), parents, children, brothers and sisters, fathers- and mothers-in-law, stepmothers and stepfathers.

Employees will be allowed off one day with pay to attend the funeral of sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law, grandparents and grandchildren.

ARTICLE 17. PAY FOR DAY ON WHICH ON-DUTY ACCIDENT OCCURS

When a disabling injury or work related illness occurs, which in the opinion of the doctor or superintendent prevents the employee from performing his or her regularly assigned job, the injured employee shall be paid full time for the balance of the scheduled work day or shift on which the injury occurred.

ARTICLE 18. SHORT HAND RUNNING

When an emergency arises that Paper Machines or Beaters must be operated without a full crew, the equivalent of the pay of the absent employee shall be divided among the employees who performed the duties.

ARTICLE 19. SHIFT DIFFERENTIAL

The hourly rate of shift differential pay for workers shall be twenty-three (23) cents for the second shift, and thirty-six (36) cents for the third shift.

Shift differential, when applicable, shall be included in computing an employee's regular hourly rate for overtime and other premium pay purposes.

ARTICLE 20. WAGES

Wage rates, including differentials, if any, shall be paid in accordance with Appendix A attached hereto and made a part of this Labor Agreement.

Employees shall be paid the rates assigned to the jobs they occupy or their permanent job classification rate, whichever is higher.

When the company establishes a new job classification not contained in Appendix A and whenever the job content of any established job classification in Appendix A is substantially changed, subsequently, the Company will evaluate the new or substantially changed job and will inform the Union President and Committeeperson involved of the new rate. The Union may immediately enter into negotiations with the Company concerning such rate. Changes in such rate agreed upon shall be retroactive to the effective date of the job changes or new job

installation which occasioned the rate adjustment. The establishment of wage rates shall not be a subject of Arbitration. If the parties are unable to reach agreement, they may mutually agree to non-binding grievance mediation (FMCS or Wisconsin State agencies) in an effort to resolve rate adjustment requests.

HIRING RATE: During a new employee's initial trial period he or she shall be paid at the rate of the job the employee is performing less 10% (ten percent) for the sixty (60) working day probationary period and for the extended probationary period as provided for in Article 4 of this Agreement.

Employees hired during the summer vacation period on a temporary basis shall receive 75% of the wage rate applicable to the Job Code Classification they are assigned.

RATE RETENTION: Employees transferred from their regular job to a lower paying job, or whose permanent job has ceased to provide work shall have their rate of pay protected for a period of four (4) scheduled work weeks.

PAY FOR TIME LOST FROM WORK: The Company shall compensate Union Officers, Committeeperson, Stewards and individual aggrieved employees at the hourly rates at which they are then employed, for all time spent with representatives of the Company in collective bargaining, adjustments and grievances pursuant to the Labor Agreement, when the Officers, Committeeperson, Stewards and employees otherwise would be at work. Pay is only for time lost from work. Time paid for counts as hours worked in determining overtime.

The Company will also compensate Union Officers, Committee persons, Employees, and Stewards for time spent outside their working hours to attend meetings requested by the Company until expiration of this labor agreement. The Company reserves the right to call voluntary unpaid meetings.

It is further agreed that the names of Officers, Committeeperson and Stewards shall be filed with the Company.

ARTICLE 21. SUPERVISORS - SAFETY RULES - MILL RULES

SUPERVISORS: Supervisors shall instruct employees in their line of work. Supervisors shall not take over an employee's job except in cases of emergency and this is covered with the union. Emergencies are defined as situations which immediately threaten the health or safety of any employee or poses an immediate danger to property or equipment.

SAFETY COMMITTEE: The employees are to comply with all safety rules as established by the Company and Union Safety Committees.

The Unions will provide to the Company the names of the permanent members of the Safety Committee.

The Joint Union-Management Safety Committee will then review and develop the Company Safety Rules for its various areas.

These rules will then be returned to the Local Unions for approval by the Bargaining Committee.

The Safety Rules, once adopted, will be posted in the departments and handed out to the employees.

Any Safety Committee members who fail to attend the Safety Meetings on a regular basis will be replaced by the Union President.

GENERAL SAFETY RULES:

1. Follow instructions. Do not take chances. If you do not know how to handle your job safely, ask your supervisor.
2. Correct or report unsafe or unhealthy conditions to your supervisor as soon as possible. The unsafe or unhealthy conditions or practices can be reported on the Safety Hazard Report form available from your supervisor or Safety Committee member.
3. All accidents are to be reported to your supervisor and permission obtained before going to the doctor if practical.
4. Practice good housekeeping. Each employee is responsible for keeping his or her area neat and clean. This includes sweeping floors, removing cases, cores, supplies, etc.
5. Grease, water, ink and hazardous materials are to be cleaned from the floor immediately.
6. Marked aisles are to be kept clear at all times. Rolls are to be removed by operators as soon as possible after delivery.
7. Keep out of jeep driving areas whenever possible.
8. Conveyors are to be crossed at steps or around ends only. Steps must be kept clear at all times. Do not step over cases on a conveyor.
9. Running is prohibited in the plant.
10. Smoking is allowed in designated areas only. At Plant 1, smoking is not allowed in meetings lasting less than one hour where non-smokers are present. In meetings lasting more than one hour, smoking will be allowed or a smoking break will be given at the end of each hour.
11. Hazardous jewelry such as bracelets, watches, necklaces, pendants, earrings, hair jewelry and rings will not be worn when working near the machines, except post-type earrings which do not extend beyond the earlobes.
12. It is highly recommended that safety shoes be worn in the plant at all times. No sandals, open toe or canvas shoes may be worn.
13. Hearing protection must be worn in all high noise areas.
14. Hair must not be hanging as to prevent the blocking of vision or the possibility of the hair becoming caught in a machine.
15. Employees must use protective equipment or devices provided by the Management to perform the job.

16. Make sure the guards and safety devices are in working condition and properly adjusted before you operate a machine. Machines are not to be operated without guards properly in place.

In addition to these General Safety Rules, there are specific safety rules established for employees in the Safety Rules Booklet.

The Company will pay \$100.00 for one pair of safety shoes per year.

For employees at Plant 1 and areas which require safety glasses at Plant 2, the Company will pay the full cost of safety glasses and up to \$13.25 (\$14.25 effective 7-1-98, \$15.25 effective 7-1-99, \$16.25 effective 7-1-2000, \$17.25 effective 7-1-2001) for safety glass frames per calendar year. All employees at Plant 1 may be required to wear safety glasses. Increase safety glass reimbursement by \$2.00 (to \$36.50) as of January 1, 2003. Reimbursements will remain available once every two years.

MILL RULES: The Company rules for the employee are herewith mutually adopted and it shall be the duty of the parties to this Labor Agreement to see that they are enforced. These Mill Rules (Appendix B) attached to this Labor Agreement shall be posted in each department.

CUSTOMER NEEDS: The Company and Unions will establish competitive or sanitary programs to meet Customer demands. These programs must meet the approval of the Customer.

ARTICLE 22. BULLETIN BOARDS

The Company shall supply adequate bulletin boards for the use of the Unions in the plants for posting officially signed bulletins by officials of the Unions.

ARTICLE 23. SERVICE CLAUSE

The Company and the Unions desire to and will comply with all present and future laws and regulations established by Federal and State Government with regard to employment of discharged veterans.

ARTICLE 24. SENIORITY

1. All new employees shall serve a probationary period of sixty (60) working days or longer if such period is extended as herein provided and during such period they shall not accrue seniority. During the probationary period the Company may at its option lay off or dismiss such employees without cause.

Employees retained at the expiration of the sixty (60) working day period or at the expiration of such period as extended in accordance with Article 4, shall become regular employees and shall be credited with seniority from the date of hire.

2. The principles of seniority, ability and qualifications shall govern in promoting, demoting, transferring, filling vacancies, layoffs and recall after layoff. To meet the qualifications to work the SCA Tissue North America LLC swing shift an employee must not have permanent or indefinite work hours or time restrictions. This applies to postings, lateral moves, and progression moves between machines and operations.
3. Whenever a permanent vacancy arises or a new position is created, the Company shall post a notice within five (5) working days of the vacancy or new position on the bulletin boards. Vacancies will be posted by noon on Thursday through 7:00 A.M. Tuesday of the following week.

A copy of the notice and employee's signature shall also be furnished to the Unions.

When necessary to post a job of a temporary nature, the posting shall be temporary for the duration of the vacancy. Employees in temporary jobs can bid and move to permanent positions. Copies of the posting and the signatures will be furnished to the Unions.

An employee on any excused absence may inform his or her Steward and/or Committeeman of an interest in a particular job, should it be posted in his or her absence. The Steward and/or Committeeman will enter the employee's name and initial same if such job is posted during the employee's absence.

Vacancies and new positions shall be filled by the Company on the basis of seniority, ability and qualifications.

4. An employee selected by the Company for the vacancy or new position shall be given a period of thirty (30) days to demonstrate his or her qualifications, and if the employee fails to so qualify, he or she shall be returned to his or her former position without loss of seniority. Job postings will be restricted to one (1) posting and selection in an eight (8) month period for each employee (applies to regressive moves) except in cases of employees signing up for a higher paying classification or a day job. An employee may turn down only one (1) promotion in a twelve (12) month period of time. [Local 7-1279 members may turn down only one (1) promotion in an eight (8) month period of time.] The Unions and Management will review vacancies that will result in a forced situation on a case-by-case basis and make a determination if a waiver of the 8 month rule is warranted. If an employee in a position working the SCA Tissue North America LLC swing shift, for whatever reason, requires restrictions as to work hours or time, the employee will be disqualified from the position if the restrictions are indefinite or permanent.
5. Selection and progression of all maintenance personnel shall be in accordance with Appendix D. "Apprentice Program for SCA Tissue North America LLC Maintenance Personnel".
6. When an employee has been off work due to sickness or accident and returns to work, and the employee is not capable of performing his or her regularly assigned job, the employee can be assigned to perform work on another job which meets the physical requirements of the employee. A decision as to an employee's ability to perform work would be based on the doctor's restrictions and that the parties do not want an employee driving into work if his or her doctor stated he or she couldn't.

7. A two (2) year protection of seniority rights shall be granted an employee off duty to sickness or accident, except there shall be no time limit relative to on-duty accident cases, and seniority shall be maintained in full. Vacation eligibility shall be limited to five (5) years.
8. Employees hired during the summer vacation period on a temporary basis shall be required to join the Union and shall be treated in all respects as regular employees, except they will accrue no seniority and they will have limited benefits. Benefits will be limited to: one time safety shoe allowance, one time safety glass allowance, Birthday holiday if it falls within employment period, and Holidays that fall within employment period, when eligible. Employees rehired for a following summer will be considered in the bargaining units, but will have no additional rights under the Labor Agreement.
9. Any employee promoted out of the Bargaining Unit into a position within the Company shall have sixty (60) days to accept the promotion and if the employee declines, he or she shall be returned to his or her former job providing the individual is still an employee of the Company.
10. When an employee is moved into a temporary salaried position, the move will not cause overtime among the employees. In the event the parties cannot agree with the temporary promotion of an employee into a salaried position, the issue will be submitted to arbitration after going through the grievance procedure and a bench decision will be issued.
11. Any leave of absence shall be subject to the approval of the Company and the Union and seniority shall be lost by any of the following specified acts:
 - a) A proper discharge.
 - b) When an employee voluntarily quits work.
 - c) When, after having been laid off, the employee does not report for work within two (2) weeks after written notice is mailed to the employee at the address on the Company records and the Union notified of such fact, necessary absence excluded. The employee shall be terminated effective two (2) weeks after receipt of notice.
12. On layoffs, seniority accrues. Employees laid off and having less than three (3) months of service, excluding probationary employees, will have recall rights for six (6) months. Employees laid off and having three (3) or more months of service and up to five (5) years of service will have one (1) year of recall rights. Employees laid off and having five (5) years of service or more, will have two (2) years of recall rights.
13. The Company shall furnish the Unions with a list of new hired employees stating their names and the date of hire. This list will indicate whether the employee is working in Plant 1 or 2. The Union will contact the Company five (5) days before the completion of the probationary period of each employee for a determination as to the future work status of the employee, and failure to so notify automatically extends the probationary period for fifteen (15) working days.

If an employee takes an International or Affiliated office position, they shall hold their seniority rights for one year.

LAYOFF: The following five (5) point procedure shall be used for handling layoffs:

- a) In the event of any temporary layoff, volunteers for the reduction will be sought before any compulsory reduction is made.
- b) Non-Union employees will not work at any time when Union employees are on temporary or permanent layoff within the terms of the shift provisions outlined in Point C.
- c) In the event of a short emergency layoff (three days or less), the personnel with the least seniority will be laid off by shift by plant on the condition that the employees retained are fully qualified for the jobs remaining.
- d) In case of a mandatory, long term lay off it will be done by seniority
- e) The principles of seniority, ability and qualifications shall govern in recall after layoff. Trades positions and Process Specialist positions may be recalled based on specific qualifications and/or certifications out of seniority order.

ARTICLE 25. HOLIDAYS

New Year's Day, Memorial Day, Fourth of July, 3rd or 5th of July, Labor Day, Thanksgiving Day, the day after Thanksgiving, December 24th, Christmas Day, and New Year's Eve Day are recognized holidays and there shall be no unnecessary work performed on these days.

The holiday shutdown periods in which overtime applies, Sundays excluded, shall be as follows:

New Year's Day.....	24 hours
Memorial Day	24 hours
Fourth of July	24 hours
July 3 rd or 5 th	24 hours
Labor Day.....	24 hours
Thanksgiving Day	24 hours
Day after Thanksgiving.....	24 hours
December 24 th	24 hours
Christmas Day.....	24 hours
New Year's Eve Day.....	24 hours
Birthday.....	24 hours

In case any of the above holidays fall on Sunday, the following Monday is recognized as the holiday. Notice of all holiday shutdown periods shall be posted on bulletin boards a week in advance.

FOURTH OF JULY HOLIDAY SCHEDULE:

<u>Day On Which The 4th Falls</u>	<u>Days Off</u>
Sunday..... 4-5	Sunday and Monday
Monday..... 4-5	Monday and Tuesday
Tuesday..... 3-4	Monday and Tuesday
Wednesday..... 3-4	Tuesday and Wednesday
Thursday.....4-5	Thursday and Friday
Friday..... 4-5	Friday and Saturday
Saturday..... 3-4	Friday and Saturday

BIRTHDAY HOLIDAY: The birthday holiday may be taken any time during the year subject to department criteria. The employee will have preference for a day requested during the employee's birth week when the birthday is scheduled in advance according to the department timetable. In the event of conflict in choosing the day to be taken, seniority will prevail in the selection of the individual.

DOWN DAYS: All of the above mentioned holidays are recognized in the Paper Mill and for Plant 2 swing employees, but only the days listed below are specified as down days for the Paper Mill and Plant 2 swing employees:

- December 24th and 25th48 hours
- Birthday 24 hours

The Company will have the option to run Plant 1 and work Plant 2 swing employees on Easter, Memorial Day, Thanksgiving Day, day after Thanksgiving, Sunday before Labor Day, Labor Day, New Year's Eve and New Year's day.

The Company anticipates the need to operate up to 66% of the available tons on the paper machine and up to 40,000 cases/day on the converting machines, and any support or auxiliary operations that are required to support those levels of operations, over the 7/3 & 7/4, or 7/4 & 7/5 holidays.

Plant 1 – If it is determined there is a need to run, starting in 2004, on 7/3 & 7/4, or 7/4 & 7/5 at those levels, the Company with the Union's assistance will solicit employees to work. If the Company is not able in the first year of the Labor Agreement to run up to 50%, the Company may schedule the number of employees that are needed the following years to fulfill the 66% rate. Before such scheduling, the Company and the Union will meet as partners to explore all possibilities to best achieve the operating requirements. In 2005 and the years thereafter, the minimum rate will be 66% of the tons if it is determined to be necessary.

Plant 2 – If it is determined there is a need to run, starting in 2004, on 7/3 & 7/4, or 7/4 & 7/5 at those levels, the Company with the Union’s assistance will solicit employees to work. If the Company is not able in the first year of the Labor Agreement to run up to 30,000 cases/day, the Company may schedule the number of employees that are needed the following years to fulfill the 40,000 case/day rate. Before such scheduling, the Company and the Union will meet as partners to explore all possibilities to best achieve the operating requirements. In 2005 and the years thereafter, the minimum rate will be 40,000 cases/day if it is determined to be necessary.

Additional pay for working July 3 & 4 or 4 & 5 holidays is \$50 for each four- hour segment worked.

The Company will have the option to solicit volunteers to work on any of the remaining holidays. Employees working on any of the Down Days will be paid double time for the holiday worked per the Labor Agreement and will receive an additional eight (8) hours of straight time pay for Easter and Sunday before Labor Day. Employees will have the option to take the holiday pay or bank the holiday or Down Day (Easter and Sunday before Labor Day) and receive the holiday pay and time off at a later date. The Company will pay eight (8) hours of pay to swing shift employees who would normally be scheduled to work on Easter Sunday or the Sunday before Labor Day and whose machines or operation are not scheduled. The scheduling of these days off will be administered like the Personal Time Off policy. If an employee has not taken the holiday by the end of the year, he or she will be paid for the holiday. If the Company decides not to run Plant 1 or work Plant 2 swing employees on the holidays mentioned above, employees who normally work during the holidays will be paid according to Article 11 - Overtime.

ARTICLE 26. PAY FOR HOLIDAYS NOT WORKED

Eight (8) hours holiday pay at each employee’s permanent job classification straight time rate shall be paid to eligible and qualified employees for New Year’s Day, Memorial Day, Fourth of July, July 3rd or 5th, Labor Day, Thanksgiving Day, Day after Thanksgiving, December 24th, Christmas Day, New Year’s Eve Day, and the day of the week in which the individual’s birthday falls. Employees temporarily promoted into a job for thirty (30) consecutive days or more will receive holiday pay after that time at the higher rate while on that job.

Each employee on the Company payroll continuously for at least thirty (30) working days prior to the holidays above mentioned shall be eligible for such Holiday pay for that day.

Also in order to qualify for Holiday Pay, employees must have worked their last scheduled shift prior to and their first scheduled shift after such holiday in the work week in which the holiday falls unless precluded from doing so by reason of necessary absence as defined in Article 15.

An employee absent due to sickness or accident shall be eligible for Holiday Pay and accrued vacation benefits for a period of ninety (90) days. Holiday Pay will be paid when the employee returns to work.

Holiday Pay will be allowed employees absent on vacation in addition to their vacation pay or the employee may take an additional day off if they so desire.

ARTICLE 27. VACATION PROGRAM

A vacation program with regulations mutually agreed upon between the parties of this Labor Agreement for the most economical operation of the Company shall be as follows:

1. All employees on the payroll continuously for one (1) year and up to three (3) years, shall receive a one (1) week vacation with pay of forty-eight (48) hours at straight time pay.
2. All employees on the payroll continuously for three (3) years and up to eight (8) years shall receive two (2) weeks vacation with pay of ninety six (96) hours at straight time pay.
3. All employees on the payroll continuously for eight (8) years and up to twelve (12) years shall receive three (3) weeks vacation with pay of one hundred forty-four (144) hours at straight time pay.
4. All employees on the payroll continuously for twelve (12) years and up to seventeen (17) years shall receive four (4) weeks of vacation pay of one hundred ninety-two (192) hours at straight time pay.
5. All employees on the payroll continuously for seventeen (17) years and up to twenty-three (23) years shall receive five (5) weeks of vacation with pay of two hundred forty (240) hours at straight time pay.
6. All employees on the payroll continuously for twenty-three (23) years or more shall receive six (6) weeks vacation with pay of two hundred eighty-eight (288) hours at straight time pay.
7. In order to be eligible for the full amount of vacation and vacation pay set forth in the above table, an employee must not have been absent from work for more than twelve (12) weeks in the calendar year immediately preceding the eligibility date, except for absences due to:
 - a) Paid Vacations
 - b) Industrial accidents or illness of self
 - c) Funeral leave as defined in Article 16
 - d) Unworked holidays
 - e) Military training leave of two weeks or less and military leaves required for Civil Defense purposes of two weeks or less per calendar year.
 - f) Illness or accident of self
 - g) All business in connection with Company and Union.

- h) An employee whose absences exceed the above limitations shall not receive the full amount of vacation and instead shall receive a pro rate amount thereof, based on the number of weeks of work actually performed by him or her during the calendar year immediately preceding the eligibility date. In computing this pro rate amount, each four (4) weeks of work performed shall entitle the employee to one-twelfth of the amount applicable to his or her length of continuous service, as set forth in the table.
 - i) If the Company asks employees to go home because of an excess number of employees, the employees volunteering to go home should not be penalized under this section of the Labor agreement. This pertains to single days and the week long voluntary lay off situation.
8. New employees are eligible for one week of vacation after completion of one (1) full year of employment. Thereafter the anniversary date will apply only toward determination of additional weeks of vacation and the additional week may be taken prior to the anniversary date. Any employee who quits prior to the anniversary date will have this vacation pay deducted from any final checks they have coming.
- Employees on the payroll January 1 are eligible for the full amount of vacation unless absent for more than twelve weeks in the previous year. Employees absent for more than twelve weeks in the preceding year will be eligible for a pro rate amount of vacation calculated in accordance with Item 7 of Article 27.
- An employee who voluntarily terminates employment with the Company shall be entitled to accumulated vacation pay provided, however, said employee gives the Company at least two (2) weeks notice of termination. Such employees who have earned their vacation as of the above specified date shall be entitled to same or equivalent in pay without any further qualifications.
9. Hourly rates paid for vacation shall be the permanent job classification straight time rate existing at the time the vacation is taken. Employees temporarily promoted into a job for thirty (30) consecutive days or more will receive vacation pay after that time at the higher rate while on that job.
10. The vacation period shall be from January 1 to December 31 of each calendar year. Employees shall be entitled to select their vacation period consistent with operations in each department under the terms outlined in the individual departmental vacation programs which are mutually adopted (appendix E attached to this Labor Agreement). Vacation selection will be handled under the provisions outlined in the departmental vacation plans and the maximum numbers of people allowed off during any period are contained in the vacation plans (Appendix E).
11. All paper mill vacations must be taken on seven (7) consecutive days during a calendar week.
12. PERSONAL TIME OFF: The objective of this program is to enable employees to receive vacation pay when they are off work due to a bonafide illness, accident or personal reason. Those employees with three or more weeks of vacation in a year are

eligible to participate in the program. A maximum of one-week vacation may be used. Only full days of vacation up to a maximum of six may be used. Single days may not be taken except during non prime time when they may be taken to finish off the week of vacation.

Any vacation under this program would be for bonafide illness, accident or personal reason and the determination is up to the employee's supervisor. When an individual eligible for participation under this program has been absent from work for two to six days and desires to receive vacation pay, the employee should make a request with his or her supervisor to receive the pay.

Any personal time off must be requested ten (10) days in advance and approved by the employee's supervisor. If at the end of the year an individual has taken a limited number of days under this program, such as three or four, he or she will be paid the remaining days due at the end of the year.

13. Those employees with three (3) or more weeks of vacation in a year are eligible to split their vacation into single days. A maximum of one (1) week vacation may be used. Only full days of vacation, up to a maximum of six (6) may be used. Any vacation under this program must be scheduled in advance according to supervisory approval, and departmental criteria. This week can be used in conjunction with 12. Personal Time Off.

ARTICLE 28. GROUP INSURANCE PROGRAM

The SCA Tissue North America LLC Group Insurance program covering all employees in the bargaining unit after eighty (80) calendar days of employment to include life insurance, accidental death and dismemberment, weekly sickness and accident benefits - hospital, surgical and major medical shall become a part of this Labor Agreement. Summer hires will not be entitled to health, life, dental, and sickness and accident benefits.

The Local Unions will be partners in the renewal process for Touchpoint, Network Health, Wausau or plans that replace them. They will be partners in the rate negotiation and plan redesign developed with these carriers.

Flex spending accounts will be available to all bargaining unit employees.

GROUP INSURANCE PROGRAM:

1. Life Insurance and Accidental Death and Dismemberment: Life Insurance and Accidental Death and Dismemberment: \$30,000 effective 1-1-05; \$31,000 effective 1-1-06; \$32,000 effective 1-1-07; \$33,000 effective 1-1-08 and \$34,000 effective 1-1-09 per individual.
2. The Company will offer a Long Term Disability plan with the employee paying the entire expense on an after tax basis. The benefit will be 60% of the employee's pre-

disability earnings to a maximum monthly benefit of \$3,000. A minimum of 25% of eligible employees must enroll to offer the plan.

3. Accident and Sickness:

Effective Date	Basic Hourly Rate	Weekly Sickness & Accident Benefit for a maximum of 26 weeks
July 1, 2004	\$18.98 or below	\$390.00
	\$18.99 to \$21.59	\$420.00
	\$21.60 to \$24.21	\$470.00
	\$24.22 or above	\$520.00
July 1, 2005	\$19.48 or below	\$400.00
	\$19.49 to \$22.13	\$430.00
	\$22.14 to \$24.82	\$480.00
	\$24.83 or above	\$530.00
July 1, 2006	\$19.87 or below	\$410.00
	\$19.88 to \$22.57	\$440.00
	\$22.58 to \$25.32	\$490.00
	\$25.33 or above	\$540.00
July 1, 2007	\$20.37 or below	\$420.00
	\$20.38 to \$23.13	\$450.00
	\$23.14 to \$25.95	\$500.00
	\$25.96 or above	\$550.00
July 1, 2008	\$20.82 or below	\$430.00
	\$20.83 to \$23.65	\$460.00
	\$23.66 to \$26.53	\$510.00
	\$26.54 or above	\$560.00

The Basic Hourly Rate for each class on the above schedule will be increased by the general wage increases each year during the life of the contract.

Increase accident and sickness benefit by \$10.00 per level, on July 1 of each year of the agreement.

If an illness is for a period of six (6) days or more, sickness and accident pay provisions are effective the first day of an illness requiring hospitalization and the third day of an illness not requiring hospitalization. Benefits are limited to a period of twenty-six (26) consecutive weeks.

The Company agrees to provide employees with the option to select one of four health insurance plans.

1. HMO Network Health Plan
2. HMO United Health - UHC equivalent

3. UHC EPO National Plan

4. A Comprehensive Medical Plan with \$250 deductible, two (2) deductibles per family, an 80/20 split with an out-of-pocket maximum of \$1500 for a single plan and \$3000 for a family plan. It will include the Advantage Program, a pre-existing condition clause, three (3) months before employment with coverage after nine (9) months of employment, dependent coverage to age nineteen (19) if not a full-time student and to age twenty-four (24) if a full-time student. The plan would have a \$1,000,000 lifetime maximum.

The employee contribution for these plans will be on a percentage basis of the total cost of each plan as outlined below.

UHC EPO: 0% effective 1/1/05, 3% effective 1/1/06, 6% effective 1/1/07, 9% effective 1/1/08 and 12% effective 1/1/09

ALL OTHER PLANS: 3% effective 1/1/05, 6% effective 1/1/06, 9% effective 1/1/07, 12% effective 1/1/08 and 15% effective 1/1/09

A non-duplication of benefit provisions shall apply on the above plans.

In addition to the above Group Insurance Program, an employee may continue the Life Insurance Benefit upon retirement at age sixty-five (65) providing the employee has had twenty-five (25) years of service. The policy may be converted to an individual policy on a 50-50-pay basis. Prior to 1-1-93 employees retiring early (age fifty-five (55) or more) will have their health insurance premiums paid until age sixty-five (65) in the same manner as an active employee.

Prior to 1-1-93 a Medicare supplement program will be provided for retired employees and their dependents and will be paid for by the Company.

For employees retiring on or after 1-1-93 the Company will provide a retiree medical plan for retirees which will be a comprehensive plan with a \$250 deductible, 80/20% co-insurance and a \$1500 annual out-of-pocket maximum (which includes the \$250 deductible) per year, per individual, with a life-time maximum of \$1,000,000. Upon the retiree being eligible for Medicare, the same plan would exist with a carve-out of benefits based on Medicare acceptable charges. The Company's contribution will be as stated below and will not exceed the following amounts:

	<u>Before Medicare</u>	<u>With Medicare</u>
Employee Only	\$292	\$182
Family	\$779	\$361
One eligible for Medicare and One not eligible for Medicare		\$472

Years of Service	Retiree	Company
<u>After Age 45</u>	<u>Contribution</u>	<u>Contribution</u>
10	55%	45%
11	50	50
12	45	55
13	40	60
14	35	65
15	30	70
16	25	75
17	20	80
18	20	80
19	20	80
20	10	90

In addition, there would be a pension increase to assist employees in paying their contribution to the medical plan. The assistance would amount to an employee with 10-19 years of service receiving an additional \$1.00 per month for each full year of service between 10 and 19 years, \$2.25 per month for each full year of service between 20 and 29 years of service, \$3.25 per month for each full year of service between 30 and 39 years and \$4.00 per month benefit for each full year of service over 40 years with the understanding that early retirement and/or survivor option factors would apply.

The Company will have the right to choose the insurance carrier and/or change carriers at any time, as long as the benefits are the same or better. (The Plan document of Network Health and TouchPoint, for our market, shall control the Terms of the Plan for Employees.)

ARTICLE 29. PENSION PLAN

The Pension Plan for SCA Tissue North America LLC employees shall become a part of this Labor Agreement. The schedule of benefits as set forth in the Master Plan shall not be changed without the mutual consent of the Company and the Union, with the exception that the necessary changes shall be made in order to keep the Plan in compliance with the Federal and State laws and changes as set forth by the Bureau of Internal Revenue.

SCHEDULE OF PENSION BENEFITS: As of January 1, 2004 the monthly benefit will be \$31.25 per year of service. The \$31.25 pension multiplier shall be increased effective 7/1/04 in the following manner:

- Employees who are age 60 or greater prior to July 1, 2004 will have their pension benefit for past and future service calculated based on \$40 per month per year of service.
- Employees who retired from 7/1/03 to 6/30/04 will have their pension benefit for past and future service calculated based on \$40 per month per year of service.
- All other employees employed on July 1, 2004 will have \$31.25 per month per year of past service benefit up to July 1, 2004. Such employees will accrue a future service benefit over a 5-year period at a rate that will provide them with a \$40 total service benefit at the end of that time period. At the end of the 5-year period of time all future service benefits will accrue at the \$40 per month per year of service level. The future service benefit will be accrued on an on-going basis as employees complete additional service.
- New employees will accrue future service based on the \$40 benefit level, and must complete 5 years service to be vested in this benefit.

During the term of the Labor Agreement, the Company and the Union will meet as partners to explore additional options they may wish to consider either during the Agreement or when the Labor Agreement is re-negotiated in 2009.

Employees who are eligible for the \$40.00 or other benefit may defer receiving the benefit after they terminate. This deferral does not apply to Retiree Medical benefits that are subject to different rules. To receive Retiree Medical benefits, employees must enroll and start receiving benefits at the time they terminate, effective according to the Plan's enrollment rules.

ARTICLE 30. DENTAL PLAN

The SCA Tissue North America LLC Dental Plan covering all employees in the bargaining unit after eighty calendar days of employment shall become a part of this Labor Agreement.

Employee contributions:

Care Plus: Single - \$13.28 per month, Family \$32.64 per month

Cigna: Single - \$17.96 per month, Family \$57.71 per month

A summary of Dental Plan schedule of benefit is shown below:

Diagnostic x-rays	100%
Diagnostic oral examinations.....	100%
Preventive treatment	100%
Ancillary.....	100%
Restorations.....	100%
Oral Surgery	100%

Endodontics.....	100%
Periodontics.....	80%
Prosthetics	50%
Orthodontics (\$1,200.00 lifetime max.).....	50%

ARTICLE 31. TRADESMAN TRAINING

For the training of tradesmen, SCA Tissue North America LLC and Local 7-1279 have developed a Maintenance Training Program for development of a high standard of tradesmanship. This plan governs the selection and the progression of all tradesmen in the mill area and converting mechanic area.

The program is indentured with the State and provides the participant upon graduation a State diploma. The plan is administered by a Joint Union and Management committee.

The details of this plan are contained in appendix “D” of this labor agreement

ARTICLE 32. ADJUSTMENTS OF COMPLAINTS AND DISPUTES

Each Union shall elect a Bargaining Committee and shall inform the Company of the names of the persons elected and of any change thereafter made by the Union.

Both the Union and the Company recognize that grievances and complaints and/or disputes should be settled promptly and at the earliest possible stage. To this end, both parties will endeavor to present all of the facts relating to the grievance at the first stage in the grievance procedure.

FIRST STAGE: All grievances must be taken up orally in the department where they originate and within ten (10) days (Saturdays, Sundays, and holidays excluded) from the employee’s knowledge of the act creating the grievance. The employee and the supervisor involved in the incident will meet in the first stage of the grievance procedure to discuss the grievance. The Department Steward will be included in the first stage grievance meeting if requested by the employee. Every effort should be made by the employee, Department Steward and Supervisor to settle the grievance at this stage.

SECOND STAGE: If no satisfactory settlement of the claim is made within five (5) days, (Saturdays, Sundays, and holidays excluded), the grievance will then be presented in writing to the Superintendent, Production Manager or designated representative.

The employee, the Union Steward and the member of the Union Bargaining Committee involved will attend this meeting and attempt to resolve the question.

THIRD STAGE: If no satisfactory settlement of the claim has been made within ten (10) days, (Saturdays, Sundays, and holidays excluded) the question may upon request of either party be referred to the Plant Manager or Manager Industrial Relations and the President of the Local Union or his representative, who shall meet with the Union Steward involved, and the Superintendent in an attempt to resolve the question. Discharge cases will automatically go to the third step of the grievance procedure if they involve a grievance.

FOURTH STAGE: If no satisfactory settlement has been made within ten (10) days, the question may upon request of either party be referred to the Vice President of Manufacturing, Director of Human Resources or his representative. If no settlement of the question is reached within ten (10) days, (Saturdays, Sundays, and holidays excluded) the matter may be processed through arbitration.

GENERAL: In processing grievances it is understood that if the request for handling to the next stage is not submitted to the Company in writing within three (3) days, (Saturdays, Sundays, and holidays excluded) following the Company reply to the previous stage, the grievance shall be considered dropped, however, upon the failure of the Company to answer the grievance in writing within three (3) days, (Saturdays, Sundays, and holidays excluded) from the grievance meeting, the grievance shall be considered settled in favor of the employee.

Where circumstances warrant it, the time limit specified in any of the stages of the above adjustment procedure may be extended by agreement between the Union and the Company.

The written description of the grievance submitted shall be used in presenting and discussion in subsequent stages.

If a discharged employee claims injustice, the complaint shall be presented in writing within forty-eight (48) hours, and an employee proven to be unjustly discharged shall then be reinstated with full seniority and receive pay for the time lost less any unemployment compensation or wages earned from gainful employment during that period.

Adjustments such as changing hourly rates, hours of work, working conditions and matters of like nature affecting the Labor Agreement shall meet the approval of all parties to this Labor Agreement

ARTICLE 33. ARBITRATION

Either party desiring to arbitrate a grievance, which has not been settled satisfactorily, shall so notify the other party in writing within ten (10) days.

The Union and the Company shall endeavor to select the impartial arbitrator by mutual agreement within ten (10) days after request for arbitration has been received. For such purpose each party shall submit to the other party a list containing the names of at least three (3) persons considered qualified to serve in such capacity.

If the parties are unable to reach mutual agreement in the selection of the impartial arbitrator, the parties shall then jointly request the Federal Mediation and Conciliation Service, Washington, D.C. to submit a panel of five (5) qualified arbitrators from which the impartial arbitrator may be selected. In the first arbitration cases which arises between the parties, the Union shall first strike two (2) names and the Company shall then strike two (2) names and the one (1) name remaining shall be selected as the impartial arbitrator. In subsequent arbitration cases, which arise, their right of initially rejecting any two (2) of the five (5) names submitted shall alternate between the parties.

It is understood that the function of the arbitrator shall be to interpret and apply this Agreement and that the arbitrator shall have no power to extend the duration thereof, nor to add

terms of provisions thereto, nor to arbitrate a dispute concerning any wage adjustment, nor to enlarge his own jurisdiction except upon mutual consent of the Company and the Union.

The decision of the arbitrator concerning any matter referred to the arbitrator shall be final and conclusive upon the employee, the Union and the Company.

Each party shall bear the expense of preparing and presenting its own case. The fees and expenses of the arbitrator shall be borne equally by the parties to this Labor Agreement.

ARTICLE 34. EQUAL EMPLOYMENT OPPORTUNITY

It is the intent of the parties to this Labor Agreement to abide by governing civil rights legislation regarding employment. Applicants and employees will be considered for employment opportunities without regard to age, race, color, creed, national origin or sex in accordance with this legislation.

ARTICLE 35. JURY DUTY

Upon presentation of recognized subpoenas to the Personnel office, an employee will be allowed to serve on either Federal or State juries. The Company will reimburse the individual with the difference between the pay collected for jury duty and his or her normal straight time pay for a maximum of ninety (90) working days per calendar year.

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

and signed this _____ day of _____ in the year _____ at Menasha, Wisconsin:

SCA TISSUE NORTH AMERICA LLC

JOE F. RACCUIA, PRESIDENT

CHUCK GINTZ, CHIEF SPOKESPERSON

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

DON SCHAEUBLE, INTERNATIONAL REPRESENTATIVE

DUANE LENZEN, PRESIDENT

LOCAL UNION NO. 7-0324

BILL KILISHEK, PRESIDENT

LOCAL UNION NO. 7-1279

APPENDIX "A" SCA TISSUE NA WAGE RATES							
CODE	CLASSIFICATION	1-Jul-03	1-Jul-04	1-Jul-05	1-Jul-06	1-Jul-07	1-Jul-08
	PAPER MILL - LOCAL 7-324						
101	#1 Machine Tender	\$24.50	\$24.99	\$25.61	\$26.13	\$26.78	\$27.38
102	#1 Back Tender	\$21.95	\$22.39	\$22.95	\$23.41	\$23.99	\$24.53
103	#1 Third Hand	\$20.38	\$20.79	\$21.31	\$21.73	\$22.28	\$22.78
111	#2 Machine Tender	\$24.96	\$25.46	\$26.10	\$26.62	\$27.28	\$27.90
112	#2 Back Tender	\$22.35	\$22.80	\$23.37	\$23.83	\$24.43	\$24.98
113	#2 Third Hand	\$20.57	\$20.98	\$21.51	\$21.94	\$22.48	\$22.99
116	#2 Fourth Hand	\$18.98	\$19.36	\$19.84	\$20.24	\$20.75	\$21.21
117	Vacation Relief	\$17.46	\$17.81	\$18.25	\$18.62	\$19.09	\$19.51
405	#3 Machine Room Operator	\$26.23	\$26.75	\$27.42	\$27.97	\$28.67	\$29.32
406	#3 Control Room Operator	\$26.31	\$26.84	\$27.51	\$28.06	\$28.76	\$29.41
407	#3 Dry End Operator	\$22.14	\$22.58	\$23.15	\$23.61	\$24.20	\$24.75
408	#3 Winder Operator	\$20.41	\$20.82	\$21.34	\$21.77	\$22.31	\$22.81
409	#3 Utility Hand	\$18.75	\$19.13	\$19.60	\$20.00	\$20.50	\$20.96
420	#4 Machine Room Operator	\$26.23	\$26.75	\$27.42	\$27.97	\$28.67	\$29.32
421	#4 Control Room Operator	\$26.31	\$26.84	\$27.51	\$28.06	\$28.76	\$29.41
422	#4 Dry End Operator	\$22.30	\$22.75	\$23.31	\$23.78	\$24.38	\$24.92
423	#4 Winder Operator	\$20.57	\$20.98	\$21.51	\$21.94	\$22.48	\$22.99
424	#4 Utility Hand	\$18.91	\$19.29	\$19.77	\$20.17	\$20.67	\$21.14
718	Fiber Prep Operator	\$24.42	\$24.91	\$25.53	\$26.04	\$26.69	\$27.29
719	Floor Operator Assistant DCS	\$23.17	\$23.63	\$24.22	\$24.71	\$25.33	\$25.90
720	Floor Operator Field	\$21.91	\$22.35	\$22.91	\$23.37	\$23.95	\$24.49

APPENDIX "A" SCA TISSUE NA WAGE RATES							
CODE	CLASSIFICATION	1-Jul-03	1-Jul-04	1-Jul-05	1-Jul-06	1-Jul-07	1-Jul-08
721	Pulper Operator	\$21.50	\$21.93	\$22.48	\$22.93	\$23.50	\$24.03
722	Material Handler	\$21.25	\$21.68	\$22.22	\$22.66	\$23.23	\$23.75
727	Fiber Prep Utility	\$20.94	\$21.36	\$21.89	\$22.33	\$22.89	\$23.40
728	Vacation Relief	\$19.30	\$19.69	\$20.18	\$20.58	\$21.10	\$21.57
729	Process Specialist	\$19.70	\$20.09	\$20.60	\$21.01	\$21.53	\$22.02
MENASHA SHIPPING & RECEIVING - LOCAL 7-1279							
131	Head Track	\$19.44	\$19.83	\$20.32	\$20.73	\$21.25	\$21.73
252	Jeep Driver - Paper Mill	\$18.75	\$19.13	\$19.60	\$20.00	\$20.50	\$20.96
410	Semi Truck Driver Plant 1	\$19.98	\$20.38	\$20.89	\$21.31	\$21.84	\$22.33
411	Relief Semi Driver	\$19.98	\$20.38	\$20.89	\$21.31	\$21.84	\$22.33
MENASHA MAINTENANCE - LOCAL 7-1279							
107	Fireman/Maint. Helper	\$20.53	\$20.94	\$21.46	\$21.89	\$22.44	\$22.95
121	Head Millwright	\$24.11	\$24.59	\$25.21	\$25.71	\$26.35	\$26.95
122	"A" Millwright	\$23.41	\$23.88	\$24.48	\$24.96	\$25.59	\$26.16
125	Millwright Helper	\$19.82	\$20.22	\$20.72	\$21.14	\$21.66	\$22.15
126	"A" Millwright - Shift	\$23.41	\$23.88	\$24.48	\$24.96	\$25.59	\$26.16
127	E&I Technician - Shift	\$23.83	\$24.31	\$24.91	\$25.41	\$26.05	\$26.63
128	Paper Mill Lubricant	\$19.51	\$19.90	\$20.40	\$20.81	\$21.33	\$21.81
135	Painter	\$20.36	\$20.77	\$21.29	\$21.71	\$22.25	\$22.76
137	E&I Technician Apprentice - 1st 6 Months	\$19.04	\$19.42	\$19.91	\$20.30	\$20.81	\$21.28
138	E&I Technician Apprentice - 2nd 6 Months	\$19.61	\$20.00	\$20.50	\$20.91	\$21.44	\$21.92
139	E&I Technician Apprentice - 3rd 6 Months	\$20.17	\$20.57	\$21.09	\$21.51	\$22.05	\$22.54

APPENDIX "A" SCA TISSUE NA WAGE RATES							
CODE	CLASSIFICATION	1-Jul-03	1-Jul-04	1-Jul-05	1-Jul-06	1-Jul-07	1-Jul-08
140	E&I Technician Apprentice - 4th 6 Months	\$20.71	\$21.12	\$21.65	\$22.09	\$22.64	\$23.15
141	E&I Technician Apprentice 5th 6 Months	\$21.29	\$21.72	\$22.26	\$22.70	\$23.27	\$23.80
142	E&I Technician Apprentice 6th 6 Months	\$21.83	\$22.27	\$22.82	\$23.28	\$23.86	\$24.40
143	E&I Technician Apprentice 7th 6 Months	\$22.38	\$22.83	\$23.40	\$23.87	\$24.46	\$25.01
144	E&I Technician Apprentice 8th 6 Months	\$22.95	\$23.41	\$23.99	\$24.47	\$25.09	\$25.65
145	E&I Technician	\$23.83	\$24.31	\$24.91	\$25.41	\$26.05	\$26.63
150	Wastewater Treatment Plant - Operator	\$19.85	\$20.25	\$20.75	\$21.17	\$21.70	\$22.19
170	Millwright Apprentice 1st 6 Months	\$19.35	\$19.74	\$20.23	\$20.64	\$21.15	\$21.63
171	Millwright Apprentice 2nd 6 Months	\$19.76	\$20.16	\$20.66	\$21.07	\$21.60	\$22.09
172	Millwright Apprentice 3rd 6 Months	\$20.37	\$20.78	\$21.30	\$21.72	\$22.27	\$22.77
173	Millwright Apprentice 4th 6 Months	\$20.91	\$21.33	\$21.86	\$22.30	\$22.86	\$23.37
174	Millwright Apprentice 5th 6 Months	\$21.46	\$21.89	\$22.44	\$22.89	\$23.46	\$23.99
175	Millwright Apprentice 6th 6 Months	\$21.61	\$22.04	\$22.59	\$23.05	\$23.62	\$24.15
176	Millwright Apprentice 7th 6 Months	\$22.14	\$22.58	\$23.15	\$23.61	\$24.20	\$24.75
177	Millwright Apprentice 8th 6 Months	\$22.67	\$23.12	\$23.70	\$24.18	\$24.78	\$25.34
178	Millwright Apprentice "Shift" 7th 6 Months	\$22.14	\$22.58	\$23.15	\$23.61	\$24.20	\$24.75
179	Millwright Apprentice "Shift" 8th 6 Months	\$22.67	\$23.12	\$23.70	\$24.18	\$24.78	\$25.34
188	Millwright Apprentice "Shift" 2nd 6 Mos.	\$19.76	\$20.16	\$20.66	\$21.07	\$21.60	\$22.09
189	Millwright Apprentice "Shift" 3rd 6 Months	\$20.37	\$20.78	\$21.30	\$21.72	\$22.27	\$22.77
190	Millwright Apprentice "Shift" 4th 6 Months	\$20.91	\$21.33	\$21.86	\$22.30	\$22.86	\$23.37
191	Millwright Apprentice "Shift" 5th 6 Months	\$21.46	\$21.89	\$22.44	\$22.89	\$23.46	\$23.99
192	Millwright Apprentice "Shift" 6th 6 Months	\$21.61	\$22.04	\$22.59	\$23.05	\$23.62	\$24.15

APPENDIX "A" SCA TISSUE NA WAGE RATES							
CODE	CLASSIFICATION	1-Jul-03	1-Jul-04	1-Jul-05	1-Jul-06	1-Jul-07	1-Jul-08
193	E&I Apprentice "Shift" 7th 6 Months	\$22.33	\$22.78	\$23.35	\$23.81	\$24.41	\$24.96
196	E&I Apprentice "Shift" 8th 6 Months	\$22.95	\$23.41	\$23.99	\$24.47	\$25.09	\$25.65
NEENAH MAINTENANCE - LOCAL 7-1279							
264	Clean Up - Plant 2	\$17.46	\$17.81	\$18.25	\$18.62	\$19.09	\$19.51
265	Maintenance Mechanic	\$22.33	\$22.78	\$23.35	\$23.81	\$24.41	\$24.96
274	Mechanic Apprentice 1st 6 Months	\$18.37	\$18.74	\$19.21	\$19.59	\$20.08	\$20.53
275	Mechanic Apprentice 2nd 6 Months	\$18.87	\$19.25	\$19.73	\$20.12	\$20.63	\$21.09
276	Mechanic Apprentice 3rd 6 Months	\$19.22	\$19.60	\$20.09	\$20.50	\$21.01	\$21.48
277	Mechanic Apprentice 4th 6 Months	\$19.66	\$20.05	\$20.55	\$20.97	\$21.49	\$21.97
278	Mechanic Apprentice 5th 6 Months	\$20.02	\$20.42	\$20.93	\$21.35	\$21.88	\$22.38
279	Mechanic Apprentice 6th 6 Months	\$20.65	\$21.06	\$21.59	\$22.02	\$22.57	\$23.08
800	Mechanic Apprentice 7th 6 Months	\$21.61	\$22.04	\$22.59	\$23.05	\$23.62	\$24.15
801	Mechanic Apprentice 8th 6 Months	\$21.99	\$22.43	\$22.99	\$23.45	\$24.04	\$24.58
361	Electrician Apprentice Spec. 1st 6 Months	\$18.86	\$19.24	\$19.72	\$20.11	\$20.62	\$21.08
362	Electrician Apprentice Spec. 2nd 6 Months	\$19.52	\$19.91	\$20.41	\$20.82	\$21.34	\$21.82
363	Electrician Apprentice Spec. 3rd 6 Months	\$19.85	\$20.25	\$20.75	\$21.17	\$21.70	\$22.19
364	Electrician Apprentice Spec. 4th 6 Months	\$20.25	\$20.66	\$21.17	\$21.59	\$22.13	\$22.63
365	Electrician Apprentice Spec. 5th 6 Months	\$20.80	\$21.22	\$21.75	\$22.18	\$22.74	\$23.25
366	Electrician Apprentice Spec. 6th 6 Months	\$21.32	\$21.75	\$22.29	\$22.74	\$23.30	\$23.83
367	Electrician Apprentice Spec. 7th 6 Months	\$21.81	\$22.25	\$22.80	\$23.26	\$23.84	\$24.38
368	Electrician Apprentice Spec. 8th 6 Months	\$22.37	\$22.82	\$23.39	\$23.86	\$24.45	\$25.00
369	Electrician	\$22.94	\$23.40	\$23.98	\$24.46	\$25.08	\$25.64

APPENDIX "A" SCA TISSUE NA WAGE RATES							
CODE	CLASSIFICATION	1-Jul-03	1-Jul-04	1-Jul-05	1-Jul-06	1-Jul-07	1-Jul-08
370	Mechanic Upgrade I	\$21.61	\$22.04	\$22.59	\$23.05	\$23.62	\$24.15
	NEENAH SHIPPING & RECEIVING - LOCAL 7-1279						
251	Head Shipping Clerk	\$19.43	\$19.82	\$20.31	\$20.72	\$21.24	\$21.72
255	MID	\$17.46	\$17.81	\$18.25	\$18.62	\$19.09	\$19.51
269	Crane Troubleshooters	\$19.34	\$19.73	\$20.22	\$20.62	\$21.14	\$21.62
270	Shippers	\$18.99	\$19.37	\$19.85	\$20.25	\$20.76	\$21.22
271	Machine Service	\$18.39	\$18.76	\$19.23	\$19.61	\$20.10	\$20.55
272	Machine Service - Warehouse	\$18.39	\$18.76	\$19.23	\$19.61	\$20.10	\$20.55
281	Storage Operator	\$19.30	\$19.69	\$20.18	\$20.58	\$21.10	\$21.57
285	Baler	\$18.39	\$18.76	\$19.23	\$19.61	\$20.10	\$20.55
290	Semi Truck Driver	\$19.98	\$20.38	\$20.89	\$21.31	\$21.84	\$22.33
291	Stake Truck Driver	\$18.33	\$18.70	\$19.16	\$19.55	\$20.04	\$20.49
292	Semi Truck Driver - 75 miles	\$20.58	\$20.99	\$21.52	\$21.95	\$22.50	\$23.00
293	Relief Semi Driver	\$19.98	\$20.38	\$20.89	\$21.31	\$21.84	\$22.33
294	Relief Semi Driver - 75 miles	\$20.58	\$20.99	\$21.52	\$21.95	\$22.50	\$23.00
295	Outside Warehouse Services	\$18.53	\$18.90	\$19.37	\$19.76	\$20.25	\$20.71
325	Repacker	\$16.03	\$16.35	\$16.76	\$17.09	\$17.52	\$17.92
	DEPARTMENT B - LOCAL 7-1279						
214	Roll Doctor Rewinder 70/Case Printer 154	\$18.31	\$18.68	\$19.15	\$19.53	\$20.02	\$20.47
216	Vacation Relief Print Bander	\$19.13	\$19.51	\$20.00	\$20.40	\$20.91	\$21.38
226	Vacation Relief Plain Bander	\$18.75	\$19.13	\$19.61	\$20.00	\$20.50	\$20.96
235	Plain Bander 78-84-85-93-96-105-113-118-119-127-130-139-140-141-142-143-145-146-147-149-150-155-	\$18.75	\$19.13	\$19.61	\$20.00	\$20.50	\$20.96

APPENDIX "A" SCA TISSUE NA WAGE RATES							
CODE	CLASSIFICATION	1-Jul-03	1-Jul-04	1-Jul-05	1-Jul-06	1-Jul-07	1-Jul-08
	156						
236	Print Bander 59-60-64-71-77-80-82-87-90-95-107-120-122-133-144-148-152-157	\$19.13	\$19.51	\$20.00	\$20.40	\$20.91	\$21.38
	DEPARTMENT C & D - LOCAL 7-1279						
213	Lead Printer	\$19.94	\$20.34	\$20.85	\$21.27	\$21.80	\$22.29
220	Cocktail 39-42-88-117	\$20.02	\$20.42	\$20.93	\$21.35	\$21.88	\$22.37
221	Printer Vacation Relief	\$20.02	\$20.42	\$20.93	\$21.35	\$21.88	\$22.37
222	Luncheon Printer 40-106	\$20.02	\$20.42	\$20.93	\$21.35	\$21.88	\$22.37
225	Cocktail Printer 57- 61-67-75	\$20.16	\$20.56	\$21.08	\$21.50	\$22.04	\$22.54
250	Cocktail Printer 66	\$20.39	\$20.80	\$21.32	\$21.74	\$22.29	\$22.79
227	Poly/Bagger Vacation Relief	\$18.75	\$19.13	\$19.60	\$20.00	\$20.50	\$20.96
228	Polybagger Operator 109-123-132-136	\$18.75	\$19.13	\$19.60	\$20.00	\$20.50	\$20.96
230	Dinner Plain 89-103-116-151-153	\$18.86	\$19.24	\$19.72	\$20.11	\$20.62	\$21.08
231	Dinner Printed 46-54-55-62-65-68-83	\$20.02	\$20.42	\$20.93	\$21.35	\$21.88	\$22.37
232	Dinner Plain 73	\$18.75	\$19.13	\$19.60	\$20.00	\$20.50	\$20.96
233	Shift Trainer	\$20.41	\$20.82	\$21.34	\$21.77	\$22.31	\$22.81
	RELIEF OPERATORS						
236	Group B	\$19.13	\$19.51	\$20.00	\$20.40	\$20.91	\$21.38
235	Group C-F	\$18.75	\$19.13	\$19.60	\$20.00	\$20.50	\$20.96
236	Group D	\$19.13	\$19.51	\$20.00	\$20.40	\$20.91	\$21.38
238	Group E	\$20.02	\$20.42	\$20.93	\$21.35	\$21.88	\$22.37
	NAPKIN SUPPORT - LOCAL 7-1279						
311	Napkin Support 57-61-66-67	\$16.31	\$16.64	\$17.06	\$17.40	\$17.84	\$18.24

APPENDIX "A" SCA TISSUE NA WAGE RATES							
CODE	CLASSIFICATION	1-Jul-03	1-Jul-04	1-Jul-05	1-Jul-06	1-Jul-07	1-Jul-08
312	Napkin Support 106	\$16.25	\$16.58	\$16.99	\$17.33	\$17.76	\$18.16
313	Napkin Support 46-55-62-65-68-83	\$16.31	\$16.64	\$17.05	\$17.39	\$17.83	\$18.23
320	Napkin Support 39-42	\$16.25	\$16.58	\$16.99	\$17.33	\$17.76	\$18.16
326	Napkin Support 94-125-126	\$16.25	\$16.58	\$16.99	\$17.33	\$17.76	\$18.16
330	Napkin Support 54	\$16.31	\$16.64	\$17.05	\$17.39	\$17.83	\$18.23
331	Napkin Support 73	\$16.30	\$16.63	\$17.04	\$17.38	\$17.82	\$18.22
	<u>NAPKIN SUPPORT</u>						
313	Group E	\$16.31	\$16.64	\$17.05	\$17.39	\$17.83	\$18.23
	DEPARTMENT T & T - LOCAL 7-1279						
600	Rewinder Operator Lines 340-345-390-420-460-470-475-480	\$19.01	\$19.39	\$19.87	\$20.27	\$20.78	\$21.25
605	Rewinder Utility Lines 345-420/460	\$18.54	\$18.91	\$19.38	\$19.77	\$20.27	\$20.72
609	Relief Operator	\$18.32	\$18.69	\$19.15	\$19.54	\$20.03	\$20.48
610	Single-Fold Operator Line 550-555	\$18.32	\$18.69	\$19.15	\$19.54	\$20.03	\$20.48
611	Multi-Fold Operator Lines 510-520-530-540-570	\$18.32	\$18.69	\$19.15	\$19.54	\$20.03	\$20.48
615	C-Fold Operator Lines 590	\$18.32	\$18.69	\$19.15	\$19.54	\$20.03	\$20.48
620	Core Maker	\$18.32	\$18.69	\$19.15	\$19.54	\$20.03	\$20.48
630	Vacation Relief Level 1, 7-day	\$18.32	\$18.69	\$19.15	\$19.54	\$20.03	\$20.48
631	Vacation Relief Level 2, 7-day	\$18.54	\$18.91	\$19.38	\$19.77	\$20.27	\$20.72
632	Vacation Relief Level 3, 7-day	\$20.02	\$20.42	\$20.93	\$21.35	\$21.88	\$22.38
646	Operator Assistant Lines 330-360-370-450	\$20.02	\$20.42	\$20.93	\$21.35	\$21.88	\$22.38
647	Operator Lines 330-360-370-450	\$20.32	\$20.73	\$21.24	\$21.67	\$22.21	\$22.71

APPENDIX "A" SCA TISSUE NA WAGE RATES							
CODE	CLASSIFICATION	1-Jul-03	1-Jul-04	1-Jul-05	1-Jul-06	1-Jul-07	1-Jul-08
649	Operator Helper 2A & B	\$18.54	\$18.91	\$19.38	\$19.77	\$20.27	\$20.72
651	Level 1 Relief	\$18.32	\$18.69	\$19.15	\$19.54	\$20.03	\$20.48
652	Level 2 Relief	\$18.54	\$18.91	\$19.38	\$19.77	\$20.27	\$20.72
653	Level 3 Relief	\$20.02	\$20.42	\$20.93	\$21.35	\$21.88	\$22.38
654	Operator Helper Level 3	\$20.02	\$20.42	\$20.93	\$21.35	\$21.88	\$22.38

SHIFT DIFFERENTIAL: 7/1/2004- 0-23-36 cents

Probationary Period	60 Working Days
New Hires	10% less per hour for this period (excluding summer hires)
Increases:	7/1/2004 - 2 %
	7/1/2005 - 2.5 %
	7/1/2006 - 2 %
	7/1/2007 - 2.5 %
	7/1/2008 - 2.25 %

The Company offers a 401(k) program.

Effective 1/1/1998, the Company will provide a Company match to an employees account under the 401(k) plan. The Company match will be 50% of the first 5% contributed by the employee, up to an annual company match of \$500. This match will be subject to existing rules similar to the SCA Tissue North America LLC.

Increase of the Company matching contribution under the 401(k) Plan, effective January 1, 2003, to a maximum amount of \$700.00 (subject to an employer 50% matching contribution responsibility on employee deferrals of up to 5% of compensation). The administration for the Plan will be transferred from Associated Bank to the 401(k) Plan vendor generally available to employees of the Company. The Company will pay the administrative costs for the 401(k) Plan for covered employees.

APPENDIX "B"

SCA TISSUE NORTH AMERICA LLC

Company Rules and Discipline

In order to accomplish the best results in our work and to preserve at the same time a spirit of fairness, these rules relating to personal conduct have been established.

The purpose of disciplinary action is not to punish, but to discourage repetition of misbehavior by the offender or by another employee following the offender's example.

There shall be a one-year limitation on disciplinary action taken under Appendix "B". There is a three day limitation excluding Saturdays, Sundays and holidays for the taking of disciplinary action under Appendix "B". Saturday will count as one day of discipline and Sunday will count as two days of discipline.

GROUP I

1st Offense - Warning and cautioning

2nd Offense - Written warning and cautioning

3rd Offense - Three days of suspension

4th Offense - Discharge

1. Repeated failure to ring time card in and out.
2. Committing an unsafe act or failure to use safety equipment.
3. No work shall be allowed in any department before or after working hours except by proper authorization.
4. Failure to report to foreman an accident or injury.
5. Engaging in any unauthorized soliciting during working hours.
6. Visiting, loitering or loafing during working hours.
7. Sleeping and inattention while on duty.
8. Unnecessary waste of material or supplies.
9. Creating or contributing to unsanitary conditions.
10. Carelessness, inefficiency, inattention to work or any willful acts which are detrimental to the quality or production of our products.
11. Unauthorized violation of specified break periods.
12. Violation of Company-Union Safety Rules.

GROUP II

1st Offense - Two Day Suspension

2nd Offense - Five Days Suspension

3rd Offense - Discharge

1. Willful negligence resulting in the damage or destruction of tools, machinery, equipment, product or property belonging to the Company or to fellow workers.
2. Defacing or removing materials on bulletin boards.
3. Operation of machines, tools or equipment to which an employee has not been specifically assigned by a supervisor.
4. Smoking in other than designated areas.
5. Horseplay, scuffling or practical jokes.
6. Stealing of Company products. (Minor infraction)
7. Falsifying identification of finished goods.
8. Violation of Lock-out and Vessel Entry Procedure.
9. Leaving job during working hours without permission.
10. Failure to wear required personal protective equipment while handling chemicals.
11. Harassing others in the work place or creating an intimidating work place for others after the individual objects to such conduct.

GROUP III

1st Offense - Five Days Suspension

2nd Offense - Discharge

1. Ringing of or tampering with the time card of another employee.
2. Willful negligence resulting in an injury which requires treatment by a physician to the employee or to a fellow worker.
3. Reporting for duty while under the influence of alcoholic beverage or non-prescription drugs.
4. Refusal or failure to perform reasonable services.
5. Insubordination: Refusal to obey any reasonable order by supervisors.
6. Deliberate sleeping while on duty.

GROUP IV

1st Offense - Discharge

1. Stealing any property of fellow workers while on Company property.
2. Sabotage causing damage or destruction to tools, machines, equipment, product or any other property belonging to the Company or to fellow workers while on Company premises.
3. Any employee proven to be an aggressor in a fight on Company property.
4. Falsification of application for employment.
5. Stealing of Company products (major infraction) and property other than products.
6. Bringing alcoholic beverages or non-prescription drugs on Company premises.
7. Use of alcoholic beverages or non-prescription drugs while on company property.
8. Deliberately participating in discrimination or harassment based on gender, race, age, ethnic origin, religion or sexual preference.

APPRENTICESHIP PROGRAM

**BETWEEN THE SCA NORTH AMERICA, TISSUE DIVISION, NEENAH,
WISCONSIN, AND**

MENASHA, LOCAL #1279

UNITED PAPERWORKERS INTERNATIONAL AFL-CIO

For SCA North America, Tissue Division Maintenance Personnel

The objective of the Apprenticeship Program is to provide for, and maintain a high standard of Tradespersonship.

This plan shall govern the selection and progression of all Tradespersons in the maintenance departments.

This plan shall provide an opportunity to all participants who have evidenced an interest and have the necessary qualifications to attain, through study, job training and individual application, a recognized Tradesperson status.

I. ADMINISTRATION OF THE PLAN

The apprentices are to be indentured with the Wisconsin Department of Industry, Labor, and Human Relations Division of Apprenticeship and Training. Diplomas are granted graduate apprentices by the State. The possession of this diploma is a highly advantageous attainment. As any educational attainment, it adds stature to the employee successfully completing the courses and is retained through his/her life time. An apprentice will enter into a written contract or indenture with SCA North America, Tissue Division; one copy is retained by the apprentice, and one copy is filed at SCA North America, Tissue Division. The indenture will assure the apprentice, and he/she will receive instructions in definite trades in consideration for his/her services. The contract will stipulate the complete terms including hours, compensation, hours of instruction.

The Wisconsin Department of Industry, Labor and Human Relations Division of Apprenticeship and Training administers the program by seeing that the terms of the indenture are followed.

Apprentices will be obtained through job posting. The apprenticeship committee will select the apprentice on the basis of seniority and qualifications. There will be two committees, one electrical and one mechanical. The electrical committee will consist of one E&I technician from Plant 1 and one electrician from Plant 2 who are permanent Union members selected by the Union from the maintenance area of the respective plant, and two permanent members of management, one from each plant. This committee will handle the electrical apprenticeships including selection and review. The mechanical committee will consist of one millwright from Plant 1 and one mechanic from Plant 2 who are permanent Union members selected by the Union

from the maintenance area of the respective plant and two permanent members from management, one from each plant. This committee will handle all mechanical apprenticeships including selection and review.

The Apprenticeship Committee will meet for the purpose of selecting apprentices from posting or job applicants, observing the progress made, reviewing the grading of tests, evaluating the progress of apprentices and making decisions on problems that arise regarding the apprenticeship program. The Apprenticeship Committee will meet once per year, and more often if necessary. The apprenticeship committee reserves the right to evaluate and amend the apprenticeship selection and evaluation process as necessary. Such revisions will be reviewed by the entire apprenticeship committee prior to approval.

II. JOB TITLES

A. The following Trades are to be included in the plan:

Maintenance Millwright	Painter	
Maintenance Mechanic	Electrician	E & I Technician
Millwright/Pipefitter	Millwright/Sheetmetal	

B. The following Job Titles will be used in conjunction with the trades listed above:

Apprentice

Tradesperson A (or applicable trades entry classification).

III. JOB DESCRIPTION

Apprentice

An employee who has been selected for maintenance training because he/she has evidenced an interest and has demonstrated an aptitude for work of a mechanical nature. He/she will be expected to begin acquiring the necessary mechanical background and skills necessary for progression to the Tradesperson A level, and to take advantage of training and schooling opportunities made available.

Tradesperson A (Or the Appropriate trades entry classification being posted for)

A tradesperson who has spent a specified period of time learning a recognized trade that required a combination of specialized knowledge as well as a high degree of manual skills. He/she possesses the basic concepts of his/her trade and can completely perform all phases of his/her trade in order to accomplish the assigned work with only normal supervision or direction. A

tradesperson must be able to read blueprints, drawings and layouts; and use skillfully all the tools of his/her trade to complete projects requiring fabrication, assembling, installation, maintenance and general repair of equipment and machinery.

There shall be a description of the skills expected of each trade, which will be made available to the Apprenticeship Committee on request.

IV. SELECTION

A. Tradesperson A (Or appropriate job title of the vacancy that exists)

When a vacancy occurs, the Company will first post for a Tradesperson in the plant where the vacancy exists, then post the remaining vacancy in the other plant for the same trade. If the vacancy cannot be filled, the same process will be used for the Apprentices to move in the same trade. In cases of excessive movement of tradespersons or Apprentices the Company and Union will meet to develop a plan to provide for minimal disruption to safety, productivity and efficiency.

B. Apprentice

Personnel needs, which cannot be filled in a Tradesperson A above, will be filled at the Apprentice level through postings in accordance with the current Labor Agreement, Article 24, Seniority. Placement of candidates at the Apprentice level will be subject to successful completion of the selection test battery.

The Apprenticeship Committee will use the following procedure for selecting apprentices:

- A. Applicants must have a high school education or equivalent diploma.
- B. The open apprenticeship position will be posted mill wide, in accordance with the mill-wide posting procedure.
- C. After receiving postings (upon removal from bulletin boards), all signers' information will be input in a work document for mail merge purposes. This information includes First Name, Last Name, Address, City State, Zip, Department, and Seniority Date. Seniority dates will be checked against company records, and the work document will be sorted in three ways, alphabetically, by department, and by seniority date.
- D. Within one week of posting removal, or as soon as practicable, each applicant who signed the posting is sent a letter (opening letter) to which is attached copies of a Background Information Form and an Apprenticeship Program Document. Two weeks are allowed for the applicant to send back the Background Information Form. A cut-off date is announced in the letter, and is adhered to.

- E. All applicants who submitted Background Information Forms are scheduled for an interview with the Apprenticeship committee. Interviews are set up by informing the department secretaries/supervisors involved to schedule the times available for interviews. Interview dates are chosen on a first come/first choose basis, or as available.
- F. After an interview date is set up with the Apprenticeship Committee, Four copies are made of each Background Information Form for distribution to the Apprenticeship Committee members involved in the interview Panel.
- G. Applicants who fail to respond to the information request by the cut-off date will not be considered for interview.
- H. The remainder of the applicants will be listed by seniority, starting with the least senior employee assigned one point, the second least senior employee two points, the third least senior employee three points, etc. so that the most senior employee has the most points. The number of points that the most senior employee receives becomes the Maximum Point Value attainable for each of the remaining interview categories.
- I. All applicants who respond by the cut-off date will be in accordance with the Apprenticeship Interview Evaluation Process
- J. The interview panel will consist of the four persons designated to represent the Apprenticeship Committee for either the Electrical trades or the Mechanical Trades. The same four individuals will be used throughout the evaluation process for all candidates, in any single apprenticeship recruiting effort. Should one of the pre-determined apprenticeship committee members not be available for all interviews, an alternate will be used. (Selected by the apprenticeship committee prior to the start of the process).
- K. A pre-determined list of interview questions for each of the evaluation categories will be used to evaluate the interview candidates. Each candidate will be asked all of the questions.
- L. The apprenticeship interview evaluation process will consist of four categories. These four categories will be 1) Seniority 2) Technical knowledge, 3) Maintenance (or Electrical) Trades Related Experience and 4) Temperment and Initiative
- M. The Seniority Category will be determined as follows. All applicants will be listed by seniority, starting with the least senior employee assigned one point, the second senior employee two points, the third senior employee three points, etc. so that the senior employee has the most points for the seniority category. This point total will also be use to determine the maximum number of points possible in each of the remaining three selection categories. This value will be known as the "Maximum Point Value" for the remaining interview categories in the apprenticeship evaluation process.

- N. The Technical knowledge category evaluates the candidates level of technical knowledge of either Mechanical or Electrical processes (as relevant to the position being sought). This knowledge will be evaluated by considering the employee's prior jobs, any specific training or education that the person may have received, any relevant certificates attained, and any mechanical or electrical interests relevant to the Maintenance Trades that the employee may have. The maximum point value will be used to determine the maximum number of possible points for the Technical knowledge category. The apprenticeship committee members will separately evaluate the candidates answers to the questions of this category during the interview, and will award points based on relevant examples of Technical Knowledge that are presented. Examples of Technical Knowledge include correspondence courses, night school, U.S. Armed Forces Information Service Certificate, etc. Applicants with less demonstrated examples of technical knowledge will be assigned proportionately fewer points.
- O. The Trades Related experience category evaluates the candidates ability to learn the Maintenance or Electrical Trades through the apprenticeship process, by demonstrating prior work experience that requires a similar level of commitment, learning ability, work ethic, safety philosophy, and problem solving technique. Trades Related Experience will be evaluated by considering the employee's prior jobs, learning methods, and problem solving examples with regard to the production environment. Any prior experience in the Maintenance trades of more than 6 months in a production environment will be counted as relevant work experience, and will be assigned appropriate points when compared to candidates who do not have an equivalent level of experience. The "maximum point value" will be used to determine the maximum number of possible points for the Trades related experience category. The apprenticeship committee members will separately evaluate the candidates answers to the questions of this category during the interview, and will award points based on relevant examples of Work Experience that are presented. Examples of Trades Related Experience include prior trades or apprenticeship experience in a production environment, positive examples of successful problem solving techniques, active learning, or commitment to completing a task. The applicant with the greatest amount of relevant work experience will receive the most points, up to the "Maximum Point Value". Applicants with fewer demonstrated examples of relevant work experience will be assigned proportionately fewer points.
- P. The Temperament and Initiative Category evaluates the candidates ability to work with others constructively within the production maintenance environment. Temperament and Initiative will be evaluated by considering the employee's prior work relationships with others, demonstrated examples of conflict resolution, stress management, and goal attainment efforts within the production environment. The "maximum point value" will be used to determine the maximum number of possible points for the Temperament and Initiative category. The apprenticeship committee members will separately evaluate the candidates answers to the questions of this category during the interview, and will award points based on relevant examples of Temperament and Initiative that are presented. The applicant with the greatest demonstrated positive examples of Temperament and Initiative will receive the most points,

- up to the "Maximum Point Value". Applicants with fewer demonstrated examples will be assigned proportionately fewer points.
- Q. Points will be totaled for each applicant and the five applicants with the highest total points will be tested. The senior employee passing the test is to be awarded the position. If there is more than one vacancy two additional employees will be tested for each additional vacancy. If there is a tie in points, the seniority value will determine which of the tying candidates are advanced in the ranking.
 - R. The Apprenticeship Committee will review all the information and test results to select an apprentice. A letter will be sent to the top five interviewing candidates who are invited to take the tests, notifying them of the test schedule etc. A letter is also sent to the candidates who were not advance to the testing.
 - S. A call is placed to the FVTC Testing Center to schedule the testing. After testing an invoice is sent to the company for the cost of the tests. This is then approved and forwarded to purchasing for payment.
 - T. The test results are faxed and mailed to the apprenticeship committee, the apprenticeship committee notifies the highest seniority candidate who passed the testing that they are being chosen for the apprenticeship opportunity.
 - U. The new Apprentice(s) are then entered into the State Indentured Program, and the employer application form is completed and attached, and the apprentice application form is completed by the awardee. The start date represents the first day the apprentice is working, either in the Maintenance Dept. or on the first day of schooling, whichever comes first.

V. EMPLOYMENT CONDITIONS

Candidates must be able to perform all necessary learning and physical essential functions of the apprenticeship process, with or without reasonable accommodations.

VI. PLACEMENT

All employees selected through the procedure outlined in the Plan will be placed in the Apprentice category.

During the period in which the Apprentice is progressing through the Apprentice category, he/she will be classified as probationary and shall be guaranteed protection relative to seniority on his/her previous job for six (6) months, to be exercised in the event that he/she is removed from the Apprentice job because of incompetence or because the job ceases to exist.

At the end of his/her probationary period, the status of each Apprentice will be reviewed by the Company and a report given to the Apprenticeship Committee. This shall be documented wherever practicable. If the Apprentice is removed from the program but strongly feels that he/she has been aggrieved, he/she may exercise his/her rights to the Grievance Procedure of the Labor Agreement.

VII. RULES OF PROGRESSION

The Wisconsin Department of Industry, Labor and Human Relations Division of Apprenticeship will constantly supervise the program and any complaints by the employer or the employee will be decided by the Department of Industry, Labor and Human Relations Division of Apprenticeship.

Progression of employees within the Plan will be contingent upon working a specified period of time at each successive level, and in addition, upon satisfactory completion of the progression examinations at the Tradesperson A, or appropriate trades position level.

The employee selected as a Apprentice shall indicate his/her willingness, in writing to the Apprenticeship Committee, to start taking approved correspondence courses or vocational schooling, those subjects common to all Tradespersons, such as shop mathematics and blueprint reading, and any other courses directly related to the trade in which the employee is training.

Employees will be reimbursed for the cost of textbooks, tuition and entrance fees of approved correspondence courses or other approved outside schooling. Employees will be reimbursed in full for the costs specified after notification has been received by Management that the employee has satisfactorily completed the course.

Provisions for Schooling: During the first two years of his/her apprenticeship, his/her period of instruction shall be not less than four hours per week, or the equivalent, if available. If the apprenticeship is for a period longer than two years, the total hours of instruction in accordance with the indentureship agreement. The employer shall pay for the time the apprentice is receiving related instructions for no fewer hours than specified, at the same rate of pay as for services performed.

Increments of pay shall be granted each six months consistent with the apprentice progress in the training program under the terms of the Labor Agreement.

A. Progression Hours

An employee entering the program as an Apprentice will work for a period of six (6) months. At the end of that time, his/her progress will be reviewed, and if he/she is retained with the program, the employee will work an additional 6 months. His/her status will be reviewed at the end of each 6-month period. If he/she satisfactorily completes each progression evaluation, he/she will then work the balance of the apprenticeship period. Upon satisfactory

completion of the progression examination, he/she will automatically be promoted to the Tradesperson A classification, or appropriate trades entry job class.

B. Progression Evaluations

Progression evaluations have been established as a condition for continuing in the program. These evaluations are designed to indicate an applicant's knowledge, skill, and abilities necessary for advancement to the Tradesperson level consistent with the content of the Plan.

The content of progression evaluations shall be consistent with all of the following principles:

1. Level of achievement towards the job class applicable for entry to the trades.
2. Specific requirements of the trade for which the employee is in training.
3. Specific trade requirements of the plant.

C. Counseling Services

Upon request to the Apprenticeship Committee by the individual employee concerned, counseling will be provided. Such services may consist of one or more of the following:

1. Study guides indicating the general requirements of each written examination.
2. A list of study books available in the plant or from other sources.
3. A summary of available correspondence courses and other additional outside schooling.
4. Counseling during the actual test sessions to the extent of giving all assistance possible in clarifying questions by the employee.

D. Other Progression Provisions

1. No Apprentice will be allowed to progress to the applicable trades' level until he/she has successfully completed all of the required steps.
 2. An employee who has successfully completed all of the requirements for progression to the applicable trade's classification shall be provided with a State Apprenticeship diploma indicating such achievement. The Company and the Union shall provide an appropriate ceremony when the State Apprenticeship diploma is granted to the employee.
-

Title _____

Title _____

Date _____

Date _____

APPENDIX "E"

There are separate vacation scheduling rules mutually agreed to by the Company and the Union. These rules shall not be changed except by agreement between the Company and the Union.

LOCAL 7-0324 VACATION SCHEDULING RULES:

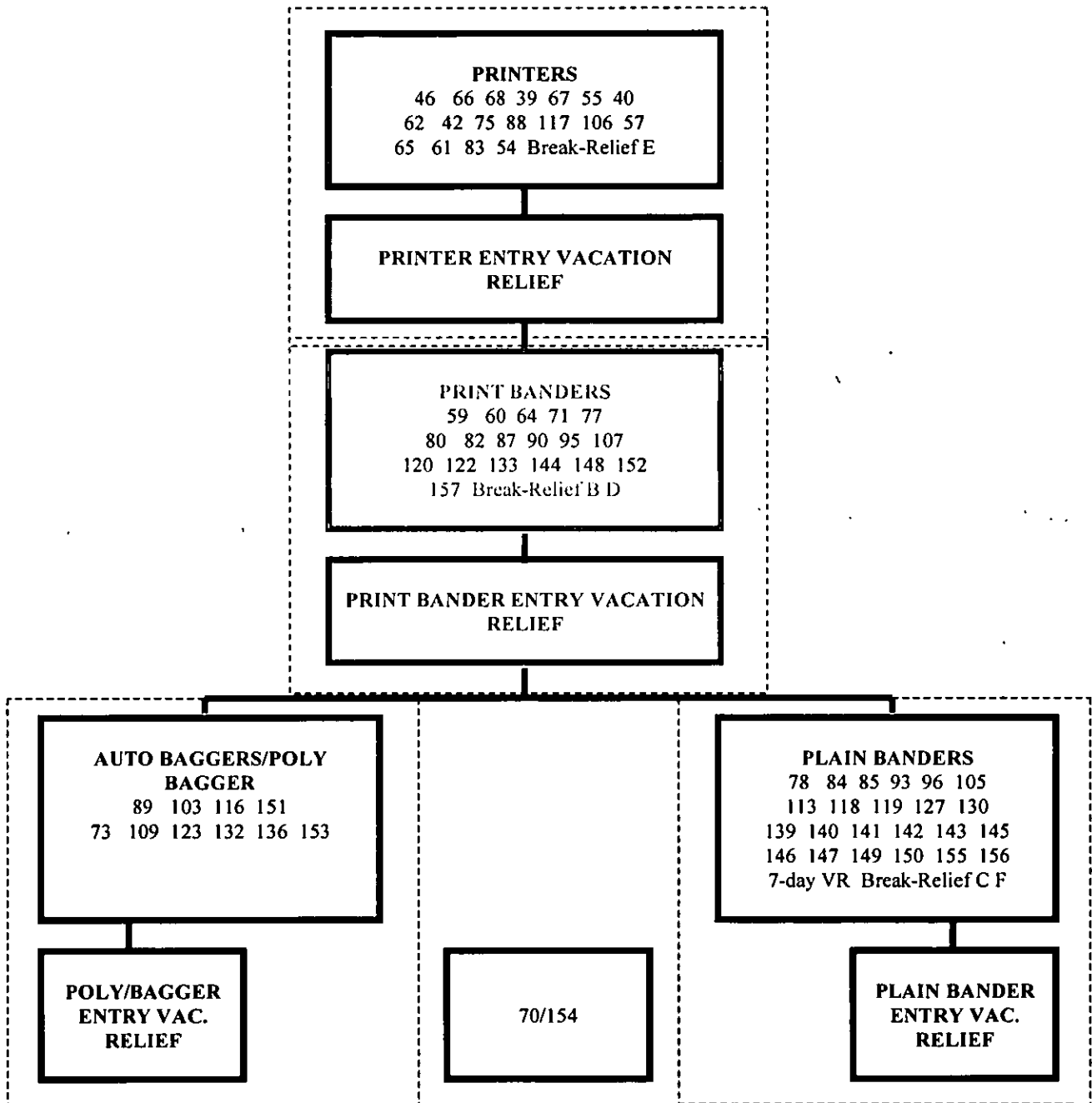
1. Beginning October 1, selection of vacation dates will begin.
2. A chart will be made of all available vacation weeks, and the most senior employee will be able to select two (2) weeks and this will then move down to the least senior individual. A second round will then be taken during which each employee may select two (2) more weeks if he/she eligible. After completion of the full second week, a third round will be held to fill in any necessary weeks that an individual has not yet selected.
3. All selections on the basis of seniority will be completed by December 15.
4. After the selection period of December 15 all vacations will be on a first come first serve basis.
5. The vacation schedule will be completed by January 1 and employees not signed up by January 15 will be assigned their weeks of vacation by the Company after that date.
6. The Union representative will handle the signing up of the vacations under the system as outlined above and the limitations regarding the number of employees to be off at any one time.
7. With the exception of Article 27, sub paragraph No. 8, all vacations must be taken in the year following the year it is earned.

PLANT 2 VACATION SCHEDULING RULES:

1. Vacations will be allowed on a scheduled basis only; that is, from Monday through Sunday.
2. When a holiday occurs during a vacation week, those additional days off are subject to supervisory approval. The scheduling of those additional days off will be worked out by the employee and the supervisor.
3. When an opening occurs due to a vacation cancellation by an employee, that opening will be reposted for 10 days and awarded by seniority. The canceling employee must reschedule at the time of cancellation. Employees will not be allowed to change a scheduled vacation less than thirty (30) days before that vacation was scheduled.
4. Prime time includes (a) the week before Memorial Day through June, July, August and the week of Labor Day which is normally 16 weeks, and (b) the week of deer hunting. Christmas week will be considered prime time.

5. Seniority may be exercised only for the choice of the first two (2) weeks. If an employee doesn't receive his/her first or second choice of vacation time, he/she will be entitled to select subsequent dates which his/her seniority would allow him/her to have. This is in effect only when requests are submitted prior to the normal deadline. Subsequent dates must be selected within twenty-four (24) hours after notification from the supervisor if seniority rights are to prevail. Saturdays, Sundays and holidays excluded. Absences for any other reason will not extend the twenty-four (24) hour period.
6. Job assignments as of November 1 will be used as basis for limiting the number of operators per machine or employees per job.
7. Vacation days not used will be paid prior to the end of the year.

BASE MACHINE OPERATOR PROGRESSION/REGRESSION



NAPKIN PROGRESSION / REGRESSION

1. Progression and regression to the next level will be determined by seniority, ability and qualification.
An Operator may progress or regress one level at a time. If an Operator does not regress the way they progress, they must sign into an Entry Vacation Relief-position and train on all machines.
If an Operator is regressing the way they progressed, they shall take refresher training on all new machines and casepackers. An Operator must wait eight months to regress.
2. If a machine goes off the swing shift, the senior employee on the machine will have the option of staying on the machine or bumping into another 7-day operation. If the senior employee elects to stay on the machine, this option will be given to the remaining operators by seniority. The displaced employee will follow the bumping rules of the department. Temporary swing will follow a separate set of rules.
3. The Eight Month Rule starts the day you are awarded a machine. This only applies to regressive moves.
4. No more than two-thirds of the employees in any job group may freeze on their jobs. Entry Vacation Relief positions will not be allowed to freeze on their jobs.
5. The 7-day Vacation Relief will not follow the same exclusions as the Entry Vacation Relief, but rather, they will have the same rights, and be treated as a person assigned to any operation within the box.
6. For the purposes of the weekly schedule, in the event of machine schedule increase or decrease, for one or more scheduled work weeks, machine personnel will be progressed or regressed on that shift, taking into account seniority, ability and qualifications. For machine schedule changes less than a scheduled work week, displaced personnel will become floaters.
7. Lateral moves are allowed by seniority within the progression box, including Entry Vacation Relief positions, if they have completed the set training schedule. Lateral moves from machines to Entry Vacation Relief positions are not allowed.
8. Machine Opens - Allow lateral moves within the box first. Then allow any progressive or regressive movement from other areas of machine progression. Anyone entering this area who has been operating in the progression box before, may go directly to the machine they have been awarded and shall take refresher training on any new machine or casepacker added to this area. Any operator entering this progression box for the first time must enter at the Entry Vacation Relief position and train on all the machines.
9. JQ - Operators can not be JQ'd up from their permanent job. Operators can be JQ'd down and across.

Example: Any qualified Operator from the Printers can be JQ'd into Print Banders, Baggers / Polybaggers or Plain Banders.

Example: Any qualified Bagger / Polybagger Operator can be JQ'd into Plain Banders and vice versa.

Any Operator is JQ'able after they have completed the set training schedule for that progression box. Any operator finishing early or requesting additional weeks must wait for the set training schedule to pass before being awarded or required into a machine position.

10. Forcing Into An Opening - The junior employee in the progression box or boxes below, including Entry Vacation Relief, who have completed the set training schedule, will be forced into the opening.
11. Preference Sheets - Operator must be awarded a machine and land on that machine to use their preference sheet.
12. Entry Vacation Relief Positions - All Entry Vacation Relief positions receive the rate of pay of the lowest class code of the progression box they are supporting. -Entry Vacation Relief Operators can make lateral moves within the progression box.
13. Bumping - Operators can bump within the progression box, below and across if they are qualified.
14. The Company and the Union can initiate discussions to change these rules as needed through mutual agreement by the parties.

APPENDIX "G"

NO. 1 PAPER MACHINE

#1 Machine Tender

#1 Back Tender

#1 Third Hand

Vacation Relief

NO. 2 PAPER MACHINE

#2 Machine Tender

#2 Back Tender

#2 Third Hand

#2 Fourth Hand

Vacation Relief

NO. 3 PAPER MACHINE

Control Room Operator

Machine Room Operator

Dry End Operator

Winder Operator

Utility Hand

Vacation Relief

NO. 4 PAPER MACHINE

Control Room Operator

Machine Room Operator

Dry End Operator

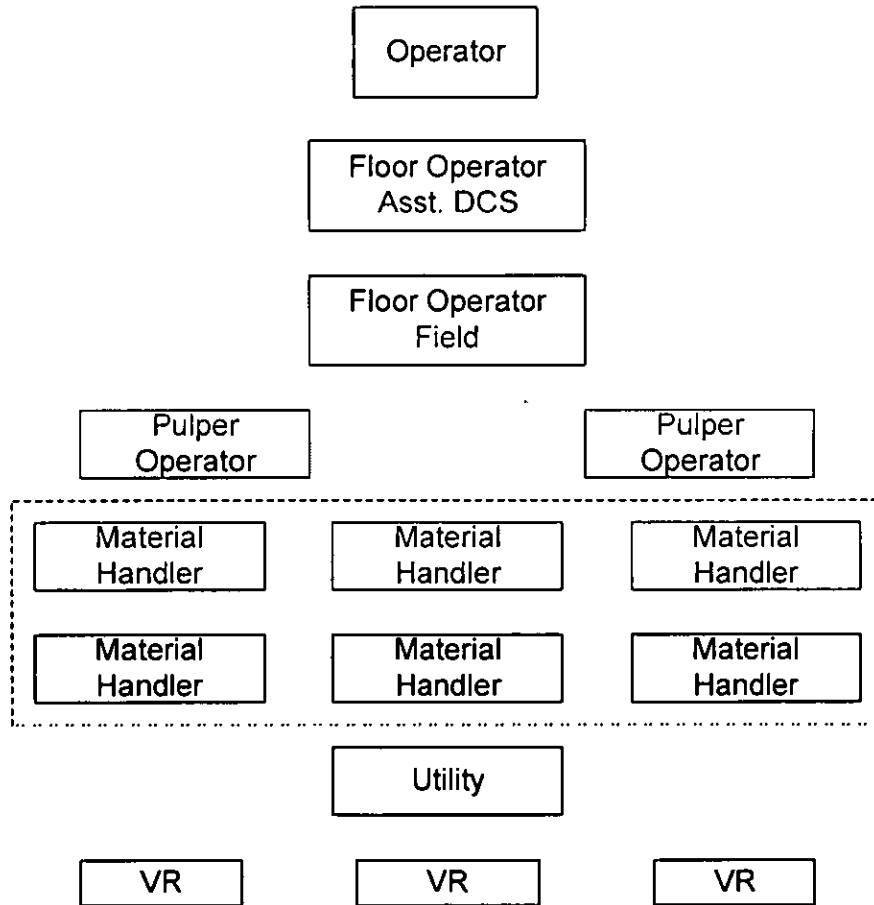
Winder Operator

Utility Hand

Vacation Relief

DEPARTMENT "J" PROGRESSION

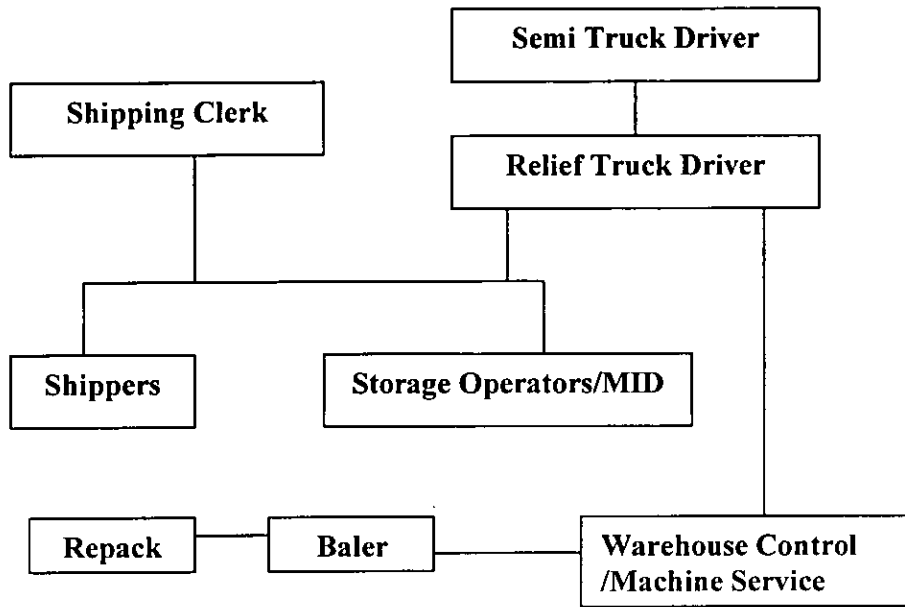
Local 7-0324



Promotions and regressions to the next level within each progression will be determined by seniority (in the following order - job seniority, department seniority and company seniority), ability and qualifications.

APPENDIX "H"

SHIPPING PROGRESSION

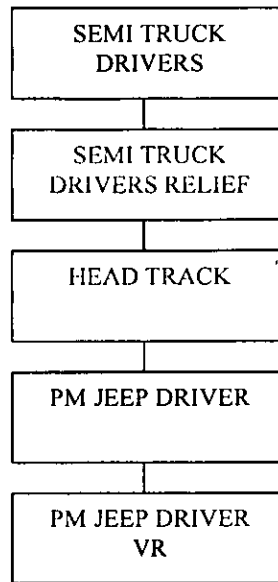


SHIPPING PROGRESSION

1. Positions will be awarded on the basis of seniority, ability and qualifications.
2. Permanent vacancies in all classifications will first be offered within that classification. In the ASRS this would be restricted to one move in an eight- month period.
3. Permanent vacancies in the Semi Truck Driver classification will be filled from their respective relief position.
4. Permanent vacancies in the Relief Semi Truck Driver classification will be filled from the Shippers, Storage Operators/MID or Warehouse Control/Machine Service classifications.
5. Permanent vacancies in the Shipping clerk classification will be filled from the Shippers or Storage Operators/MID classifications.
6. Laterals will be allowed between Shippers and Storage Operators/MID classifications. This will be restricted to one move in an eight-month period.
7. Laterals will be allowed between Warehouse Control/Machine Service, Baler and Repack classifications.
8. Permanent vacancies in the Shippers, Storage Operators/MID, Warehouse Control/Machine Service, Baler or Repack classifications will be posted mill-wide.
9. The Vacation Relief positions in Warehouse Control/Machine Service and Baler classifications are inside the progression box.

Track Progression

APPENDIX "J"



T&T Progression

330 OP 360 OP 450 OP 330 OA 360 OA 450 OA
370 OP 370 OA OP Helper per level 3 Level 3 VR

Level 3 Entry Vacation Relief

340 OP 345 OP 390 OP 420 OA 460 OA 470 OA
475 OP 480 OP Combined Utility Level 2 VR
OP Helper per Level 2 - A/B

Level 2 Entry Vacation Relief

510 520 530 540 570 550 555 590 Level 1 VR
Core Makers - 220 230 240 250 260

Level 1 Entry Vacation Relief

T&T PROGRESSION/REGRESSION

1. Progression and regression to the next level will be determined by seniority, ability and qualifications. An Operator may progress one level at a time. If an Operator does not regress the way they progressed, they must sign into a Entry Vacation Relief position and train on all machines and casepackers. An Operator must wait eight months to regress.
2. If a machine goes off the swing shift, the senior employee on the machine will have the option of staying on the machine or bumping into a 7-day operation. If the senior employee elects to stay on the machine, this option will be given to the remaining operators by seniority. The displaced employee will follow the bumping rules of the department. Temporary swing shift will follow its own set of rules.
3. The Eight-Month Rule starts the day you are awarded a machine. This only applies to regressive moves.
4. The Entry Vacation Relief positions will not be allowed to freeze on their jobs.
5. The 7-day Vacation Relief positions will not follow the same exclusions as the Entry Vacation Relief, but rather, they will have the same rights and be treated as a person assigned to any operation within the box.
6. Lateral moves are allowed by seniority within the progression box, including Vacation Relief positions, if they have completed the set training schedule. Lateral moves from machines to Entry Vacation Relief positions are not allowed.
7. Machine Opens – Allow lateral moves within the box first. Then allow any progressive or regressive movement from other areas of the machine progression. Anyone entering this area that has been operating in the progression box before, may go directly to the machine they have been awarded and shall take refresher training on any new machine or case packer added to this area. Any operator entering this progression box for the first time must enter at the Entry Vacation Relief position and train on all the machines.
8. Any Operator is JQ'able after they have completed the set training schedule for that progression box. Any operator finishing early or requesting additional weeks must wait for the set training schedule to pass before being awarded or required into a machine position.
9. Forcing Into An Opening – The junior employee in the progression box or boxes including Vacation Relief, who have completed the set training schedule, will be forced into the opening.
10. Vacation Relief Positions – All Vacation Relief positions receive the rate of pay of the lowest class code of the progression box they are relieving in. Vacation Relief Operators can make lateral moves within the progression box.
11. For the purpose of the weekly schedule, in the event of machine schedule increase or decrease, for one or more scheduled workweeks, displaced personnel will become floaters.

The Company and the Union can initiate discussions to change these rules as needed through mutual agreement by the parties.

APPENDIX "K"

PLANT 2 NAPKIN SUPPORT FLOATER RULES

1. A floater is an employee whose permanent or temporary job has ceased to provide work.
2. The intent of these rules is to maximize available job preference by seniority of qualified floaters on a daily and weekly scheduled basis and give senior floaters the option to remain on their normal shift.
3. When two or more floaters are to be assigned open jobs, the senior floaters will be given first consideration providing the remaining floaters are qualified for the jobs remaining. If they are not, the qualified floater next higher in seniority will be assigned.
4. If machine shifts are reduced, the senior Napkin Support will remain on the machine.
If a Napkin Support is bumped from a machine shift, the Napkin Support will be re-assigned to another machine on that shift, taking into consideration seniority, ability and qualifications.
5. It is the employee's responsibility to bring to the attention of Management errors in assignment. The Company is only responsible for errors brought to its attention and not corrected.