LABOUR AGREEMENT

By and Between:

NEW FOREST PAPER MILLS LP



and

UNIFOR



LOCAL 1894-1

November 1, 2016 to November 1, 2021

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GENERAL PURPOSE

The general purpose of this Agreement is in the mutual interest of the employer and employee to provide for the operation of the Mill under methods which will further, to the fullest extent, the safety and welfare of the employees, and economy of operations, quality and quantity of output, cleanliness of the Mill and Mill facilities, protection of property. It is recognized by this Agreement to be the duty of the Company, Employee and the Union to cooperate fully, individually and collectively, for the advancement of said conditions.

ARTICLE 2

PARTIES

New Forest Paper Mills LP, 333 Progress Avenue, Scarborough, Ontario and Unifor and its local 1894-1, acting jointly and severally, hereinafter called the Union and the Company, both agree to the provisions of the Collective Agreement. It is further understood that this local will not bargain in conjunction with any other paper mill. The use of masculine gender in this Agreement shall be taken to include feminine.

ARTICLE 3

OPERATING CONTROL

- 3.01 The Union recognizes the Company has exclusive right to manage, and operate its Mill and equipment and carry on its business as it sees fit, subject only to the restrictions imposed by Law and by this Agreement, the Company retaining all rights and privileges not specifically relinquished or modified in this Agreement.
- 3.02 The Union also recognizes that the Company has the exclusive right to determine all matters relating to the terms and conditions of employment of the employees, including without limiting the generality of the foregoing, the right to hire, promote, demote, classify, transfer, lay-off, retire, suspend or otherwise discipline and discharge employees, except as otherwise provided in this Agreement and subject to the right of the employees to lodge a grievance in the manner and to the extent herein provided.
- 3.03 The Company shall have the right to make and alter rules and regulations to be observed by the employees, which rules and regulations shall not be inconsistent with provisions of this Agreement. The Company shall not be deemed obligated because of any past practice or by any waiver of the strict application of this Agreement.

MANDATE AND RECOGNITION

4.01 The Company recognizes the Union as the sole representative, for the purposes of collective bargaining in respect to rates of pay, hours of work and other conditions of employment for all hourly paid employees of the Company employed in its Paper Mill operations at 333 Progress, save and except Foremen, those above the rank of Foremen, quality staff, office staff and safety administrator, and will not include any other business unit of the Employer or other occupants at 333 Progress.

Any employee promoted or transferred to one of the above-mentioned excluded positions will cease to be covered by this Agreement. If for any reason the promotion or transfer of any employee to one of the above-mentioned excluded positions proves unsatisfactory in the opinion of the Company or the employee concerned within the twelve (12) months period from the date of this promotion or transfer, he shall have the right to return to his former job without loss of seniority rights and privileges under the terms of this Agreement. In the event the position is discontinued for any reason, within a period of one (1) year from the date of promotion, the employee shall have the right to return to his last position within the bargaining unit, without loss of any of his seniority rights and privileges under the terms of this Agreement.

4.03 The company and the union agree to meet on a quarterly basis with preestablished agenda to review business related issues.

ARTICLE 5

UNION SECURITY

- 5.01 The Union will not have the right to represent new employees prior to the successful completion of their probationary period and once the probationary period is completed, seniority is attained. All employees shall, by means of payroll deduction, pay Union dues in the amount set by the constitution and local Union. These dues will be collected in two parts on the fourth pay period of each month. If dues are missed, the Company agrees to collect such dues, after receiving a list of the names of those missed, from the Union.
- 5.02 The Company shall pay the amounts so collected to the Financial Secretary of the Union within the first ten (10) days of the month following the month within which deductions were made. The Union will save the Company from any claims that may arise either from any deductions from wages in respect to check-off of the monthly assessment or any action taken at the request of the Union in case of refusal by an employee for check-off of the monthly assessment.

EMPLOYMENT, PROMOTION, SEPARATION

- 6.01 The Company reserves for itself the right to choose the employees to be hired. In case of promotion or transfer of employees, the merit and ability to perform the work required shall be the governing factors and where these factors are equal as between two or more employees, then job seniority shall govern. Should job seniority also be equal, then departmental seniority shall govern. If there are no employees available with the immediate skill and ability to perform the work which is needed then the Company may go outside to hire.
- 6.02 Lines of progression will be established by the Company as per Appendix B.
- 6.03 Promotions from one step to the next higher step within a line of progression shall be on basis of ability and seniority.
- 6.04 Employees next in line will be provided with an opportunity to demonstrate the ability required for the promotion in a timeframe established by the Company and will be required to progress to the next position.
- 6.05 Among employees qualified for promotion on the basis of ability, the older in point of seniority in the line of progression will be promoted.
- 6.06 When declining a promotion in line of progression, the employee should not be punished and demoted but only moved to the bottom of their job classification. See attached Letter of Understanding
 - Procedure for Re-activation of a Job Promotion: See attached Letter of Understanding
- 6.07 Job seniority shall accrue from the last date of entry into the job classification to a regular employee on completion of at least forty-five (45) working days service in the job classification.
- 6.08 In the event that an employee promoted to a position is found unsatisfactory with a trial period of up to 90 working days, in the opinion of the Company, or if the employee wishes and the Company agrees the reason was good and sufficient, he then shall be returned to his former position.
- 6.09 The Company agrees to notify the Union at least 36 hours prior to the layoff that is expected to last in excess of seven (7) days. The company will continue its practice of providing notice as early as feasible.
- 6.10 Probationary employee is defined as being an employee who has less than 180

calendar days of service with the Company during which time the Company shall determine the employee's suitability for continued employment. Such an employee will not accrue seniority with the Company. Upon completion of the employee's probationary period, the employee's seniority shall be counted from his original date of hire at 333 Progress. On agreement between the company and the union the probationary period may be extended.

It is agreed that when a probationary employee is terminated, during the probationary period, it shall be considered they were terminated for reasonable cause with no rights to the grievance procedure. It is agreed that no probationary employee may grieve any discipline or discharge nor may any such case be pursued to arbitration except as governed by law.

- An employee shall forfeit all seniority and his employment with the Company shall be terminated:
 - (a) If he voluntarily leaves the employ of the Company.
 - (b) If he is discharged for cause.
 - (c) If he has been laid off for a period in excess of twelve (12) months, or if he has been laid off for a period equal to his length of service, whichever is less.
 - (d) If after a layoff, he fails without reason acceptable to the Company to report for work at the time prescribed.
 - (e) If he fails without reason acceptable to the Company to report for work at the expiration of an approved "leave of absence".
 - (f) If he is absent without authorization or notification for three (3) consecutive days.
- 6.12 Permanent vacancies occurring in a department or bottom of line of progression will be posted on bulletin boards for at least five (5) days. The Company will provide the Union with a list of employees who have applied for such vacancy in writing. Mill seniority will dictate who shall be given first choice in filling such vacancies.
- 6.13 In the event it becomes necessary to release or lay off an employee because of curtailment of operations, employees shall be demoted step by step down the line of progression in the reverse order of their promotion, or if a job is eliminated, and beginning at the job level where the dislocation is necessary, the employee who has the least job seniority will revert to the next lowest job level and so forth, for each job in the department other than the lowest job. Where the lowest job in any department is concerned, then the employee with the shortest Mill seniority

shall be released first and the employee with the longest Mill seniority shall be released last. The Company agrees to notify the Union at least 36 hours prior to the release or lay off date of its decision under normal circumstances. In application of Article 6.09, the parties agree that, in the event of a layoff or more than seven (7) calendar days, an employee who is displaced from a position may apply their Mill seniority (Bargaining Unit Seniority) to displace a junior employee in the affected line of progression or other position provided he/she can perform the work at an acceptable level of productivity without training or with training of seven (7) calendar days or less.

In the event of a layoff of less than seven (7) calendar days, an employee may displace junior employees first in the same department, and then in other departments provided he/she can perform the work at an acceptable level of productivity without training.

ARTICLE 7

GRIEVANCE PROCEDURE

- 7.01 Should any difference arise between the employer and an employee or employees as to the interpretation or alleged violation of the provisions of this Agreement, they shall be taken up in the following manner. No employee will have a grievance until he has given his Foreman an opportunity to adjust his complaint.
 - (a) The employee, accompanied by a Union Representative, shall submit the grievance in writing stipulating the clause violated and the relief or remedy sought to his Foreman no later than the employee's third working day after its occurrence or the second working day after he returns to work.
 - (b) Should the Foreman fail to give his decision within two working days, or should the employee refuse such decision, the Union may forward the grievance within a further two working days to the Mill Superintendent for his decision.
 - (c) The Mill Superintendent shall give his decision within two working days and should the employee refuse such decision, the Union may forward the grievance to the Mill Manager.
 - (d) Failing settlement at (c), the Union may request a meeting on the grievance with the Corporate Human Resources Director or his/her designee and the National Representative will attend this meeting. This meeting should be held within ten (10) days of receiving the answer from (c).

- (e) Failing satisfactory settlement at (d), the Union may refer the grievance to arbitration. The referral to arbitration will be within ten (10) days of receiving the answer from (d) and the Union will notify the Company in writing and at the same time give the name of their arbitrator(s).
- (f) In the case of a discharge, the grievance procedure will start at (c).
- (g) In all cases of discharge and discipline, a Union Steward will be present with the employee affected except when the employee is absent from work and a letter is sent. The letter will be provided to the Union.
- 7.02 All the Company replies from (a) on will be in writing and attached to the grievance and all time limits specified in this Article may be extended by mutual agreement of both parties. (National Rep.). In the event that the Company wishes to file a grievance, it will file such with the National Representative within ten (10) days of becoming aware of the events leading to this grievance.

ARBITRATION PROCEDURE

- 8.01 The party desiring to submit a matter to arbitration shall deliver to the other party a notice in writing of intention to arbitrate along with a list of suggested arbitrators.
 - (a) In the event that the parties fail to agree on an arbitrator within fifteen (15) working days (or as otherwise mutually agreed), either party may request the Minister of Labour for Ontario to appoint one.
 - (b) The decision of the arbitrator shall be final and binding on both parties. The arbitrator shall not have to power to add, subtract from, alter or amend any of the provisions of this agreement in any respect. In the case of discharge or disciplinary action, the arbitrator may substitute some lesser penalty if, in his/her opinion, such substitution is justified.
- 8.02 Each party shall pay its own arbitration costs including the fees and expenses of witnesses called by it and of its representatives. The fees and expenses of the Chairman shall be shared equally by the parties.

ARTICLE 9

UNION STEWARDS

9.01 The Company recognizes the right of the Union to elect Stewards as representatives of the employees on matters respecting the handling of grievances under the terms of the present Agreement.

- 9.02 A Steward, shall, after notice to and permission from his Foreman, be allowed to leave his job or department after making known his destination, for such time as the Company deems reasonable, for the purpose of pursuing his responsibilities in the settling of grievances arising in his own department.
- 9.03 The Union will provide the Company with a written list giving the name of each Steward and the department to which he is assigned. In the event a Steward is changed, the Company is to be advised within forty-eight (48) hours by written memorandum. The number of Union Stewards and Chairperson will not exceed five (5) unless mutually agreed to by the Company and the Union.
 - It is understood that the Company will only be required to recognize the Union representatives that are members of the local Union 1894-1.
- 9.04 There will be no other Union activity on Company premises except as expressly permitted in this Agreement.
- 9.05 The Union may post notices on a board supplied by the Company for such purposes provided that such notices have received prior approval from the Mill Manager or his delegate.

The Union shall not distribute or post any pamphlets, advertising or political matter, or any other kind of literature within the plant property, except as herein provided.

ARTICLE 10

HOURS OF WORK

- The regular operation of the Mill shall be seven (7) days per week and up to twenty four (24) hours a day. The regular workweek is Sunday to Saturday.
- 10.02 a) For continuous operation employees, (twelve (12) hour shift arrangement), the regular schedule of bi-weekly working hours shall average to eighty-four (84) hours. The Company will inform the Union of any changes of the hours of work as soon as practical before the change is made. Each twelve (12) hour shift arrangement includes an eating period as required by Employment Standards Act. The regular hours of work under the twelve hours shift rotation shall be:

6:00 a.m. - 6:00 p.m. and 6:00 p.m. - 6:00 a.m.

Maintenance department day shift regular hours:

7:00 a.m. - 3:30 p.m. Notwithstanding article 10.03 The Company will conduct a trial for maintenance department to start at 6am (all trades).

- b) The Company has the right to schedule employees to attend crew and/or safety meetings up to a maximum of four (4) hours per month no longer than one (1) hour durations for 12 hour shifts and if overtime is required it will be considered mandatory.
- c) Authorized overtime in excess of regular working periods for the twelve (12) hour shift schedule shall be paid in accordance with Article 11. The schedule of hours of work is not to be interpreted as a guarantee from the Company of daily or weekly hours of work.
- 10.03 For non-continuous operation employees (any other shift arrangement supporting the continuous shift) the regular schedule of bi-weekly working hours shall average to eighty (80) hours and it is agreed that the Company may establish a regular weekday i.e. eight (8), ten (10) or twelve (12) hours. The details of specific shift starting times will be determined by the Company. The foregoing is to define the normal hours of work for the purpose of calculating overtime and shall not be construed as a guarantee of any minimum or maximum number of hours to be worked.
- 10.04 There shall be no pyramiding or supplication of premiums in this collective agreement. An employee will receive the larger of any two premiums for the hours worked but under no circumstances shall he receive more than one (1) premium.
- 10.05 All employees shall be at their respective working place ready to begin work at the designated starting time and shall not leave their working place before the designated quitting time. Continuous shift operation employees shall not leave their job until his mate has reported to take on the responsibilities of the job. Employees scheduled under the twelve (12) hour shift operation shall remain working for a period of up to four (4) hours should their relief fail to report to work. If a worker fails to report for his regular shift, his mate shall notify the Department Foreman. (Refer to the Employment Standards Act.)
- 10.06 It is the duty of all workers to report for his regular shift unless he has made a prior arrangement with Management for a leave of absence. If unavoidably prevented from reporting for work, he shall give Management at least four (4) hours of notice before his shift goes on duty.

Any employee who has been properly called in or who has agreed to work a shift (whether on a day off, during a leave or otherwise) is expected to report for that shift in the normal course.

The Company will issue the appropriate phone numbers to employees for the purpose of reporting in.

10.07 Maintenance Coverage – Shut Down Days

The parties recognize the necessity for maintenance coverage on scheduled maintenance shut down days which are distinct from emergency maintenance or repairs, and agree to cooperate to ensure this coverage.

In order to accomplish the necessary coverage, the following procedure will apply:

- 1. The maintenance supervisor shall determine the number of persons necessary to do the planned maintenance work on the designated shut down day and the number of work hours necessary to complete the job(s).
- 2. When the number of persons required is determined, the Supervisor shall solicit the employees on a voluntary basis to perform the overtime having respect to the skill and ability of the individual employees.
- 3. Should the necessary persons not be secured by voluntarism, the Company may assign the most junior qualified employees necessary.
- 4. Once an employee has been assigned or has accepted to work on a shutdown day, the expectation is that the employee must attend.

10.08 Rest pay for maintenance department –

Any maintenance employee who works, overtime or call in, within 8 hours of their next regular scheduled shift start time, shall receive time off with pay (at straight time) equal to the time worked during the above described period.

- -An employee who qualifies for less than four (4) hours of rest time must report at the deferred time or they will not receive any rest pay.
- -An employee who qualifies for four (4) or more hours of rest time may, with the permission of their supervisor, receive rest pay and take off the remainder of their regular shift without pay.
- -An employee who qualifies for rest time, has finished the call-in and is within three (3) hours of their regular start time, the employee may inform their supervisor, and continue working their regular hours and leave when the appropriate hours are fulfilled to complete his/her shift, and receive the appropriate qualified hours of rest pay.

WAGES

- 11.01 The scale of wages for bargaining unit employees affected by this Agreement will form "Appendix A" and will be considered as part of this Agreement.
- 11.02 All hours will be paid at straight time unless subject to a premium or overtime under article 11 or 12.
- 11.03 All employees who work twelve (12) hours shifts between 6:00 pm and 6:00 am will receive a shift differential of eighty-five cents (\$0.85) per hour.

 (As of November 1, 2017, employees will receive a shift differential of ninety cents (\$0.90) per hour.)

Employees whose shift is 3:00 pm to 11:00 pm shall be entitled to a shift premium of fifty cents (\$0.50) per hour.

This premium/differential will not be paid for any hours worked to complete a day shift.

11.04 When calculating pay, shift premium will only be paid on hours worked and will not be combined with overtime premium.

ARTICLE 12

OVERTIME WAGES

- 12.01 Employees will receive overtime for all hours in excess of their regularly scheduled shift and all hours worked on a scheduled day off, (provided they have worked their full regularly scheduled weekly shifts) shall receive time and one half (1 ½) for all hours worked.
- 12.02 If a worker does not report for his regular shift, his mate on duty shall notify his Foreman or Department Superintendent and shall then remain on the job until a substitute satisfactory to Management has been secured and has taken the job, or if necessary, he shall work an extra shift. (refer to employment standards act)
- 12.03 Opportunities for overtime work will be distributed as equitably as possible among the permanent employees in the department, taking into consideration the qualifications of the employees for the work to be done, the availability of employees for overtime and the continuity of the work and the efficient operation of the department. Where the Company fails to do so, it will offer the appropriate overtime as a remedy, which will be accepted no later than forty-five (45) days

after the initial error. The company and the union will meet to discuss this article with the intent to resolve administrative issues.

- 12.04 When a non-continuous operation worker accepts to work three (3) hours overtime or more, the employee shall receive a ten (10) minute relief period to be taken at the end of his regular shift.
- 12.05 When a Maintenance/Relief worker or helper splits his week between continuous and non-continuous (eight, ten and/or twelve hour shifts), all hours worked over forty (40) hours, shall be paid at overtime rate.

For the purposes of computing overtime, employees must work their full regularly scheduled weekly shifts to be entitled to overtime pay.

ARTICLE 13

APPRENTICESHIP PROGRAM

Should the Company determine that Apprentices are required the Company will include positions in the wage classification as follows:

1. Apprentice Industrial Millwright – 4 periods of 2,000 hours each

1 st period	60% of the Mechanical Classification.
2 nd period	70% of the Mechanical Classification.
3 rd period	80% of the Mechanical Classification.
4 th period	90% of the Mechanical Classification.

2. Apprentice Electrician (Plant Maintenance) – 4 periods of 2,000 hours each

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1<sup>st</sup> period 60% of the Electrician Classification.
2<sup>nd</sup> period 70% of the Electrician Classification.
3<sup>rd</sup> period 80% of the Electrician Classification.
4<sup>th</sup> period 90% of the Electrician Classification.
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If the Employer chooses to hire an Apprentice at any year of the Apprentice process, it will do so and he will be placed accordingly on this scale.

Following completion of the fourth period of any Apprenticeship, the Employer will determine whether it requires a permanent Millwright or Electrician. If the Employer requires it will post the position and the Apprentice will receive the position if he receives a license/ticket within six (6) months from the last day of the Apprenticeship. If the Employer does not post a permanent position within six (6) months or the Apprentice does not become ticketed within six (6) months, then his employment will end upon the completion of the six (6) month period

and all seniority will be lost. Any severance entitlements under the Employment Standards Act will be paid.

ARTICLE 14

VACATIONS

- 14.01 It is agreed that all hourly paid employees of the Company, who meet the following requirements, will earn a vacation leave with pay.
 - (a) Employees with less than one year of continuous service as of the current year shall be entitled to earn a vacation in accordance to employment standards.
 - (b) Employees with one (1), but less than four (4) years of continuous service with the Company as of June 30th of the current year shall earn up to two (2) weeks' vacation with pay.
 - (c) Employees with four (4), but less than nine (9) years of continuous service with the Company as of June 30th of the current year, shall earn up to three (3) weeks' vacation with pay.
 - (d) Employees with nine (9), but less than seventeen (17) years of continuous service with the Company as of June 30th of the current year, shall earn up to four (4) weeks' vacation with pay.
 - (e) Employees with seventeen (17), but less than twenty-three (23) years of continuous service with the Company as of June 30th of the current year, shall earn up to five (5) weeks' vacation with pay.
 - (f) Employees with twenty-three (23) years of continuous service with the Company as of June 30th of the current year, shall earn up to six (6) weeks' vacation with pay.
- 14.02 a) Vacation leave pay will be computed at 2.4% of the employee's total past year's earnings, or on forty (40) hours at the employee's regular straight time rate, whichever is greater, for each week of vacation leave.
 - b) For the purposes of calculating vacation pay, an employees' total gross wages earned in the previous vacation year shall not include any vacation pay previously paid or any other benefits.
- 14.03 Employees will receive their vacation leave pay, in full weeks, prior to the commencement of their vacation leave, if requested in writing two weeks in advance. Thereafter, any outstanding vacation pay not previously requested shall be paid out on or about July 15th of each year.

14.04 An employee will be given the opportunity to choose, with his Foreman, his vacation leave, but under no circumstances will vacation leave be allowed to interfere with Mill operations. The foregoing allowed for, every effort will be made to accommodate employees who qualify in obtaining two (2) consecutive weeks' vacation during prime time, prime time being June 1st to October 1st. Employees must have their vacation booked on the entitlement schedule by March 31st or they will only be allowed the weeks left after this date. In cases where vacation leave requested conflict, preference will be given to the employee older in point of service in the department. Primary vacation leave will be processed by no later than April 30th.

Employees with three (3) or more weeks' vacation entitlement may request to take more than two (2) consecutive weeks' vacation provided it does not interfere with another employee's two (2) consecutive weeks during prime time.

- 14.05 Vacation leave may be taken at any time within the calendar and at such time as, in the opinion of the Company, the services of the employee can be spared.
- 14.06 The Company reserves the right generally to administer the vacation leave plan in accordance with the above provisions.
- 14.07 Vacation entitlement will be posted in November for the following year's vacation.

ARTICLE 15

HOLIDAYS

15.01 All permanent employees who have obtained seniority standing and have worked in the calendar year will earn holiday pay for the following holidays not worked unless otherwise stipulated.

Christmas Day
Boxing Day
New Year's Day
Good Friday
Victoria Day
Canada Day
Labour Day
Thanksgiving Day

- 15.02 To be eligible for pay for a holiday, an employee:
 - 1. Must not have been absent on the workday preceding and/or the workday immediately following such holiday.

- 2. An employee will be considered absent with justifiable cause if he has worked within a period of sixty days (60) prior to the holiday and is:
 - a) away on vacation
 - b) so sick that he is unable to report for work and such sickness is verified upon return to work by a doctor's certificate as stipulated by the Company. The Company, however, reserves the right to refer employees with persistent absentee problems to a doctor.
- 3. An employee will be considered absent without justifiable cause if he:
 - a) is away on absence initiated by himself.
 - b) fails to report because he does not care to work.
 - c) is absent for other personal reasons of his own.
- 4. An employee who is on regular vacation at the time of a paid Mill holiday will receive pay for such Mill holiday in addition to his regular vacation pay or an additional day of vacation with pay to be taken at a mutually agreeable date.
- 5. The employer provides welfare and Insurance programs and therefore, an employee who is away due to illness or accident, (on duty or off duty) will not be entitled to receive statutory holiday pay.
- 6. Those employees off due to illness during the time frame which floaters are to be taken and have been off for a six (6) month period will lose them; there will be no payout of floaters to these employees.
- 15.03 a) For non-continuous shift workers only, when a holiday occurs on a Saturday or Sunday, the holiday will be recognized on the Friday immediately preceding or Monday immediately following respectively. This provision will not apply to continuous workers.
 - b) When a paid holiday(s) falls upon a weekend, the employees in departments that are not on a rotating shift schedule shall be entitled to a day off in lieu, the day to be determined to the mutual satisfaction of the employee and his supervisor.
- 15.04 Where an employee is required to work, on any of the above mentioned holidays they shall be paid their holiday pay, plus time and one half for the hours worked on the holiday. The employee will receive a day off without pay which may be taken in the next six (6) months if he wishes. Request for such a day shall be requested from a Foreman at least three (3) days prior to the taking of the holiday, who will approve the taking of the holiday provided that the employee's absence on the day requested will not be granted in conjunction with vacation leave or other paid holidays, nor will they occasion a Mill shutdown except at the discretion of the Company, nor will they interfere with the efficiency of the department.

15.05 Each employee who has worked in the current calendar year shall be entitled to two (2), "floating holidays" per year and shall be entitled to receive holiday pay when taken.

12 hours pay for 12 hour shift workers. 8 hours pay for 8 hour shift workers.

- 15.06 A regular employee wishing to take a "floating holiday" shall make his request to his Foreman five (5) days prior to the taking of the holiday, who will approve the taking of the holiday provided that the employee's absence on the day requested will not interfere with the efficiency of the department and/or mill.
- 15.07 For those employees who would be scheduled to work on a statutory holiday, holiday pay will be based on each employee's normal schedule (8, 10 or 12 hour shift). Those employees not scheduled to work will receive pay at their regular rate times eight (8) hours. The Company will advise the Union when operating over a statutory holiday is required.

ARTICLE 16

TRADE CLASSIFICATIONS

16.01 Tool Allowance

All skilled trades' persons shall have the required and basic tools for the performance of their jobs. The Company will grant to all employees who are actively at work from the electrical, mechanical and instrument mechanic classifications (after one (1) year of continuous service with the Company) a payment of \$150.00 towards the purchase of tools once per contract. Proof of purchase will be given to the Supervisor.

16.02 "Shift Workers" – Mechanics (Maintenance)

- a) Management will make the decision with regard to the number of day shift workers and shift workers assigned and post the shift schedules accordingly. The Company will make every attempt to notify the employees of any crew schedule changes as far in advance as possible.
- b) All employees in the maintenance department are considered shift workers and are subject to shift work.

The Company retains the right to assign all mechanics to work on shifts as machine maintenance and production necessitates. Where possible, as much notice in advance will be given.

16.03 Pager Allowance

The on-call Electricians, Instrument Mechanics, Mechanics and ETP Operators will carry a pager and be available for call in.

There will be two (2) Mechanics on call. Both on-call Mechanics on a rotation basis will be required to carry a pager.

The on-call persons will be paid \$100.00 per week when on call.

For on-call employees required to carry a pager, failure to respond will result in loss of allowance and progressive discipline will apply.

16.04 EMERGENCY/REPORTING FOR WORK

Hours actually worked (exclusive of premium time) during a "call in" by Maintenance workers who are not designated to shifts as per the Collective Agreement, will count in the computation of forty (40) hours for the purpose of determining the level of payment for overtime.

ARTICLE 17

CONDUCT RECORD

- 17.01 Complete conduct records for all employees shall be maintained. These records shall include:
 - (a) Offences and infractions of Mill rules.
 - (b) Absenteeism
 - (c) Accidents which have occurred to the employee while in the employ of the Company.
 - (d) Suggestions made by the employee or any other worthy accomplishments which, in the opinion of Management, should be recorded to his credit.
- 17.02 In cases of minor offences and infractions of Mill rules, where an employee has a clear record for a period of eighteen (18) months, his record of offences shall be cleared. Offenses involving insubordination, human rights, health and safety or improper client interaction are serious and will never be removed.
- 17.03 These conduct records shall be used as a means of reaching a decision regarding possible penalties for misdemeanors; or for appraising the relative merit of an employee for promotion or transfer.

NO STRIKE OR LOCKOUT

- 18.01 The Union agrees that during the terms of this Agreement neither it nor any of its respective officers, agents or representatives shall cause, authorize or sanction or permit its respective members to cause or take part in any strike, sit-down, stay-in, slow-down or stoppage of any of the Company's operations, or in any curtailment of work or restriction of or interference with production or in any picketing of the Company.
- 18.02 The Company agrees that during the terms of this Agreement, it shall not cause or Sanction a lockout.

ARTICLE 19

MEAL ALLOWANCE

A meal allowance of \$10.00 will be paid to an employee who works in excess of two (2) hours overtime after his/her scheduled shift, and who has received less than 24 hours' notice regarding such overtime. An additional meal allowance will be payable every four (4) hours following thereafter. The meal allowance will be added to the pay cheque.

ARTICLE 20

<u>CALL INS – TRADES</u>

An employee, who has already left the premises of the Company, after the completion of his regular day or shift, called in for emergency work, shall receive a minimum of four (4) hours pay at straight time or time and one half for the hours worked, whichever is greater. On Sundays, this call in for emergency work shall be paid at six (6) straight time hours or time and one half (1½) whichever is greater.

ARTICLE 21

ADJUSTMENTS

- 21.01 If any new classifications are added within the bargaining unit or if existing classifications are changed, the parties shall meet in an attempt to agree upon rates for the new or revised classifications.
- 21.02 Rates for new classifications will be established by the Company.

BEREVEMENT / PERSONAL LEAVES

- When death occurs to a member of any employee's immediate family, the Company will grant the employee, if he has successfully completed his probationary period, a leave of absence with pay at his regular straight time base rate for up to, but not exceeding three (3) consecutive scheduled working days lost in the five (5) day period beginning with the date of funeral arrangements. (3 consecutive days lost in the seven (7) day period for continuous workers). Immediate family is limited to father, mother, father-in-law, mother-in-law, brother, sister, stepmother, stepfather, grandparent, grandchildren, brother-in-law, sister-in-law, and grandparents in-law. Five (5) consecutive working days will be allowed instead of three (3) if the employee has to travel in excess of 480 kilometers for the purpose of attending the funeral. Five (5) days will be allowed for spouse and child.
 - 1. An employee on vacation at the time of bereavement is to be considered as on active service and the number of days ordinarily provided in such case is to be added to vacation period.
 - 2. Consistent with bereavement entitlements as agreed to in the Collective Agreement, Bereavement Leave for a twelve (12) hour shift worker will be three (3) days (at 40 hours) where it indicates five (5) days, and two (2) days (at 24 hours) where it indicates three (3) days.
- 22.02 At the discretion of the Company, a leave of absence for legitimate personal reasons may be granted.
 - 1. The leave of absence must be applied for, in writing, outlining the reasons for the request within two (2) weeks of the proposed commencement date for the leave.
 - 2. Permission for such leave will be in writing.
 - 3. An employee on such leave shall not be considered laid off, but his seniority shall continue to accumulate up to a period of six (6) months.
 - 4. The Company may grant a maximum of ten (10) days for leave of absence without pay per year to the Union President, or an elected Steward so designated, to attend Union sessions.

SENIORITY

23.01 For the purpose of this Agreement, there shall be three (3) types of seniority.

Job seniority, Department seniority and Mill seniority.

23.02 Job Seniority

It is defined on the length of service on a job classification measured from the date the employee is assigned to that job on a regular basis.

23.03 Departmental Seniority

Is defined as the length of service in a line of progression or department.

23.04 Mill Seniority

Is defined as the length of service at the New Forest Paper Mills.

23.05 In applying seniority in cases of promotion (where skill and ability are equal as determined by the Company) preference shall be given to job seniority, where job seniority is equal, departmental seniority shall prevail. If job and departmental seniority are both equal, then Mill seniority shall determine the promotion.

ARTICLE 24

TERMS OF AGREEMENT

The Term of this Agreement is November 1st, 2016 to November 1st, 2021 and this Agreement will remain in effect beyond termination date until a new contract is ratified except as provided herein.

ARTICLE 25

SAFETY SHOES

\$125.00 (on DOR) will be paid towards the purchase of one (1) pair of safety shoes (CSA approved) per contract year for each employee who is actively at work with one (1) or more years of continuous service upon submission of appropriate receipts. Effective November 1st, 2017 increase to \$130

Effective November 1st, 2018 increase to \$135

Rubber boots supplied by Company with one pair per contract The Company will provide coveralls and cleaning for maintenance department only. Winter jackets will be provided as determined by the company.

ARTICLE 26

JURY DUTY

The Company agrees to pay the difference between an employee's regular earnings and jury duty pay, also for Crown Witness, provided:

- (a) the employee has passed probation;
- (b) the employee shows proof of jury duty, being called as a Crown Witness, or a subpoenaed witness;
- (c) the employee is not being called as a Witness in an action against the Company.

ARTICLE 27

SAFETY AND HEALTH

The Union and the Company agree to cooperate to the fullest extent in promoting safety in the Mill, and the avoidance of accidents to the employees. The Company further agrees that there will be a safety committee of one (1) member appointed from and by the Company, and two (2) members appointed from and by the Union. The Company will appoint a safety administrator to support safety activities at the mill.

ARTICLE 28

ABSENCE AND ATTENDANCE

- 1) The Company may request a doctor's certificate to demonstrate:
 - i) the employee is not fit for work.
 - ii) the employee is now fit for work.
- 2) A doctor's certificate will be required after three (3) days absence.
- 3) When the Company has reason to question absences of less than one (1) day, we will notify the employee that they need a doctor's note.

Before a doctor's certificate will be required, the employees will be placed on notice and the employee's attendance record will be thoroughly reviewed. The employee will be notified in writing that, in future, medical certificates for absences of less than three (3) consecutive work days will be required. Such written notice will be provided to the employee by the Mill Superintendent, with a copy to the local Union President.

ARTICLE 29

WELFARE AND INSURANCE PROGRAM

29.01 The Company agrees to contribute 100% of the billed premium for the long term disability benefit under the current long term disability plan for each eligible employee.

The Company agrees to contribute 100% of the billed premium for the dental benefit under the current dental plan for each eligible employee.

It is understood that the obligation of the Company is to purchase insurance as set out herein and not to act as an insurer of these benefits. Benefit entitlements under this Article are not arbitrable and must be addressed with the carrier.

It is agreed that the benefit plans referred to these schedules are not incorporated by reference into this agreement, and that the Company may, at any time change carriers or plans without changing the current level of benefits.

The employer shall not be required to pay any premium required by this article on behalf of any employee who is absent from work without pay for more than thirty (30) days.

For information purposes only, a summary of the benefits provided under the current plan follows:

Eligibility:

Benefits are provided under this Collective Agreement to all employees who have completed two (2) months of employment with New Forest.

Employees receiving benefits will maintain their maximum benefit for their claim period. Should a contract increase the benefits maximum, the employee will receive the maximum under the original claim date.

Coverage under all benefit plans with the exception of long term disability will cease after two (2) years absence due to sickness or disability including workplace disabilities.)

Coverage for all benefits will cease at the end of the month of which an employee is laid off. For employees with five (5) years' service or more, benefits will cease at the end of the month, following the month in which the layoff occurs.

It is understood that issues of denial of benefits are not subject to the grievance procedure or arbitration and must be pursued with the insurer, benefit administrator or carrier. The Employer is not the insurer and meets its obligation under this agreement by paying the required premiums.

29.02 Life Insurance

The company will pay insurance premium as per the following service grid:

Service Level	Date of Ratification		Effec	tive Nov. 1, 2017
More than 2 months < 2 years	\$	32,500.00	\$	39,000.00
More than 2 years < 3 years	\$	33,750.00	\$	40,500.00
More than 3 years < 5 years	\$	42,500.00	\$	51,000.00
More than 5 years	\$	62,500.00	\$	75,000.00

Benefit coverage (except under the LTD plan) will cease for employees absent due to a disability for which they are receiving disability benefits under the Long Term Disability Plan and/or Workplace Safety Insurance Board Act after two (2) years of continuous disability.

Retiring employees will be entitled to a death benefit of \$1,000.

29.03 Dependent Life Insurance

The Company will implement coverage of \$5,000 for spouse and \$2,500 for children.

29.04 Accidental Death & Dismemberment

The Company will implement coverage of \$20,000 for eligible employees.

29.05 Major Medical

The Company pays 100% of the premium cost of Major Medical Insurance, the basis of which is described below.

Each calendar year a deductible of \$20.00 per individual and \$25.00 per family will be taken. After deductible is satisfied, the insurance company will pay 90% of all eligible expenses as defined in the contract with the carrier. For example, semi-private, registered nurses, prescription drugs, appliances while in hospital, physiotherapy treatments.

The plan will cover an Osteopath, Podiatrist, Christian Science Practitioner - \$7.00 per visit, \$25.00 per X-ray.

29.06 Weekly Indemnity

The Company pays 100% of the premium cost of the Weekly Indemnity Insurance Plan described herein. Benefits commence with the first day of accident or hospital confinement, and the fourth (4th) day of illness (non-occupational) and may continue for fifty-two (52) weeks subject to the approval of the carrier at the rate of 66 2/3 of gross weekly earnings with a maximum weekly benefit of \$700.00 or U.I.C. maximum, whichever is greater.

Employees commencing a new claim shall be entitled to the weekly benefit then in effect, or the EI maximum then in effect, whichever is greater. Employees will not be entitled to an increase unless they have been actively at work ninety (90) days prior to the increase in the benefit level.

Employment Insurance Premium (E.I.) Rebate Program

The Union agrees that the employees' portion of this rebate program is used to offset the cost of the plan enrichments.

29.07 Dental Plan

100% premium paid by the Company

Maintain 1-year lag for ODA schedule - \$1,750.00 maximum

B.C. 7, plus Riders 1 and 2. 50/50 co-insurance on Rider 2 (dentures, partials). Company to pay 100% of premium cost.

Orthodontics will be covered in the amount of \$1,750.00 – lifetime maximum. 50/50 co-insurance.

29.08 L.T.D. Plan

(a) Disability means that during the first twenty four (24) months of disability after the approval of the entitlement to L.T.D., the employee is unable, because of disease or injury, to work at his or her own occupation and thereafter during continuance of such period of disability that the employee is unable to work at any reasonable occupation to which the employee might be suited by training education or experience.

- (b) Fifty percent (50%) of employee's average monthly earnings during the preceding year up to a maximum of \$2,500.00 to start on fifty third (53^{rd)} week of sickness.
- (c) The amount of benefit shall be reduced by any payments provided by primary benefits under any government plan.
- (d) Duration of Benefit: Benefits shall cease upon the occurrence of any one of the following:
 - i) on the date the employee ceases to be disabled.
 - ii) date the employee retires.
 - iii) at death.
- (e) Benefit Period: Benefits will be paid for one (1) month, for each completed month of service prior to the onset of disability, while the employee is disabled.
- (f) Exclusions: All disabilities are covered unless they result from self-inflicted injuries, war, riot, civil commotion or as a result of employee's attempt to commit assault, battery or felony.

The total cost of the plan shall be paid by the Company.

(g) An eligible employee is entitled to benefits provided the employee is actively at work on the first day the L.T.D. plan becomes effective.

An eligible employee absent from work due to sickness or accident at the effective date of the plan shall be eligible for long term disability benefits at the return to active full time employment.

29.09 RRSP

Contributions per paid hour will follow the wage grid below. Paid hours for this purpose will include vacations and statutory holidays.

Service	Nov 1/14	DOR	Nov 1/17	Nov 1/18	Nov 1/19	Nov 1/20
20+ years	\$2.50	\$2.55	\$2.60	\$2.62	\$2.64	\$2.65
15 - 20 years	\$2.45	\$2.50	\$2.55	\$2.57	\$2.59	\$2.60
10 - 15 years	\$2.08	\$2.13	\$2.18	\$2.20	\$2.22	\$2.23
5 - 10 years	\$1.66	\$1.71	\$1.76	\$1.78	\$1.80	\$1.81
18 months - 5 years	\$1.25	\$1.30	\$1.35	\$1.37	\$1.39	\$1.40

29.10 Vision Care

The Company will provide a Vision Care Plan that provides \$150.00 per family member every two (2) years. This includes frames, lenses and contact lenses. The Company will pay eye exams for employees and eligible dependents once every two (2) years to a maximum of \$50.00 per exam.

The Company agrees to contribute 100% of the billed premium for the life benefit under the current life insurance plan for each eligible employee.

The Company agrees to contribute 100% of the billed premium for the extended health benefit under the current extended health plan for each eligible employee.

The Company agrees to contribute 100% of the billed premium for the weekly indemnity benefit under the current weekly indemnity plan for each eligible employee.

FOR THE UNION:

FOR THE COMPANY:

Mike Kachurowski

Mike Stratton

Ian Critchley

Florentin Laudat

Gary **Ma**dgett

Fabrizio Orsini

Mario Sabatini

Nick Grober

Ed Stapleton

Eric Faulkner

Jackie Barry

APPENDIX A

New Forest Paper Mills Wage Increases

	Hourly Rates					
		Nov	Nov	Nov		Nov
		1/16	1/17	1/18	1/19	1/20
POSITIONS		2.0%	2.0%			
Machine Tender	\$31.14	\$31.76	\$32.40	TBD	TBD	TBD
Back Tender	\$29.22	\$29.81		TBD		
Third Hand	\$27.92	\$28.48		TBD		
Fourth Hand	\$27.32	\$27.87		TBD		
Fifth Hand	\$26.57	\$27.10	•	TBD		
Stock Prep Operator	\$29.27	\$29.85		TBD		
Stock Prep Helper	\$27.07	\$27.61	\$28.16	TBD	TBD	TBD
Material Handler – Shift	\$26.55	\$27.08	\$27.62	TBD	TBD	TBD
Material Handler - Receiver/Shipper	\$26.55	\$27.08	\$27.62	TBD	TBD	TBD
Material Handler - Shipper/Receiver	\$26.55	\$27.08	\$27.62	TBD	TBD	TBD
ETP Operator	\$28.69	\$29.27	\$29.85	TBD	TBD	TBD
Electrician	\$33.52	\$34.19	\$34.88	TBD	TBD	TBD
Mechanic (includes Instrument Mechanic)	\$32.40	\$33.05	\$33.71	TBD	TBD	TBD
Shift Engineer (2 nd Class)	\$32.40	\$33.05	\$33.71	TBD	TBD	TBD
3rd Class Engineer	\$30.70	\$31.32	\$31.94	TBD	TBD	TBD
Tow Motor Mechanic	\$30.73	\$33.05	\$33.71	TBD	TBD	TBD
Helper	\$26.41	\$26.93	\$27.47	TBD	TBD	TBD
Probation start	\$21.89	\$22.33	\$22.77	TBD	TBD	TBD

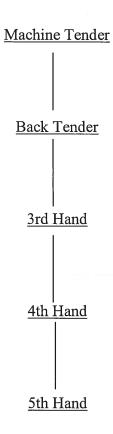
A lump sum payment of \$1,000 as per the pattern will be provided effective November 1st, 2016.

The lump sum payment will be paid to each current active employee who has worked more than 1,000 hours in the 12-month period preceding the ratification vote. Employees who have received a severance payment during this period are not entitled to this amount. Employees who have worked less than 1,000 hours during this period will be entitled to a prorated amount.

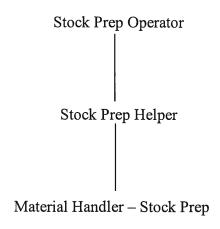
Additionally, the Company will provide a \$1,000 lump sum payment in year two (2) effective November 1st, 2017) and a \$500 lump sum payment in year five (5) effective November 1st, 2020) of this contract agreement.

APPENDIX B - LINES OF PROGRESSION

PAPER MACHINE



STOCK PREPARATION



APPENDIX C – MATERIAL HANDLER POSITION DESCRIPTIONS

Material Handler changes in Stock Prep area

Material Handlers that presently service the Stock Preparation area as part of the existing crew rotation will be moved to the entry point of the line of progression for the stock preparea.

Their job title will be changed to Material Handler – Stock Prep.

Material Handler changes in Shipping / Receiving Areas

- 1. Material Handler Receiving/Shipping
 The company agrees to post for the position of Material Handler
 Receiving/Shipping upon ratification
- 2. Material Handler Shipping/Receiving (2 positions)
 The company agrees to post for 1 position of Material Handler Shipping/Receiving within 6 months after the date of ratification. A second posting to be posted within 12 months after date of ratification.
- 3. Material Handler position changes-It is understood that when these positions are posted this will be the home position but these employees can be used on any other assignment for any reasonable period of time. On this basis we will post for all three positions.

LETTER OF UNDERSTANDING

between

NEW FOREST PAPER MILLS LP

and

COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION LOCAL 1894-1

RE: VACATION PAYMENT

The company and the Union agree to change the date of paying outstanding vacation monies to on or about July $15^{\rm th}$ of each year.

This agreement is effective June 1st, 2012.

NEW FOREST PAPER MILLS LP

N. Grober

E. Stapleton

COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION LOCAL 1894-1

M. Kachurowski

P. Kempton

Letter of Understanding

Between

New Forest Paper Mills LP

And

Unifor Local 1894-1

Re: Procedure for Re-Activation of a Job Promotion

The Company and the Union agree that employees refusing promotions shall sign off as per Article 6.06 of the collective agreement.

All other employees in the affected job classification at the time of sign off will be afforded an opportunity for promotion before the signed off employee. The signed off employee will drop to the bottom of the affected job classification at the time of sign off and advance accordingly. (new employees entering the affected job classification after the sign off are below the signed off employee.)

At the next promotional opportunity for the signed off employee, they will indicate whether or not they wish to advance. This must be done via a request for re-activation of Job Seniority to the company, in writing, to the Mill manager.

There can only be one employee blocking a line of progression classification. If a second employee in the same job classification wishes to sign off on a promotion, the most junior of the signed off employees in that job classification will move to the next lower position or out of the line of progression if applicable.

Any employee that is reassigned to a lower job classification because of promotion refusals becomes the junior employee in that position, for promotional purposes only. A refusal to train for the next position in the line of progression is considered to be promotion refusal.

This agreement is effective

This agreement is effective	
For the Union	For the Company
estate the	18topleto
Michael Stratton	Ed Stapleton

LETTER OF UNDERSTANDING

BETWEEN:

NEW FOREST PAPER MILLS LP

(Hereinafter referred to as "the Employer")

and

UNIFOR AND ITS LOCAL 1894-1

(Hereinafter referred to as "the Union")

- 1. The parties agree that the wage rates in Appendix A of the Collective Agreement effective November 1, 2018 until the expiry of the collective agreement will be determined as follows:
 - (a) In 2014, Unifor negotiated a four year pattern collective bargaining agreement ("pattern agreement") that applied to paper mills in Eastern Canada (Ontario, Quebec and Atlantic Canada).
 - If in 2018, Unifor negotiates another pattern agreement upon the expiry of the current pattern agreement, the parties agree to apply the same annual percentage/dollar wage increases as are negotiated under the new pattern agreement for the applicable years under this agreement. Any increases will be effective on November 1 of the applicable year, regardless of when they are applicable under the pattern agreement. This does not apply to signing bonuses. Concessions under the pattern agreement for employers in CCAA protection will not apply.
 - (b) In the event Unifor does not negotiate another pattern agreement upon the expiry of the current pattern agreement, the parties agree that they will meet and negotiate annual percentage/dollar wage increase terms to apply for remaining duration of the collective agreement on or after November 1, 2018. Such negotiations will be conducted in good faith, with the intent of reaching an agreement on the annual percentage/dollar wage increase terms.
- 2. If Unifor negotiates a pattern agreement in 2018, and that pattern agreement includes pension increases, the Employer will commit to evaluating how those increases compare to the RRSP in article 29.09(b). The Union and the Employer will be responsible for retaining an actuary to make the necessary comparison

between the pattern pension increases and the RRSP. The outcome of the evaluation will determine whether any increases to the RRSP are warranted. The earliest that any increases may be applicable is November 1, 2018.

- 3. The following will apply if Unifor negotiates a pattern agreement in 2018, and that pattern agreement includes net improvements to benefits similar to the benefits offered under article 29 of the collective agreement (excluding RRSP which will be address as per paragraph 2 above).
 - (a) The Employer will compare the pre-increase benefits package in the pattern agreement to the post-increase benefits package to determine the net increases provided under the pattern agreement after offsets, if any.
 - (b) The Employer will propose to the Union options to increase benefits under article 29 such that the benefit package as a whole under article 29 is increase by an amount that is substantially equivalent to the net increase under the pattern agreement.
 - (c) The Union will choose from the options presented.
- 4. No other terms of the collective agreement will be open for negotiation until the expiry of the collective agreement. The parties hereby agree that the processes in the paragraphs above will be used to determine and finally resolve any issues regarding the annual percentage/dollar wage increase terms, increases to RRSP on or after November 1, 2018 and that the parties are prohibited from engaging in strikes and/or lock-outs until after the expiry of the collective agreement and then only in accordance with the Labour Relations Act, 1995.

Signed and dated at Scarborough , Ontario this day of March, 2017:

For the Union

For the Company

Mike Kachurowski

Mario Sabatini